

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**PART II OF THIS SCHEME DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. THIS SCHEME DOCUMENT CONTAINS AN OFFER WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION OF COLUMBUS ENERGY RESOURCES PLC SHARES TO TRADING ON AIM.**

**If you are in any doubt about the contents of this Scheme Document or the action you should take, you are recommended to seek your own independent personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the UK Financial Services and Markets Act 2000 (as amended). If you are outside the UK, you should immediately consult an appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Columbus Shares, please send this Scheme Document (but not any personalised Forms of Proxy) and any reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Columbus Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this Scheme Document in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Scheme Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this Scheme Document nor any of the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

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## **RECOMMENDED ALL-SHARE OFFER**

For

# **COLUMBUS ENERGY RESOURCES PLC**

*(registered in England and Wales with company registration number 05901339)*

By

# **BAHAMAS PETROLEUM COMPANY PLC**

*(a company incorporated under Isle of Man Companies Act 1931 to 2009)*

to be implemented by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006

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**This Scheme Document (including any document incorporated by reference), together with the accompanying Forms of Proxy, should be read as a whole. In particular, your attention is drawn to the letter from the Chairman of Columbus in Part I of this Scheme Document, which contains the unanimous recommendation of the Columbus Directors that you vote in favour of the Scheme at the Court Meeting and the special resolution relating to the Offer to be proposed at the Columbus General Meeting. A letter from VSA Capital Limited explaining the Scheme appears in Part II of this Scheme Document.**

Notices of the Court Meeting and the Columbus General Meeting, both of which will be held at the offices of Kerman & Co, 200 Strand, London WC2R 1DJ on 27 July 2020, are set out in Part IX (*Notice of the Court Meeting*) and Part X (*Notice of the Columbus General Meeting*) of this Scheme Document. The Court Meeting will start at 10.00 a.m. on that date and the Columbus General Meeting at 10.15 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned.

## **Actions to be taken**

The actions to be taken by Columbus Shareholders are set out on pages 11 to 12 of this Scheme Document.

**Shareholders will find enclosed with this Scheme Document a pink Form of Proxy for use at the Court Meeting and a white Form of Proxy for use at the Columbus General Meeting, respectively.**

**IN ACCORDANCE WITH CURRENT GOVERNMENT INSTRUCTIONS IN RESPECT OF THE EVOLVING SITUATION REGARDING COVID-19 AND THE RESTRICTIONS ON SOCIAL CONTACT, PUBLIC GATHERINGS AND NON-ESSENTIAL TRAVEL, WE REQUEST THAT YOU DO NOT PHYSICALLY ATTEND THE MEETINGS AND INSTEAD YOU SHOULD RETURN YOUR FORMS OF PROXY BY THE RELEVANT TIME. AS AT THE TIME OF PUBLICATION OF THIS DOCUMENT, IN ORDER TO COMPLY WITH CURRENT GOVERNMENT PUBLIC HEALTH INSTRUCTIONS, ANY COLUMBUS SHAREHOLDER THAT ATTEMPTS TO PHYSICALLY ATTEND THE MEETINGS WILL BE REFUSED ADMISSION.**

The situation in relation to COVID-19 continues to develop and Columbus is aware that the Government is looking at solutions for the impact of COVID-19 is having on the ability of companies to hold meetings. Columbus will continue to update the Columbus Shareholders on arrangements for the Meetings through a Regulatory Information Service and Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com). Columbus Shareholders are advised to check Columbus's website for updates.

Please complete both Forms of Proxy accompanying this Scheme Document in accordance with the instructions printed on them and return them to the Registrar at Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR as soon as possible but in any event at least 48 hours prior to the relevant Meeting (noting that in taking account of this 48 hour period, no account shall be taken of any part of a day that is not a working day). A pre-paid envelope for use in the UK is enclosed for your use. You can also lodge your proxy vote by sending an email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com), so as to be received by not later than 48 hours (excluding any part of a day that is not a Business Day) before the relevant Meeting.

If the pink Form of Proxy for use at the Court Meeting is not lodged with the Registrar by 10.00 a.m. on 23 July 2020 (or, in the case of any adjournment, such later time as applicable), it may be handed to the Chairman of the Court Meeting before the start of that Meeting, subject to the restrictions in place due to COVID-19 as set out in this document. In the case of the Columbus General Meeting, the white Form of Proxy must be lodged with the Registrar by 10.15 a.m. on 23 July 2020 (or, in the case of any adjournment, such later time as applicable) in order to be valid. As physical attendance at the Court Meeting will be refused in order to comply with the current UK Government public health instructions, you are strongly encouraged to return the pink Form of Proxy by the time noted above. In the case of the Columbus General Meeting, unless the white Form of Proxy is returned by the time noted above, it will be invalid.

If you have any questions about this Scheme Document, the Court Meeting or the Columbus General Meeting or how to complete the Forms of Proxy, please contact the Registrar's office between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except public holidays in England and Wales) on +44 (0) 1252 821390. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com). Calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Registrars are not able to provide advice on the merits of the Offer nor can they give any financial, legal or tax advice.

## IMPORTANT NOTICE

VSA Capital Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Columbus as financial adviser in connection with the Offer and other matters set out in this Scheme Document and for no-one else and will not be responsible to anyone other than Columbus for providing the protections afforded to its clients or for providing advice in relation to the Offer and other matters set out in this Scheme Document. Neither VSA Capital Limited nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of VSA Capital Limited in connection with this Scheme Document, any statement contained herein or otherwise.

### Overseas Jurisdictions

The release, publication or distribution of this Scheme Document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdictions other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to vote their Columbus Shares with respect to the Scheme and the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. This Scheme Document has been prepared for the purposes of complying with English law, the Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

The Scheme will be implemented in accordance with applicable English law and will be subject to the applicable requirements of the Code, the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the Panel and the rules of the London Stock Exchange (including the AIM Rules).

Unless otherwise determined by BPC or required by the Code, and permitted by applicable law and regulation, the Offer will not be made directly or indirectly, in or into, or by the use of (electronic) mail or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or facilities. Accordingly, copies of this Scheme Document, the notices of the Court Meeting and the Columbus General Meeting, the Forms of Proxy, and all other documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. All persons receiving this Scheme Document (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this Scheme Document in, into or from any Restricted Jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

### Additional Information for US Investors

These materials are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States.

The New BPC Shares have not been and will not be registered under the US Securities Act of 1933 (the “**US Securities Act**”) or under the securities laws of any State or other jurisdiction of the United States. Accordingly, the New BPC Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New BPC Shares to be issued pursuant to the Offer are expected to be

issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. There will be no public offer of New BPC Shares in the United States.

The Offer, to be implemented by way of the Scheme, is being made to acquire the entire issued and to be issued share capital of a company incorporated in England and Wales by way of a scheme of arrangement provided for under Part 26 of the Companies Act. A transaction effected by way of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934 (the “**US Exchange Act**”). Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement and takeover offers, which differ from the disclosure requirements, style and format of US tender offer and proxy solicitation rules. If BPC determines to extend the offer into the US, the Offer will be made in compliance with applicable US laws and regulations. Financial information included in this Scheme Document has been or will have been prepared in accordance with non-US accounting standards that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if BPC were to elect to implement the Offer by means of a contractual offer, rather than the Scheme, such offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such offer would be made in the US by BPC and no one else.

Neither the US Securities and Exchange Commission nor any securities commission of any state of the United States has approved or disapproved the Offer, nor have such authorities passed upon or determined the fairness of the Offer or the adequacy or accuracy of the information contained in this Scheme Document. Any representation to the contrary is a criminal offence in the United States.

If the Offer is required to be made in the US, it will be done in compliance with the applicable tender offer rules under the US Exchange Act.

#### **Cautionary note regarding forward-looking statements**

This Scheme Document contains certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations and business of BPC and/or Columbus and/or the Combined Group and certain plans and objectives of BPC with respect thereto. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by BPC and/or Columbus (as applicable) in light of their experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Scheme Document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Scheme Document. BPC does not assume any obligation to update or correct the information contained in this Scheme Document (whether as a result of new information, future events or otherwise), except as required by the Panel, the Code or by applicable law.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Scheme Document. Neither BPC nor Columbus undertakes any obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except to the extent legally required.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business

and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates, and future business combinations or dispositions.

No member of the BPC Group or the Columbus Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Document will actually occur.

Except as expressly provided in this Scheme Document, no forward-looking or other statements have been reviewed by the auditors of the BPC Group or the Columbus Group. All subsequent oral or written forward-looking statements attributable to any member of the BPC Group or the Columbus Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

### **No profit forecasts, quantified financial benefit statements or estimates**

No statement in this Scheme Document is intended, or is to be construed, as a profit forecast, profit estimate or quantified financial benefit statement for any period. No statement in this Scheme Document should be interpreted to mean that earnings per Columbus Share or earnings per BPC Share for the current or future financial years would necessarily match or exceed the historical published earnings per Columbus Share or earnings per BPC Share.

### **Dealing and Opening Position Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day in London following the commencement of the offer period and, if appropriate, by not later than 3.30 p.m. (London time) on the 10th Business Day in London following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day in London following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of the offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's

Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Publication on websites and availability of hard copies**

A copy of this Scheme Document and the documents required to be published pursuant to Rule 26.1 of the Code will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on BPC's website at [www.bpcplc.com](http://www.bpcplc.com) and on Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com) by no later than 12.00 p.m. (London time) on the Business Day in London following the date of this Scheme Document.

Neither the content of any website referred to in this Scheme Document nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Scheme Document.

A hard copy of this Scheme Document will be sent to Columbus Shareholders (other than Columbus Shareholders who have elected to receive electronic communications) in the near future. Columbus Shareholders may request a hard copy of this Scheme Document by contacting Share Registrars by email at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com) between 9.00 a.m. to 5.30 p.m., Monday to Friday (except public holidays in England and Wales) or by submitting a request in writing to Share Registrars at Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. Columbus Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

### **Incorporation of information by reference into this Scheme Document**

The information set out in Part V (*Financial Information*) is incorporated into this Scheme Document by reference.

This information is available on Columbus's website. Columbus Shareholders may request a hard copy of any information incorporated into this Scheme Document by reference to another source by contacting Share Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com) between 9.00 a.m. to 5.30 p.m., Monday to Friday (except public holidays in England and Wales) or by submitting a request in writing to Share Registrars at Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.

### **Electronic Communications**

Please be aware that addresses, electronic addresses and certain information provided by Columbus Shareholders, persons with information rights and other relevant persons for the receipt of communications from Columbus may be provided to BPC during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

### **Rounding**

Certain figures included in this Scheme Document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Scheme Process**

In accordance with Rule 5 of Appendix 7 of the Code, Columbus will announce through a Regulatory Information Service key events in the Scheme process including the outcomes of the Court Meeting, the Columbus General Meeting and the Court Hearing.

Unless otherwise consented to by the Panel, any revision to the Scheme will be made no later than the date which is 14 days prior to the Court Meeting and the Columbus General Meeting (or any later date to which such Meetings are adjourned).

In accordance with Rule 11 of Appendix 7 of the Code, if the Scheme lapses or is withdrawn all documents of title and other documents lodged with any form of election will be returned as soon as practicable and in any event within 14 days of such lapse or withdrawal.

**Date and time**

This Scheme Document is dated 30 June 2020. All times shown in this Scheme Document are London times, unless otherwise stated.

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## ACTION TO BE TAKEN

This page should be read in conjunction with the rest of this Scheme Document and, in particular, the notices of the Court Meeting and the Columbus General Meeting set out at the end of this Scheme Document.

### **Voting at the Court Meeting and the Columbus General Meeting**

The Scheme requires approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at the offices of Kerman & Co, 200 Strand, London WC2R 1DJ at 10.00 a.m. on 27 July 2020. Implementation of the Scheme also requires the approval of the special resolution necessary to implement the Scheme by Columbus Shareholders at the Columbus General Meeting to be held at the same place at 10.15 a.m. on 27 July 2020 (or as soon thereafter as the Court Meeting is concluded or adjourned). Notices of the Meetings are set out in Part IX (*Notice of the Court Meeting*) and Part X (*Notice of the Columbus General Meeting*) of this Scheme Document.

**IN ACCORDANCE WITH CURRENT GOVERNMENT INSTRUCTIONS IN RESPECT OF THE EVOLVING SITUATION REGARDING COVID-19 AND THE RESTRICTIONS ON SOCIAL CONTACT, PUBLIC GATHERINGS AND NON-ESSENTIAL TRAVEL, WE REQUEST THAT YOU DO NOT PHYSICALLY ATTEND THE MEETINGS AND INSTEAD YOU SHOULD RETURN YOUR FORMS OF PROXY BY THE RELEVANT TIME. ANY COLUMBUS SHAREHOLDER THAT ATTEMPTS TO PHYSICALLY ATTEND THE MEETINGS WILL BE REFUSED ADMISSION IN ORDER TO COMPLY WITH CURRENT GOVERNMENT PUBLIC HEALTH INSTRUCTIONS.**

**The situation in relation to COVID-19 continues to develop and Columbus is aware that the UK Government is looking at solutions for the impact COVID-19 is having on the ability of companies to hold meetings. Columbus will continue to update the Columbus Shareholders on arrangements for the Meetings through a Regulatory Information Service and Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com). Columbus Shareholders are advised to check Columbus's website for updates.**

**Please check that you have received with this Scheme Document the following Forms of Proxy:**

- a pink Form of Proxy for use in respect of the Court Meeting on 27 July 2020; and
- a white Form of Proxy for use in respect of the Columbus General Meeting on 27 July 2020.

If you have not received these documents, please contact the helpline.

This will enable your votes to be counted at the Meetings in the event of your absence.

**If the pink Form of Proxy for use at the Court Meeting is not lodged with the Registrar, Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, by 10.00 a.m. on 23 July 2020, it may be handed to the Chairman of the Court Meeting before the start of that Meeting, subject to restrictions in place due to COVID-19 as set out in this document. However, in the case of the Columbus General Meeting, the white Form of Proxy must be lodged with the Registrar by 10.15 a.m. on 23 July 2020 in order to be valid.**

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares and are also entitled to appoint more than one proxy to attend, speak at and vote instead of them at the Court Meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company. Columbus Shareholders are entitled to appoint a proxy in respect of some or all of their Columbus Shares and are also entitled to appoint more than one proxy to attend, speak at and vote instead of them at the Columbus General Meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company. **Due to the restrictions on social contact, public gatherings and non-essential travel only the Chairman of the Meeting can be appointed as proxy. It is expected that the Company's attendance at the Meetings will be limited to satisfy the requirements for a quorum. The Meetings will end immediately after the formal business. Any Columbus Shareholder or proxy (other than the Chairman of the Meeting) that attempts to**

**physically attend the Meetings will be refused admission in order to comply with the UK Government's public health instructions.**

**Whether or not you intend to attend the Meetings, PLEASE COMPLETE, SIGN AND RETURN:**

- 1. THE PINK FORM OF PROXY for use at the Court Meeting so as to be received by not later than 10.00 a.m. on 23 July 2020; and**
- 2. THE WHITE FORM OF PROXY for use at the Columbus General Meeting so as to be received by not later than 10.15 a.m. on 23 July 2020.**

A space has been included in the Forms of Proxy to allow shareholders to specify the number of Scheme Shares (on the pink Form of Proxy) or the number of Columbus Shares (on the white Form of Proxy) in respect of which a proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be taken to have appointed the proxy in respect of all their Scheme Shares or Columbus Shares (as the case may be). For those holders of Columbus Shares in certificated form, the voting record time for the Columbus General Meeting is the time of the vote or, if the meeting is adjourned, the time of the vote at such adjourned meeting.

If you have any questions about how to complete the Forms of Proxy please contact Share Registrars on +44 (0) 1252 821390 between 9.00 a.m. and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com). Please note that the registrars are prohibited from providing advice on the merits of the offer and cannot give any financial, legal or tax advice.

#### **Shareholder helpline**

If you have not received all of the relevant documents or have any questions relating to this Scheme Document, please call Share Registrars on +44 (0) 1252 821390 between 9.00 a.m. and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com). Please note that the registrars cannot provide financial or legal advice.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.**

**The Columbus Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Columbus General Meeting.**

## EXPECTED TIMETABLE OF EVENTS

All references in this Scheme Document to times are to London times unless otherwise stated.

Event	Time and/or date
Publication of Scheme Document	30 June 2020
Latest time for lodging the pink Form of Proxy for the Court Meeting	10.00 a.m. on 23 July 2020 <sup>(1)</sup>
Latest time for lodging the white Form of Proxy for the Columbus General Meeting	10.15 a.m. on 23 July 2020 <sup>(2)</sup>
Scheme Voting Record Time for the Court Meeting and the Columbus General Meeting	6.00 p.m. on 23 July 2020 <sup>(3)</sup>
BPC Annual General Meeting	10.00 a.m. on 24 July 2020
Court Meeting	10.00 a.m. on 27 July 2020
Columbus General Meeting	10.15 a.m. on 27 July 2020 <sup>(4)</sup>

**The following dates are indicative only and subject to change<sup>(5)</sup>**

Court Hearing	5 August 2020
Last day of dealings in, and for registration of transfers and disablement in CREST of, Columbus Shares	6 August 2020
Scheme Record Time	6.00 p.m. on 6 August 2020
Suspension of trading on AIM of, and dealings, settlements and transfers in, Columbus Shares	7.30 a.m. on 7 August 2020
Effective Date of the Scheme	7 August 2020
Cancellation of admission to trading on AIM of, and cessation of dealings in, Columbus Shares	7.00 a.m. on 10 August 2020
Admission and commencement of dealings on AIM of the new BPC Shares	by 8.00 a.m. on 10 August 2020
Latest date for settlement of new BPC Shares	24 August 2020
Longstop Date <sup>(6)</sup>	15 November 2020

*Notes:*

- (1) It is requested that pink Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting (noting that in taking account of this 48 hour period, no account shall be taken of any part of a day that is not a working day). Pink Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting before the start of the Court Meeting.
- (2) White Forms of Proxy for the Columbus General Meeting must be lodged not later than 48 hours prior to the time appointed for the Columbus General Meeting (noting that in taking account of this 48-hour period, no account shall be taken of any part of a day that is not a working day). White Forms of Proxy not returned so as to be received by the time mentioned above and in accordance with the instructions on the white Form of Proxy will be invalid unless the Columbus Directors direct otherwise. White Forms of Proxy may NOT be handed to the Chairman of the General Meeting.
- (3) If either the Court Meeting or the Columbus General Meeting is adjourned, the Scheme Voting Record Time for the relevant adjourned meeting will be close of business on the day which is two working days prior to the date fixed for the adjourned Meeting.
- (4) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) These dates and times are indicative only and will depend, among other things, on the dates upon which: (i) the Conditions are satisfied or waived (to the extent they are capable of being waived); (ii) the Court sanctions the Scheme; and (iii) the copy of the Court Order is delivered to the Registrar of Companies for registration. If any of the expected dates change, the revised times and/or dates will be announced by Columbus via a Regulatory Information Service.
- (6) This is the latest date by which the Scheme must become Effective unless Columbus and BPC agree (and, if required, the Panel and the Court permit) a later date.

## PART I

### LETTER OF RECOMMENDATION FROM THE CHAIRMAN OF COLUMBUS ENERGY RESOURCES PLC



*(Incorporated in England and Wales under the Companies Act 1985 with registered number 05901339)*

*Directors:*

Leo Koot, *Executive Chairman*  
Anthony Hawkins, *Chief Executive Officer*  
Gordon Stein, *Chief Financial Officer*  
Michael Douglas, *Non-Executive Director*

*Registered office:*

Suite 114,  
90 Long Acre,  
London, WC2E 9RA  
United Kingdom

30 June 2020

*To Shareholders and, for information only, to holders of options under the Columbus Share Plans*

Dear Shareholder,

#### **RECOMMENDED ALL-SHARE MERGER OF COLUMBUS ENERGY RESOURCES PLC AND BAHAMAS PETROLEUM COMPANY PLC**

##### **1. Introduction**

On 11 June 2020, the boards of Bahamas Petroleum Company plc and Columbus Energy Resources plc announced that they had reached agreement on the terms of a recommended all-share merger by way of a share for share exchange offer to be made by BPC to acquire the entire issued and to be issued ordinary share capital of Columbus (the “**Merger**”). The Merger is to be implemented by means of a Court-sanctioned scheme of arrangement between Columbus and the Scheme Shareholders under Part 26 of the Companies Act 2006 (the “**Scheme**”).

This document explains the background to the Merger and the reasons why the Columbus Directors unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Columbus Shareholders vote in favour of the resolutions to be proposed at the Columbus General Meeting.

This document also contains the proposed Scheme, the notices of the Court Meeting and the Columbus General Meeting and is accompanied by the Forms of Proxy.

The Scheme will be subject to the Conditions set out below and in Part III to this document, including the approval by BPC Shareholders to increase the authorised share capital of BPC that is intended to be obtained at the BPC Annual General Meeting.

Details of the actions you should take and the recommendation of the Columbus Directors are set out in paragraphs 20 and 23 respectively of this Part I.

##### **2. The Merger**

The Merger will be implemented by way of the Scheme, the full details of which are set out in Part II and Part IV of this document.

Under the terms of the Scheme, which is subject to the Conditions set out in Part III of this document, Columbus Shareholders on the register of members of Columbus at the Scheme Record Time will be entitled to receive:

**For each Scheme Share, 0.803 New BPC Shares**

- The value of the acquisition on fully diluted basis has been calculated on the basis of BPC's Closing Price on 10 June 2020 (being the last practicable date prior to the Announcement) and Columbus's fully diluted issued ordinary share capital of 941,527,205 Columbus Shares, which is calculated by reference to 918,014,741 Columbus Shares on issue on 10 June 2020 and a further 23,512,464 Columbus Shares which may be issued on or after the date of the Announcement pursuant to the Contractor Shares Scheme and other repayments.
- Unless otherwise stated, all reference to numbers of Columbus Shares and the percentage that such Columbus Shares represent of the issued share capital of Columbus are references to such numbers and percentages as at 29 June 2020 (being the last practicable date prior to the publication date of this document).
- The Merger values Columbus's existing issued and to be issued share capital at approximately £25.1 million as at close of business on 10 June 2020 (being the latest practicable date prior to the Announcement). This represents a value of approximately 2.67 pence per Scheme Share based upon the BPC Closing Price of 3.33 pence on 10 June 2020, being the latest practicable date prior to the date of the Announcement, being:
  - a premium of 11 per cent. to the Columbus Closing Price on 10 June 2020, (being the latest practicable date prior to the Announcement);
  - a premium of 25 per cent. to the one-month volume weighted average price per Columbus Share as at close of business on 10 June 2020 (being the latest practicable date prior to the Announcement);
  - a premium of 36 per cent. to the two-month volume weighted average price per Columbus Share as at close of business on 10 June 2020 (being the latest practicable date prior to the Announcement); and
  - given the disruptive impact of the COVID-19 virus to global equity markets and operating conditions for both Columbus and BPC, and the fact that both BPC and Columbus have recently made important positive announcements relating to their businesses and operations (in the case of BPC, on 26 May 2020 announcing a rig contract and setting a date for resumption of drilling activities in The Bahamas, and in the case of Columbus, on 27 April 2020 announcing a discovery at its Saffron prospect), the Columbus and BPC Directors consider these measures to be the appropriate value metric by which the Merger should be considered.

Fractions of New BPC Shares will not be allotted and issued to Columbus Shareholders pursuant to the Scheme and shall be aggregated, allotted, issued and sold in the market after the Effective Date.

Assuming that a maximum number of 803,635,279 new BPC Shares are issued pursuant to the Merger to the Scheme Shareholders and outgoing Columbus executives (collectively, the "**Columbus Parties**"), including additional new BPC Shares to be issued on or shortly after the Effective Date (i) in respect of termination payments to Columbus executives, as agreed, and (ii) in respect of the exchange of certain Columbus executives' nil-cost options for new BPC Shares, the Columbus Parties will in aggregate hold approximately 23.9 per cent. of the enlarged issued share capital of BPC immediately following the Effective Date. Assuming 80,000,000 new BPC Shares are issued pursuant to the Replacement Funding Agreement to settle the Lind Convertible Loan Agreement, BPC Shareholders and the investor under the Replacement Funding Agreement (collectively the "**BPC Parties**") will in aggregate hold approximately 76.1 per cent. of the enlarged issued share capital of BPC immediately following the Effective Date.

The New BPC Shares will be allotted and issued credited as fully paid and will rank *pari passu* in all respects with the existing BPC Shares in issue at the time the New BPC Shares are allotted and issued pursuant to the Merger, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date.

The existing BPC Shares are admitted to trading on AIM. BPC will seek the approval of its shareholders to issue sufficient shares for the Merger at the BPC Annual General Meeting. Application will be made for the admission of the new BPC Shares to trading on AIM. It is expected that, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, admission will become effective and that trading in the new BPC Shares will commence at 8.00 a.m. on 10 August 2020.

The Scheme requires the Scheme Shareholders to vote in favour of the Scheme at the Court Meeting, the Columbus Shareholders to vote in favour of the resolutions to be proposed at the Columbus General Meeting and the BPC Shareholders to vote in favour of the resolutions to be proposed at the BPC Annual General Meeting.

Following the Meetings, it is expected that the Court Hearing will take place on 5 August 2020. The Effective Date is expected to be 7 August 2020.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether they attended or voted and, if they voted, whether they voted for or against the Scheme, at the Court Meeting or the Columbus General Meeting. Upon the Scheme becoming Effective and Columbus's register of members being updated to reflect the transfer of the Scheme Shares from the Scheme Shareholders to BPC, Columbus will become a wholly owned subsidiary of BPC.

The Scheme and Merger are conditional on, amongst other things:

- (A) all resolutions necessary to approve and implement the Scheme, and amend the articles of association of Columbus being duly passed by the requisite majority or majorities at the Columbus General Meeting and the Court Meeting;
- (B) the sanction of the Scheme by the Court and the Scheme becoming Effective;
- (C) the passing at the BPC Annual General Meeting of such resolution or resolutions as are necessary to authorise the issue of the New BPC Shares;
- (D) entering into the Goudron EPSC with Heritage Petroleum Company Limited;
- (E) receiving Heritage Petroleum Company Limited's consent to the change of control with respect to the applicable contracts for the Goudron, Trinity Inniss and South Erin fields and the non-imposition of a change of control payment (where applicable);
- (F) receiving no objection from Staatsolie Maatschappij Suriname N.V. to the Merger with respect to the Weg Naar Zee block in Suriname; and
- (G) the Conditions and further terms not otherwise identified above to which the Scheme and the Merger are subject, as set out in Part III of this document, either being satisfied or (with the exception of certain conditions which are not capable of waiver) waived.

### **3. Background to and reasons for the Merger**

Columbus is an AIM-quoted oil and gas producer and explorer focused on onshore Trinidad and Suriname. In Trinidad, the Columbus Group has five producing fields, two appraisal/development projects and a prospective exploration portfolio in the South West Peninsula, which lies in the extreme southwest of Trinidad and consists of stacked shallow and deep prospects. A discovery was announced by Columbus in two zones in one of these prospects in late April 2020, including high-quality light oil (circa 40-degree API) recovered to surface. In Suriname, Columbus has an onshore appraisal/development project.

BPC is an AIM-quoted oil and gas exploration company focused exclusively on offshore exploration in licences located in the southern territorial waters of The Bahamas. BPC is currently on-track for drilling an initial exploration well, Perseverance #1, in late 2020/early 2021, with the well targeting recoverable P50 prospective oil resources of 0.77 billion barrels, with an upside of 1.44 billion barrels. Across the BPC portfolio, BPC has an independently assessed resource potential of between 8 billion and 28 billion barrels of oil STOIP. BPC has also recently been awarded an exploration licence in Uruguay, which BPC considers to be highly prospective, with a potential resource of 1 billion barrels of oil equivalent.

### ***Full-cycle, Caribbean/Atlantic margin oil and gas champion***

The Boards believe that a combination of Columbus and BPC will create a Caribbean and Atlantic margin focused oil and gas ‘champion’, with assets that range across the full spectrum of oil and gas activities, from exploration, appraisal, and development to production. The Boards consider that the Merger offers a strong fit in terms of asset overlap and technical, operational and financial/risk diversification synergies.

In particular, the Combined Group will have access to high-impact offshore exploration in The Bahamas with drilling expected to take place within the next nine months, material onshore exploration, appraisal and development projects in Trinidad, a material onshore appraisal and development project in Suriname, and longer-term exploration prospects of scale in Uruguay. All of this will be underpinned by existing production onshore Trinidad, which BPC believes can be materially increased at low cost by application of BPC’s technical expertise.

Moreover, the Boards believe the Combined Group will have the footprint, technical capabilities and scale to further grow and consolidate and deploy its combined expertise in the Caribbean and more broadly in oil and gas projects around the Atlantic margin, and in so doing, attract increased interest from investors/shareholders attracted to the broader, diversified portfolio of assets and risks that the Combined Group would represent.

### ***Exposure to complementary exploration potential***

For Columbus Shareholders, the Merger provides an opportunity to gain exposure to a high-impact exploration well in The Bahamas that is intended to be drilled in Q4 2020/Q1 2021. A discovery by the Perseverance #1 well has the potential to transform BPC as the Perseverance #1 well is targeting recoverable P50 prospective oil resources of 0.77 billion barrels, with an upside of 1.44 billion barrels (and within a broader structural play that has been assessed as having resource potential of between 8 and 28 billion barrels STOIP).

For BPC Shareholders, the Merger provides an opportunity to gain exposure to production, development and appraisal assets and multiple exploration targets across assets in both Trinidad and Suriname. BPC believes that it can apply the technical expertise of its management team to these assets and, at relatively low cost, materially increase existing production levels as well as rapidly progress exploration targets to production/income generation.

### ***A combined business with a complementary asset base, diversified risk profile and an enhanced financial position***

Columbus has established a solid production base in Trinidad and has commenced the work necessary to mature the South West Peninsula from an exploration target to an appraisal and development opportunity. Likewise, in Suriname, Columbus has an existing discovered resource and is preparing for a series of extended well tests to appraise and develop it. These activities require both capital and technical expertise, and the Boards believe that each of these can best be accessed by the larger Combined Group.

Given the complementary asset base and skill sets of both Columbus and BPC, the Boards believe a combination of the two companies provides an excellent opportunity to drive operating synergies by eliminating duplicate costs (such as listing fees, advisory fees, and so forth). Equally, the Boards consider that a business with a broader, regional portfolio, as would be the case with a combined Columbus – BPC entity, would both diversify risk and be inherently larger and more attractive to longer-term institutional investors, thus providing a number of benefits to all shareholders in terms of enhanced market size, liquidity, and access to capital from multiple sources, including via equity capital and debt markets.

In summary, the Boards believe the Merger offers a strong fit in terms of asset overlap and technical, operational and financial/risk diversification synergies. The boards of Columbus and BPC believe each of Columbus and BPC will be strengthened by the Merger and that the value of the Combined Group will be greater than the sum of its parts.

## **4. Recommendation of the Merger by the Columbus Directors**

For the reasons set out in this document, the Columbus Directors, who have been so advised by VSA Capital as to the financial terms of the Merger, consider the financial terms of the Merger to be fair and

reasonable. In providing their financial advice to the Columbus Directors, VSA Capital has taken into account the commercial assessments of the Columbus Directors. VSA Capital is providing independent financial advice to the Columbus Directors for the purposes of Rule 3 of the Code.

**Accordingly, the Columbus Directors unanimously recommend that Columbus Shareholders vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the Columbus General Meeting as all Columbus Directors holding Columbus Shares have irrevocably undertaken to do so in respect of their own holdings of Columbus Shares, being a total of 15,126,296 Columbus Shares, (representing, in aggregate, approximately 1.62 per cent. of the ordinary share capital of Columbus in issue on 29 June 2020 (being the latest practicable date prior to the publication date of this document)).**

## **5. Background to and reasons for the recommendation**

The Columbus Board believes that a combination of Columbus and BPC will create a Caribbean and Atlantic margin focussed oil and gas ‘champion’, with assets that range across the full spectrum of oil and gas activities, from exploration through appraisal, development to production. The Columbus Board considers that the Merger offers a strong fit in terms of asset overlap and technical, operational and financial/risk diversification synergies.

In particular, the Combined Group will have access to high-impact offshore exploration in The Bahamas with drilling expected to take place within the next nine months, material onshore exploration, appraisal and development projects in Trinidad, a material onshore appraisal and development project in Suriname, and longer-term exploration prospects of scale in Uruguay. All of this will be underpinned by existing production onshore Trinidad.

Moreover, the Columbus Board believes the Combined Group will have the footprint, technical capabilities and scale to further grow and consolidate and deploy its combined expertise in the Caribbean and more broadly in oil and gas projects around the Atlantic margin, and in so doing, attract increased interest from investors/shareholders attracted to the broader, diversified portfolio of assets and risks that the Combined Group would represent.

For Columbus Shareholders, the Merger provides an opportunity to gain exposure to a high-impact exploration well in The Bahamas that is intended to be drilled in Q4 2020/Q1 2021. A discovery by the Perseverance #1 well has the potential to transform BPC as the Perseverance #1 well is targeting recoverable P50 prospective oil resources of 0.77 billion barrels, with an upside of 1.44 billion barrels (and within a broader structural play that has been assessed as having resource potential of between 8 and 28 billion barrels STOIP).

Columbus has established a solid production base in Trinidad and has commenced the work necessary to mature the South West Peninsula from an exploration target to an appraisal and development opportunity. Likewise, in Suriname, Columbus has an existing discovered resource and is preparing for a series of extended well tests to appraise and develop it. These activities require both capital and technical expertise, and the Columbus Board believes that each of these can best be accessed by the larger combined entity.

Given the complementary asset base and skill sets of both Columbus and BPC, the Columbus Board believes a combination of the two companies provides an excellent opportunity to drive operating synergies by eliminating duplicate costs (such as listing fees, advisory fees, and so forth). Equally, the Columbus Board considers that a business with a broader, regional portfolio, as would be the case with a combined Columbus – BPC entity, would both diversify risk and be inherently larger and more attractive to longer-term institutional investors, thus providing a number of benefits to all shareholders in terms of enhanced market size, liquidity, and access to capital from multiple sources, including via equity capital and debt markets.

## **6. Information on Columbus and current trading and prospects**

### ***Management***

The Company’s current executive management began its tenure with the appointment of Leo Koot as Executive Chairman in May 2017 and has been supplemented by the appointment of Gordon Stein as Chief Financial Officer and Stewart Ahmed (now Chief Technical Officer) in June 2017, Anthony Hawkins (now

Chief Executive Officer) in January 2018 and Geoffrey Leid as Managing Director of Trinidad in October 2018.

### **Strategic Update**

Since May 2017, when Columbus's current executive management team began its tenure, the Company has substantially restructured and grown the business. It has:

- (i) renegotiated the commercial arrangements for the exploration, appraisal and development of the SWP, on significantly improved terms;
- (ii) completed the Steeldrum transaction (which added the Inniss-Trinity, South Erin and Cory Moruga licences);
- (iii) increased its ownership of the Icacos field by acquiring Primera Oil and Gas Limited's 50 per cent. stake;
- (iv) signed the Weg Naar Zee PSC in Suriname;
- (v) extended the Inniss-Trinity IPSC to allow for the commencement of a CO<sub>2</sub> Pilot Project (in partnership with, and paid for, by Predator Oil & Gas Holdings plc);
- (vi) restructured the Company's London, Spain and Trinidad operations to reduce costs, including purchasing its own workover rigs to reduce spend on third party service providers;
- (vii) cleaned up many of the legacy liabilities of the Company, including paying off the majority of the Company's corporate debt; and
- (viii) commenced the decommissioning of the Ayoluengo oil field in Spain.

### **Operating Assets**

Columbus is an AIM-quoted oil and gas producer and explorer focused on onshore Trinidad and Suriname. In Trinidad, the Columbus Group has five producing fields, two appraisal/development projects and a prospective exploration portfolio in the South West Peninsula, which lies in the extreme southwest of Trinidad and consists of stacked shallow and deep prospects. In Suriname, Columbus has an onshore appraisal/development project.

During 2020, Columbus completed the drilling of the Saffron well in Trinidad and discovered oil in both the Lower Cruse and Middle Cruse. This included high-quality light oil (circa 40-degree API) recovered to surface from the Lower Cruse. The Saffron well encountered 2,363 ft of gross sands with six reservoir intervals of interest and was a confirmation of the pre-drill reserve estimates and structure in Lower Cruse as identified on seismic.

### **South West Peninsula**

The South West Peninsula contains the Bonasse and Icacos producing oilfields, as well as Columbus's main exploration acreage. Through Columbus's subsidiaries, Columbus holds private petroleum licences as granted by the Government of Trinidad & Tobago for the Bonasse licence area and the Cedros licence area and is awaiting the grant by the government of a private petroleum licence for the Icacos licence area. Each of these private petroleum licences are underpinned by leases with various landowners who hold the mineral rights for their land. Columbus, through its subsidiaries, holds 100 per cent. of each of these leases and licences.

The Icacos field currently produces from four wells. The Bonasse field currently produces from wells in the Middle Cruse and Upper Cruse sands. The wells Bonasse-8 and Bonasse-9 were reactivated in 2018 with the Columbus workover rig.

In January 2020, Columbus announced the completion of the Saffron well and testing. Columbus has since completed testing for the Lower and Middle Cruse intervals of the well. Oil was discovered in the Lower and Middle Cruse intervals with 2,363 ft of gross sands with six reservoir intervals of interest with a 47 per cent. net/gross ratio. In the Lower Cruse, high-quality, light oil (circa 40-degree API) was recovered to surface.

Columbus has signed heads of terms for a full carry of the second Saffron Lower Cruse appraisal and development well (subject to certain terms and conditions), which is expected to commence in Q3 of 2020.

Columbus is currently producing oil from the Middle Cruse interval. The Middle Cruse oil is processed on location and the first 977 barrels of oil have been sold through existing infrastructure.

### ***Goudron field***

Columbus owns 100 per cent. of the rights to the Goudron field through its local subsidiary by way of an incremental production service contract. The Goudron field is currently producing light sweet oil with an average API gravity of 37 degrees.

Columbus has undertaken a water injection pilot project in the Gros Morne “C” Sand interval focused on re-pressuring individual sand lenses in support of initially high rate production wells GY-664 and GY-665. Further water injection projects targeting the shallower more geologically continuous Goudron Mayaro sandstones are being planned for implementation in 2020. Columbus is currently in negotiations with Heritage Petroleum Company Limited to extend the current term of the Goudron IPSC. Additionally, Columbus regularly undertakes well workover operations on the existing producing wells, including well stimulation operations when appropriate.

### ***Inniss-Trinity field***

As part of the Inniss-Trinity IPSC extension, Columbus has implemented a CO<sub>2</sub> enhanced oil recovery project. The project is being progressed in partnership with Predator Oil & Gas Holdings plc. The project has the objective of increasing Inniss-Trinity field production and proving the applicability of the technique to elsewhere in the field and other onshore opportunities. Workover activities in the Inniss-Trinity field have targeted shut-in wells and the availability of the second Columbus workover rig will allow low-cost, timely and efficient workovers to be implemented to keep constant production levels.

### ***South Erin field***

The South Erin field is producing approximately 50-60 barrels of oil per day from six wells under rod pump conditions.

The Company has a number of drill-ready prospects on the licence and will assess further drilling when commercially justified.

### ***Cory Moruga Field (Snowcap development)***

The Cory Moruga licence includes the Snowcap oil discovery, with oil having been produced on test from the Snowcap 1 and Snowcap-2ST wells. The Snowcap-2 test was conducted in early 2019 and yielded oil at varying rates. The Company is currently reviewing its options for the licence.

### ***Spain – La Lora Concession – Ayoluengo oilfield***

The Company manages the La Lora concession on a “care & maintenance” basis. The initial stages of decommissioning of the Ayoluengo oilfield were commenced in 1H 2019, consisting of removal of above ground facilities. This has been completed with costs being met from the sale of equipment and scrap. In October 2019, the Company formally lodged a claim with the Spanish Government to recover €919,192.96 in costs caused by the Spanish Government’s decision not to re-tender the La Lora Concession. Plugging and abandonment of the eighteen (18) wells (12 producing wells, 4 plugged wells and 2 water injection wells) is expected to start in 2021, subject to approval of the decommissioning plan and environmental impact statement by the Spanish Government.

### ***Weg Naar Zee (Suriname)***

In October 2019, Columbus signed a Production Sharing Contract with Staatsolie Maatschappij Suriname N.V for the Weg Naar Zee Block, onshore Suriname (“**Weg Naar Zee**”). Weg Naar Zee is a large block (900 km<sup>2</sup>) in a proven hydrocarbon province. Columbus is planning for an extended well test to appraise the discovered resource and the asset is suitable for application of enhanced oil recovery techniques used by Columbus in Trinidad.

## **Operational Highlights**

On 4 September 2019, the Company announced its preliminary results for the six months ended 30 June 2019. Operational highlights included:

- Group oil sales in 1H 2019 were 92,154 barrels net to Columbus (1H 2018: 88,830 barrels), a 3.7 per cent. increase;
- Average production in 1H 2019 was 561 barrels of oil per day with production peaking at 1,019 barrels of oil per day in February 2019 (1H 2018: 485 barrels of oil per day, peaking at 648 barrels of oil per day);
- Solid production base, despite a number of technical challenges, delivering steady cashflow and base for future growth in operational profits;
- Netback per barrel of US\$16.72 achieved in 1H 2019 (1H 2018: US\$13.13 per barrel);
- Workover rig count reduced from three rigs to one during Q1 2019, in keeping with the strategic shift to prioritise profitable barrels;
- A second workover rig was purchased from the USA in late Q2 2019, with intent of making the Company self-sufficient in workover rigs (owning a total of 2 workover rigs). This will significantly reduce future workover costs. The second rig will be fully operational in Q3 2019, allowing far more flexible and cost-effective well-work activities between the Company's fields;
- Company operational strategy focuses on fields where higher margins are available from production and also where oil sales are paid in US dollars;
- Company took over operatorship of the Icacos field from Touchstone Energy on 1 January 2019;
- Company continues to progress the Inniss-Trinity CO<sub>2</sub> project with its partner Predator Oil & Gas Holdings plc and has commenced site preparation activities;
- Detailed technical work completed during the period by EPI Group, independent geoscience specialists, on the exploration prospectivity of the SWP, allowing the high-grading of the Saffron prospect for drilling in 2H 2019;
- First SWP prospect (Saffron) chosen with commencement of drilling operations planned for late September 2019;
- Second SWP prospect (Clove) available for drilling. The Clove prospect has an un-risked STOIP of 0.21 million barrels (Pmean) and a geological chance of success of 66 per cent.

On 15 April 2020, Columbus announced a trading update which highlighted the potential impact of COVID-19 as one of a number of risks to the future performance of the business. To date, the Company's operations have not been materially affected by the impact of COVID-19 in that the Company continues to produce and sell oil albeit with some constraints on the availability of personnel and equipment.

To mitigate the impact of COVID-19 on Columbus's financials, management has implemented a number of cost-saving initiatives. Salaries for the executive management have been paid via Executive Salary Options in lieu of cash for at least three months from March 2020. Salaries for employees of Columbus have been reduced by 40 per cent. for a duration of at least 3 months from April 2020. Additionally, management has been forced by these extraordinary circumstances to suspend 15 per cent. of Columbus's workforce for at least three months commencing April 2020. Moreover, non-essential capital expenditures have been ceased. The Company also has the ability to issue ordinary shares to The Lind Partners and various contractors in order to conserve cash.

Columbus expects that the effects of COVID-19 will result in a significant reduction in profitability. However, it is too early to determine the precise quantum. Prior to the announcement of the trading update, Columbus had been trading as expected.

## **7. Information on BPC and current trading and prospects**

BPC holds a 100 per cent. interest in five licences for hydrocarbon exploration, covering approximately 16,000 km<sup>2</sup> (4 million acres), located in the territorial waters of The Bahamas. Four of BPC's exploration licences are 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**" or "**Southern Licence area**")

and a fifth, the Miami licence, in the northern territorial waters of The Bahamas. The Southern Licences are BPC's principal focus.

BPC is currently on-track for drilling an initial exploration well, Perseverance #1, in late 2020/early 2021, with the well targeting recoverable P50 oil resources of 0.77 billion barrels, with an upside of 1.44 billion barrels. The Perseverance #1 target is within a broader structural play that has been assessed as having resource potential of between 8 and 28 billion barrels STOIP.

### ***Southern Licences' period and work programme***

The Southern Licences are currently in the second exploration period and have been extended such that currently BPC's work obligation is to commence an initial exploration well under the Southern Licences by the end of 2020. However, owing to the force majeure occasioned by the COVID-19 pandemic, the term of the Southern Licences will be further extended by an equivalent amount of time to the delay caused by the pandemic. In March 2020, BPC notified the Government of The Bahamas of the invocation of the force majeure clauses in the Southern Licences, which, depending on the ultimate duration of the force majeure, BPC expects will operate to extend the current exploration term of the Southern Licences to at least until the end of April 2021. 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 the Southern 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 subject to approval by the Government of The Bahamas (which may not be unreasonably withheld if BPC meets its licence obligations). At the time of extension, BPC will be required to relinquish 50 per cent. of the Southern Licence area – an obligation which BPC considers may be satisfied largely by relinquishing areas in shallower waters over the Grand Bahamas Bank, which are of lesser technical interest to BPC at this time.

On entry into a third exploration period, the minimum work obligation will be to commence the drilling of a new exploration well, essentially every two years, following the completion of the initial exploration well. At any time during this period, BPC 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 meets its licence obligations, the grant of a production lease cannot be unreasonably withheld. Any such production lease would give BPC the right to produce petroleum from the relevant production area for a term of 30 years (and with a renewal right on application thereafter).

### ***Work completed to-date***

BPC was awarded its licences in 2007 and, since award of such licences, BPC has expended in excess of US\$100 million on its licences, establishing a robust exploration project which is progressing towards drilling at the end of 2020 or in early 2021.

BPC has collected all available historical, geological and geophysical data from oil exploration projects in The Bahamas, including 8,000 km of regional 2D seismic data and magnetic and gravity data. In 2010, BPC undertook the first modern offshore seismic acquisition survey in the southern Bahamas since the 1980s, which confirmed the presence of several large structures, providing the basis for an independent Competent Person's Report ("**CPR**") completed by Ryder Scott Company in July 2011. The CPR, which included the Bain, Cooper and Donaldson licensed areas, highlighted 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, BPC completed a 3D seismic survey of 3,076 km<sup>2</sup> 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.

BPC has since undertaken several integrated studies and performed a range of technical work to continue to reduce the prospect uncertainty. 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. Much of this work has been tested and validated through a farm-in process with a wide range of industry majors and large independents.

In 2017, BPC 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 BPC's exhaustive database. The key findings were as follows:

- (I) Stock Tank Oil Initially In Place assessed for the prospect structures as 8.3 billion barrels, with an upside of up to 28 billion barrels;
- (II) Applying a recovery factor in the range of 20 – 40 per cent. to the Moyes & Co STOIP volumetrics would result in unrisks Estimated Ultimate Recoverable resources in the range of 1.6 billion to 3.3 billion barrels (mean), and up to 11 billion barrels (upside); and
- (III) Moyes & Co independently calculated the probability of success (“**PoS**”) factors for each of the stacked reservoirs assessed, the majority of which were calculated in the 25 – 35 per cent. range.

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

### ***Progress to drilling***

In February 2020, the Government of The Bahamas approved BPC's Environmental Authorisation (“**EA**”), thereby providing the final permitting to enable BPC to undertake the proposed activities associated with the drilling of the Perseverance #1 well at the specific location set out in the EA submission.

In addition to the licence extension and EA approval, significant operational and financial progress has been achieved by BPC during 2019 and into 2020 toward the drilling of the Perseverance #1 well. Notably, this included:

- July 2019 onwards: developed a well design and plan and associated costing, with an estimated cost to drill the Perseverance #1 well (as updated from time to time) in the range of US\$25 million – US\$30 million, with additional identified contingencies of up to a further US\$5 million;
- September 2019 onwards: approval at BPC's Annual General Meeting for the temporary authority to issue new shares to underpin financing of drilling of initial exploration well in The Bahamas, if required. This enabled BPC to initiate a coordinated funding strategy toward securing the funding required for Perseverance #1 in a measured fashion. Initial phases of BPC's funding strategy were successfully executed – an Open Offer and Placing which raised gross proceeds of US\$11.4 million, and entering into an agreement for a Conditional Convertible Note Subscription Agreement which, if available and fully drawn, would raise gross proceeds of £10.25 million;
- October 2019: opened temporary Houston office to accommodate drilling personnel consistent with the planned exploration well activities, and recruited an experienced drilling team;
- December 2019: process initiated seeking to provide Bahamians with an opportunity to invest in BPC's nationally significant project, via creation of a Bahamian-domiciled mutual fund to exclusively hold BPC Shares. In February 2020, there was a successful first closing of the Bahamian mutual fund initiative, raising gross proceeds equivalent to US\$0.9 million;
- February 2020: Further expansion of conditional financial capacity to US\$45 million through entry into an initial £8 million facility (extended to £16 million in March 2020) pursuant to a zero-coupon convertible bond with a Bahamian private family office investor.

In March 2020, as a result of the unprecedented and adverse impact of the spread of the COVID-19 pandemic, drilling operations were postponed until a time when safe and responsible drilling operations could be assured. At that time BPC proceeded to successfully reschedule key elements of its finance package to end of 2020, and notified the Government of The Bahamas of the delay arising from the force majeure event occasioned by the COVID-19 pandemic (which will result in a corresponding extension to the current term of BPC's licences into 2021).

### ***Perseverance #1 well***

In May 2020, BPC announced that it had entered into a fully termed, binding and unconditional rig contract with Stena DrillMax Ice Limited, a wholly-owned subsidiary of Stena Drilling Limited, for delivery of a sixth-generation drilling rig to location to commence drilling within a firm time slot between 15 December 2020

and 1 February 2021. The rig contract provides for significantly improved terms (notably, an all-in rig cost, including managed pressure drilling system, that reduced the estimated total cost of Perseverance #1 by approximately 15 per cent.), and has enabled BPC to reduce the estimated cost of Perseverance #1 to between US\$21 million to US\$25 million (with potential contingencies identified of up to US\$5 million).

The Perseverance #1 well is targeting P50 recoverable prospective resources of 0.77 billion barrels of oil, with an upside of 1.44 billion barrels, from solely the northern structural closure portion of the B structure (BNorth). In total the B structure extends for between 70 and 80 km, has a mapped areal closure over 400 km<sup>2</sup> and has an aggregate most likely recoverable prospective resource potential in excess of 2.0 billion barrels.

### **Uruguay**

On 9 June 2020, BPC announced that it had been awarded the AREA OFF-1 petroleum licence offshore Uruguay. BPC estimates that the licence could contain up to 1 billion barrels of oil equivalent, based on current mapping, from multiple exploration plays and leads in relatively shallow waters with significant running room, in a licence play system that is directly analogous to the Cretaceous turbidite discoveries currently being evaluated/developed offshore Guyana and Suriname. OFF-1 has an initial four-year exploration period, with a work obligation limited to reprocessing and reinterpretation of selected historical 2D seismic data (which BPC estimates will cost approximately US\$200,000 per annum to discharge). There is no drilling obligation, and the licence includes staged no-cost exit points at BPC's sole election. BPC considers that OFF-1 is thus comparable to the "low cost option" represented by BPC's licences in The Bahamas when they were first awarded – a modest work commitment over four years that secures a sizeable, technically high quality, frontier play, with regional seismic available and exciting exploration upside in a jurisdiction – Uruguay – that represents a stable, well-regulated operating environment with an attractive, internationally comparable fiscal regime.

## **8. Arrangements for Board and management**

Arrangements for the ongoing BPC Board and management of the Combined Group have been agreed to ensure the smooth integration of Columbus' and BPC's businesses, and to combine the expertise and capabilities of both businesses in what is considered to be the most efficient, value-additive manner.

In relation to the BPC Board, the existing BPC Directors will continue in office, comprising of five persons – Mr William Schrader (Non-Executive Chairman), Mr Simon Potter (Chief Executive Officer), and the existing three BPC independent Non-Executive Directors, Mr James Smith (Deputy Chairman), Mr Adrian Collins, and Mr Ross McDonald.

Columbus's Executive Chairman, Mr Leo Koot, will be invited to join the BPC Board as a Non-Executive Director (subject to completion of customary due diligence) and will be invited to become Chairman of the BPC Board's HSE Committee and a member of the BPC Board's Audit Committee – both providing a key operational oversight function – following the Scheme becoming Effective. In addition to this role, Mr Koot will be contracted to make available his services to BPC for two days a week for a period of at least six months following the Scheme becoming Effective in order to ensure business continuity. His role will, amongst other things, be to drive the South West Peninsula and Suriname projects, and he will participate in meetings of the BPC executive leadership team. Mr Anthony Hawkins, Mr Gordon Stein and Mr Michael Douglas will cease to act as directors of Columbus with effect from the Effective Date.

In relation to executive management and staff, on completion of the Merger, the Chief Executive Officer of the Combined Group will be Mr. Simon Potter, currently the Chief Executive Officer of BPC. Likewise, BPC's Chief Commercial Officer (Mr Eytan Uliel), Finance Director and Company Secretary (Mr Benjamin Proffitt), Chief Operating Officer (Mr. Nathan Rayner) and Drilling Director (Mr David Bond) will continue in their roles, albeit their remits broadened to assume responsibility for the enlarged business. Mr Geoffrey Leid, Columbus's current Managing Director responsible for operations in Trinidad will continue in this role, as will the in-country operating team/employee base in Trinidad, with no material changes. Mr Stewart Ahmed, the current Columbus Chief Technical Officer, will remain with the Combined Group under a consulting agreement for at least six months, and will assume particular responsibility for oversight of the Suriname operations. Mr Anthony Hawkins and Mr Gordon Stein will be contracted via consultancy agreements to provide services (as required) for a short period (expected to be three months) following completion of the

Merger in order to ensure business continuity, the consultancy agreements being on financial terms equivalent to their existing contracts of employment for any days worked during the relevant period.

Other than as stated above, no proposals have been made on the terms of any incentive arrangements for relevant managers or the continuing Columbus Directors and there have been no discussions in respect of the terms of these arrangements.

## **9. Irrevocable undertakings and Letter of Intent**

### ***Irrevocable undertakings and Letter of Intent relating to the Scheme, the Court Meeting and the Columbus General Meeting***

The Columbus Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the Columbus General Meeting in respect of their own entire legal and beneficial holdings of Columbus Shares (and those of connected persons) amounting to, in aggregate, 15,126,296 Columbus Shares, representing approximately 1.62 per cent. of the Columbus Shares in issue on 29 June 2020 (being the latest practicable date prior to the publication date of this document).

BPC has also received irrevocable undertakings and a letter of intent to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Columbus General Meeting from certain Columbus Shareholders amounting to, in aggregate, 160,226,890 Columbus Shares, representing 17.14 per cent. of the Columbus Shares in issue on 29 June 2020 (being the latest practicable date prior to the publication date of this document).

**BPC has therefore received irrevocable undertakings and a letter of intent to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Columbus General Meeting in respect of a total of 175,353,186 Columbus Shares, representing, in aggregate approximately 18.75 per cent. of the Columbus Shares in issue on 29 June 2020 (being the latest practicable date prior to the publication date of this document).**

## **10. BPC Shareholder approval and irrevocable undertakings**

The Merger is conditional upon the approval by BPC Shareholders of the issue of sufficient New BPC Shares required to give effect to the Merger. The BPC Directors therefore intend to convene the BPC Annual General Meeting to approve a resolution authorising the BPC Directors to allot the New BPC Shares. The resolution will be proposed as a special resolution, requiring 75 per cent. of the votes cast at the meeting, either in person or by proxy.

A notice convening the BPC Annual General Meeting is anticipated to be despatched to existing BPC Shareholders by the end of June 2020, and the BPC Annual General Meeting is anticipated to be held on or around 24 July 2020.

The BPC Directors unanimously recommend that BPC Shareholders vote in favour of the resolution to be proposed at the BPC Annual General Meeting.

The BPC Directors have irrevocably undertaken to vote in favour of the resolutions to be proposed at the BPC Annual General Meeting in connection with the Merger in respect of their own legal and beneficial holdings of BPC Shares (and those of connected persons) amounting to, in aggregate, 15,820,000 BPC Shares, representing approximately 0.64 per cent. of the existing issued share capital of BPC on 29 June 2020 (being the latest practicable date prior to the publication date of this document).

## **11. Business, employees, research and pension scheme**

BPC recognises the importance and value of the skills and experience of existing Columbus employees and believes they will be a key factor in maximising the success of the Combined Group following completion of the Merger. BPC does not have any employees in Trinidad and as such it is BPC's intention that the in-country operating team/employee base in Trinidad will remain in place, with no material changes. In relation to Suriname, neither BPC nor Columbus has any personnel in-country, and it is BPC's intention to recruit appropriate personnel in-country, in liaison with the Columbus Chief Technical Officer, as operations on the asset in Suriname increase.

BPC believes that its existing executive management, technical and operational personnel have a range of technical, commercial, operating and business development skills, experience and expertise that can be brought to bear in working with the in-country team in Trinidad in pursuit of the goals of maximising and growing oil production, revenues and profit. To this end, as soon as practicable following completion of the Merger, BPC's intention is to carry out a review of the Columbus business in order to assess any organisational and structural changes, including synergies, that may benefit the Combined Group. Undertaking such a review will necessarily involve BPC executives being able to freely travel to Trinidad, which currently cannot occur due to the impact of COVID-19 restrictions. From such time as the review process can responsibly commence, BPC estimates it will take approximately four months to complete. BPC does not presently expect any material change in headcount numbers or balance of skills and functions in Columbus's employee base arising from this review, but BPC does expect that there may be changes to the organisational structure to more seamlessly integrate total group operations – for example, integrating key technical or drilling staff in Trinidad into the broader BPC technical and drilling teams.

Following completion of the Merger, save as set out above with respect to the Columbus Directors, the existing contractual and statutory employment rights of existing management and employees of Columbus will be safeguarded. The pension rights of all employees will be safeguarded, and existing pension obligations in respect of Columbus's defined contribution scheme will be complied with and the scheme will remain open for the accrual of benefits to existing members and new members.

The Merger will affect participants in the Columbus Share Plans, further details of which are set out in paragraph 14 of Part II of this document.

As noted, it is intended that Anthony Hawkins, Gordon Stein and Michael Douglas will cease to be directors of Columbus and will not become directors of BPC on completion of the Merger.

Columbus does not have any research and development activities.

The Columbus Directors have given due consideration to BPC's stated intention and assurances noted above in deciding to recommend the Merger.

No statements in this paragraph 11 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

#### ***Locations, operations, re-deployment of fixed assets and research and development***

Columbus has a serviced office in London and various offices in Trinidad. BPC has a head office in the Isle of Man, an office in The Bahamas, and a temporary office to support near-term drilling activities located in The Woodlands, Texas, USA. During the four-month review period mentioned above, BPC intends to maximise the integration of both companies by considering whether any overlap of office premises can be rationalised. BPC's preliminary view is that corporate head office of the Combined Group will remain in the Isle of Man, that the Columbus serviced office in London may be closed, and that the various offices in Trinidad and the temporary field office in Texas, USA will remain unaffected. However, BPC does intend to review the costs of all offices, with a view to determining whether operational savings or efficiencies can be derived from sourcing less costly premises.

Following completion of the Merger, it is intended that the Columbus holding company names will continue to be used at least in the interim period in respect of operations in Trinidad and Suriname.

There are no other likely repercussions of the Merger on the business locations of the Combined Group.

BPC does not intend to redeploy fixed assets of Columbus following completion of the Merger.

Columbus has no dedicated research and development function.

The Columbus Directors have given due consideration to BPC's stated intention and assurances noted above in deciding to recommend the Merger.

#### ***AIM quotation***

It is intended to seek the cancellation of the trading of Columbus Shares on AIM with effect from the Effective Date. See paragraph 23 of Part II for further information.

## **12. United Kingdom Taxation**

Your attention is drawn to Part VII of this document headed "United Kingdom Taxation". **If you are in any doubt about your tax position, you should consult an appropriately qualified independent professional adviser immediately.**

## **13. Deferred Shares**

Columbus has 418,379,981 Deferred Shares in issue. The Deferred Shares are not listed on any exchange and effectively have no rights, in particular they do not confer on their holders any right to any dividend or the right to receive notice of, attend, speak or vote at general meetings of Columbus. The holders of Deferred Shares are technically entitled, on a distribution of assets on a winding-up or other return of capital, to receive the amount paid up on their Deferred Shares, however, £1,000,000 (one million Pounds Sterling) must first have already been distributed to the holders of the ordinary shares in respect of each ordinary share, rendering this right to receive amounts practically non-existent.

The Deferred Shares will not form part of, and will not be affected by, the Merger and the Scheme. In accordance with Columbus's articles of association, Columbus shall procure the transfer of the Deferred Shares to BPC upon the Scheme becoming Effective.

## **14. Columbus Share Plans**

Details of the impact of the Scheme on the Columbus Share Plans are set out in paragraph 14 of Part II of this document.

## **15. Cancellation of admission to trading on AIM and re-registration of Columbus as a private company**

An application will be made to the London Stock Exchange prior to the Effective Date to cancel the admission of the Columbus Shares to trading on AIM with effect from the Effective Date in accordance with the terms of the Scheme.

On the Effective Date, Columbus will become a wholly owned subsidiary of BPC (and consequently together with BPC, the Combined Group). It is intended that admission of the New BPC Shares to trading on AIM becomes effective on the business day following the Effective Date.

Subsequent to the Merger, BPC intends that Columbus be re-registered as a private limited company in due course.

The attention of Columbus Shareholders is drawn to paragraph 23 of Part II of this document in relation to BPC's intentions with regard to the cancellation of admission to trading on AIM of the Columbus Shares.

## **16. Permitted Merger-related arrangements**

### ***Confidentiality Agreement***

On 9 April 2020, Columbus and BPC entered into a mutual confidentiality agreement in customary form in relation to the proposed transaction. The Confidentiality Agreement contained certain undertakings in relation to the use and non-disclosure of certain confidential information.

### ***Cooperation Agreement***

On 11 June 2020, BPC and Columbus entered into a co-operation agreement, pursuant to which BPC and Columbus have agreed certain undertakings to co-operate and provide each other with reasonable information, assistance and access in relation to the submissions and notifications to be made in relation to regulatory clearances and authorisations. BPC and Columbus have also agreed to provide each other with reasonable information, assistance and access for the preparation of their respective key shareholder documentation.

The Co-operation Agreement records BPC and Columbus's intention to implement the Merger by way of the Scheme, subject to the ability of BPC to proceed by way of a takeover offer in certain circumstances.

The Co-operation Agreement also contains provisions that will apply in respect of the Columbus Share Plans and certain other Columbus employee arrangements.

BPC undertakes to confirm to Columbus prior to the Court Hearing either that all Conditions have been satisfied or that it intends to invoke one or more of the Conditions.

The Co-operation Agreement shall be terminated with immediate effect if BPC and Columbus so agree in writing.

BPC has the right to terminate the Co-operation Agreement by written notice to Columbus if: (i) prior to the Long Stop Date, a third party announces a possible or firm intention to make an offer for Columbus, which is recommended by the Columbus Directors, (ii) a Columbus Board Adverse Recommendation Change (as defined in the Co-operation Agreement) occurs, or (iii) (assuming the Merger is being implemented by way of the Scheme) the Court Meeting, the Columbus General Meeting or the Court sanction hearing is/are not held on or before the 22nd day after the expected date of such meeting or hearing as set out in the Scheme Document or such later date as agreed.

Columbus has the right to terminate the Co-operation Agreement by written notice to BPC if: (i) the BPC Annual General Meeting is not convened on or before the 22nd day after the expected date of such meeting as set out in the Scheme Document or such later date as agreed; or (ii) a BPC Board Adverse Recommendation Change (as defined in the Co-operation Agreement) occurs.

In addition, either party has the right to terminate the Co-operation Agreement by written notice to the other party if (i) prior to the Long Stop Date, any Condition has been invoked by BPC (as permitted by the Panel); (ii) prior to the Long Stop Date, a third party competing offer becomes effective or is declared or becomes unconditional in all respects; (iii) if the Merger is, with the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Longstop Date; (iv) if the relevant resolutions are not passed by the requisite majority of the BPC Shareholders at the BPC Annual General Meeting; (v) if the Scheme is not approved by the holders of Scheme Shares at the Court Meeting and/or Columbus Shareholders at the Columbus General Meeting or the Court refuses to sanction the Scheme; or (vi) if the Scheme has not become effective by the Longstop Date.

The Co-operation Agreement is governed by and construed in accordance with the laws of England.

## **17. BPC Shareholder approval**

The Merger is conditional upon the approval by BPC Shareholders, of the issue of sufficient New BPC Shares required to give effect to the Merger, at the BPC Annual General Meeting which has been convened for 10.00 a.m. (B.S.T.) on 24 July 2020. BPC has today published a circular (a copy of which is available on BPC's website at [www.bpcplc.com](http://www.bpcplc.com) containing, amongst other things, notice of the BPC Annual General Meeting. Application will be made for the admission of the New BPC Shares to trading on AIM. It is expected that, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, admission will become effective and that trading in the New BPC Shares will commence at 8.00 a.m. on 10 August 2020.

## **18. Overseas Shareholders**

Persons resident in, or citizens of, jurisdictions outside the United Kingdom should refer to paragraph 19 of Part II of this document which contains important information for such shareholders.

## **19. The Scheme and the Meetings**

The Merger is being implemented by means of a scheme of arrangement between Columbus and the Scheme Shareholders pursuant to the provisions of Part 26 of the Companies Act. The Scheme involves the transfer of the Scheme Shares to BPC, in consideration for BPC Shares on the following basis: for each Scheme Share held by a Scheme Shareholder, 0.803 New BPC Shares

Upon the Scheme becoming Effective and Columbus's register of members being updated to reflect the transfer of the Scheme Shares from the Scheme Shareholders to BPC, BPC becomes the owner of the entire issued share capital of Columbus.

The Scheme is subject to the Conditions and further terms set out in Part III of this document.

To become Effective, the Scheme requires, amongst other things, the approval by a majority in number representing 75 per cent. or more in value of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting, or at any adjournment thereof, and the passing of the Resolutions to be proposed at the Columbus General Meeting (or at any adjournment thereof) necessary to give effect to the Scheme, the amendment to the articles of association of Columbus. Following the Court Meeting, the Columbus General Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court at the Court Hearing. The Scheme will take effect when the Court Order has been delivered to the Registrar of Companies. If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether they attended or voted and, if they voted, whether they voted for or against the Scheme at the Court Meeting or on any resolution proposed at the Columbus General Meeting.

BPC reserves the right to elect (subject to the consent of the Panel) to implement the Merger by way of a Takeover Offer at any time before the Scheme becomes Effective, or following its withdrawal, in which case additional documents will be posted to Columbus Shareholders. In such event, the Merger will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation and subject to the consent of the Panel) the inclusion of an acceptance condition set at 90 per cent. (or such lesser percentage (being more than 50 per cent.) as BPC may determine) of the shares to which such offer relates.

The Scheme will be governed by the laws of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the AIM Rules, the London Stock Exchange and the FCA.

**It is important that as many votes as possible are cast for the Court Meeting so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.**

Further details of the Scheme and the Meetings are set out in paragraph 18 of Part II of this document.

## **20. Action to be taken**

The Scheme requires approval at a meeting of Scheme Shareholders convened by order of the Court to be held at the offices of Kerman & Co, 200 Strand, London WC2R 1DJ at 10.00 a.m. on 27 July 2020. Implementation of the Scheme and Merger also requires the approval of Columbus Shareholders at the Columbus General Meeting to be held at the same place at 10.15 a.m. on 27 July 2020 (or as soon thereafter as the Court Meeting is concluded or adjourned). Notices convening the Court Meeting and the Columbus General Meeting are set out in Parts IX and X of this document respectively. You will find accompanying this document, a pink Form of Proxy for use at the Court Meeting and a white Form of Proxy for use at the Columbus General Meeting.

Whether or not you intend to be present at either Meeting, you are requested to complete, sign and return:

- the pink Form of Proxy for use at the Court Meeting so as to be received by not later than 10.00 a.m. on 23 July 2020; and
- the white Form of Proxy for use at the Columbus General Meeting so as to be received by not later than 10.15 a.m. on 23 July 2020.

Your attention is drawn to paragraph 25 of Part II of this document, which explains in detail the action you should take in relation to the Merger and the Scheme, a summary of which is set out on pages 11 to 12 (inclusive) of this document.

**If you are a Columbus Shareholder and you have any questions relating to this document, the Court Meeting, the Columbus General Meeting, the Merger or the Scheme or are in any doubt about the completion and return of the Forms of Proxy, please contact Share Registrars on +44 (0) 1252 821390 between 9.00am and 5.30pm Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back.**

Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com). Please note that calls to these numbers may be monitored or recorded and that, for legal reasons, the helpline cannot provide advice on the merits of the Merger or give any legal, tax or financial advice.

If the pink Form of Proxy for use at the Court Meeting is not lodged with the Registrar by the relevant time, it may be handed to the Chairman of the Court Meeting before the start of that Meeting, subject to restrictions in place due to COVID-19 as set out in this document. However, in the case of the Columbus General Meeting, the white Form of Proxy must be lodged with the Registrar by 10.15 a.m. on 23 July 2020 in order to be valid, unless the Columbus Directors direct otherwise.

**IN ACCORDANCE WITH CURRENT GOVERNMENT INSTRUCTIONS IN RESPECT OF THE EVOLVING SITUATION REGARDING COVID-19 AND THE RESTRICTIONS ON SOCIAL CONTACT, PUBLIC GATHERINGS AND NON-ESSENTIAL TRAVEL, WE REQUEST THAT YOU DO NOT PHYSICALLY ATTEND THE MEETINGS. INSTEAD, YOU SHOULD RETURN YOUR FORMS OF PROXY BY THE RELEVANT TIME. ANY SHAREHOLDER THAT ATTEMPTS TO PHYSICALLY ATTEND THE MEETINGS WILL BE REFUSED ADMISSION IN ORDER TO COMPLY WITH CURRENT UK GOVERNMENT PUBLIC HEALTH INSTRUCTIONS.**

The health of Columbus Shareholders, as well as its officers and employees, is of paramount importance to Columbus. It is expected that the Company's attendance at the Meetings in person will be limited to satisfy the requirements for a quorum. The Meetings will end following the formal business.

The situation in relation to COVID-19 continues to develop and the Company is aware that the UK Government is looking at solutions for the impact COVID-19 has had on the ability of companies to hold meetings. The Company will continue to update Columbus Shareholders on arrangements for the meetings through a Regulatory Information Service and the Company's website at [www.columbus-erp.com](http://www.columbus-erp.com). Columbus Shareholders are advised to check the Company's website for updates.

## **21. Settlement**

Subject to implementation of the Scheme (and except as provided in relation to Overseas Shareholders), settlement of the consideration to which any holder of Scheme Shares is entitled under the Scheme will be effected in the manner set out in paragraph 22 of Part II of this document.

## **22. Further information**

Your attention is drawn to the Explanatory Statement from VSA Capital set out in Part II of this document, which gives further details about the Merger, and to the terms of the Scheme which are set out in full in Part IV of this document. Please note that the information contained in this letter is not a substitute for the remainder of this document.

Columbus Shareholders and persons with information rights should note that BPC may request details of addresses, electronic addresses and other information provided to Columbus for the receipt of documents, announcements and other information in hard copy form or electronic form (as the case may be).

## **23. Recommendation**

For the reasons set out in this document, the Columbus Directors, who have been so advised by VSA Capital as to the financial terms of the Merger, consider the financial terms of the Merger to be fair and reasonable. In providing their financial advice to the Columbus Directors, VSA Capital has taken into account the commercial assessments of the Columbus Directors.

**Accordingly, the Columbus Directors unanimously recommend that Columbus Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Columbus General Meeting as all Columbus Directors holding Columbus Shares have irrevocably undertaken to do so in respect of their own Columbus Shares, being a total of 15,126,296**

**Columbus Shares, (representing, in aggregate, approximately 1.62 per cent. of the ordinary share capital of Columbus in issue on), 29 June 2020 (being the latest practicable date prior to the publication date of this document).**

Yours sincerely,

**Leo Koot**

*Chairman*

for and on behalf of

**Columbus Energy Resources PLC**

## PART II

### EXPLANATORY STATEMENT

(Explanatory statement in compliance with the provisions of section 897 of the Companies Act)



New Liverpool House  
15-17 Eldon Street  
London  
EC2M 7LD

30 June 2020

*To Columbus Shareholders and, for information only, to holders of options under the Columbus Share Plans*

Dear Columbus Shareholder,

#### **Recommended all-share merger of Columbus and BPC**

##### **1. Introduction**

On 11 June 2020, the boards of BPC and Columbus announced that they had reached agreement on the terms of a recommended all-share offer by BPC to acquire the entire issued and to be issued ordinary share capital of Columbus. The Merger is to be implemented by means of a Court-sanctioned scheme of arrangement between Columbus and the Scheme Shareholders under Part 26 of the Companies Act 2006.

**Your attention is drawn to the letter from the Chairman of Columbus set out in Part I of this document, which forms part of this Explanatory Statement. That letter explains, amongst other things, why the Columbus Directors, who have been so advised by VSA Capital, consider the terms of the Merger to be fair and reasonable and why the Columbus Directors unanimously recommend that (to the extent you are entitled to do so) you vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Columbus General Meeting, as they have irrevocably undertaken to do in respect of their own entire legal and beneficial holdings of Columbus Shares (and those of certain connected persons) amounting to, in aggregate, 15,126,296 Columbus Shares, representing approximately 1.62 per cent. of the Columbus Shares in issue on 29 June 2020 (being the latest practicable date prior to the publication date of this document).**

In providing advice to the Columbus Directors, VSA Capital has taken into account the commercial assessments of the Columbus Directors.

Statements made or referred to in this Explanatory Statement which refer to the reasons for the Merger, to information concerning the business of the BPC Group and intentions and expectations regarding the BPC Group and the Combined Group, reflect the views of the BPC Directors. Statements made or referred to in this Explanatory Statement which refer to the background to, and reasons for recommending, the Merger, to information concerning the business of Columbus and to intentions and expectations regarding Columbus (other than the future plans for the business described in paragraph 10 of Part II of this document) reflect the views of the Columbus Directors.

The terms of the Scheme are set out in full in Part IV of this document. Your attention is also drawn to the further information contained in this document which forms part of this Explanatory Statement.

The Scheme is conditional upon the Conditions set out in Part III of this document being satisfied or (if capable of waiver) waived.

Columbus Shareholders should read the whole of this document before deciding whether or not to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the Columbus General Meeting.

## 2. The Merger

The Merger will be implemented by way of the Scheme, the full details of which are set out in Part II and Part IV of this document.

Under the terms of the Scheme, which is subject to the Conditions set out in Part III of this document, Scheme Shareholders on the register of members of Columbus at the Scheme Record Time will be entitled to receive:

### **For each Scheme Share, 0.803 New BPC Shares**

The Merger values Columbus's existing issued and to be issued share capital at approximately £25.1 million as at close of business on 10 June 2020 (being the latest practicable date prior to the Announcement). The value of the Merger on fully diluted basis has been calculated on the basis of a fully diluted issued ordinary share capital of 941,527,205 Columbus Shares, which is calculated by reference to 918,014,741 Columbus Shares on issue on 10 June 2020 and a further, in aggregate, 23,512,464 Columbus Shares which may be issued on or after the date of the Announcement, but before the Effective Date, pursuant to the Contractor Shares Scheme and other contractual obligations.

- The Offer represents a value of approximately 2.67 pence per Columbus Share based upon the BPC Closing Price of 3.33 pence per BPC Share on 10 June 2020, being the latest practicable date prior to the date of the Announcement, being:
  - a premium of 11 per cent. to the Columbus Closing Price on 10 June 2020 (being the latest practicable date prior to the Announcement);
  - a premium of 25 per cent. to the one-month volume weighted average price per Columbus Share as at close of business on 10 June 2020 (being the latest practicable date prior to the Announcement);
  - a premium of 36 per cent. to the two-month volume weighted average price per Columbus Share as at close of business on 10 June 2020 (being the latest practicable date prior to the Announcement); and
  - given the disruptive impact of the COVID-19 virus to global equity markets and operating conditions for both Columbus and BPC, and the fact that both BPC and Columbus have recently made important positive announcements relating to their businesses and operations (in the case of BPC, on 26 May 2020 announcing a rig contract and setting a date for resumption of drilling activities in The Bahamas, and in the case of Columbus, on 27 April 2020 announcing a discovery at its Saffron prospect) the BPC and Columbus Directors consider these measures to be the appropriate value metric by which the Merger should be considered.

Fractions of New BPC Shares will not be allotted and issued to Columbus Shareholders pursuant to the Scheme and shall be aggregated, allotted, issued and sold in the market after the Effective Date.

Assuming that a maximum number of 803,635,279 new BPC Shares are issued pursuant to the Merger to the Scheme Shareholders and outgoing Columbus executives (collectively, the "**Columbus Parties**"), including additional new BPC Shares to be issued on or shortly after the Effective Date (i) in respect of termination payments to Columbus executives, as agreed, and (ii) in respect of the exchange of certain Columbus executives' nil-cost options for new BPC Shares, the Columbus Parties will in aggregate hold approximately 23.9 per cent. of the enlarged issued share capital of BPC immediately following the Effective Date. Assuming 80,000,000 new BPC Shares are issued pursuant to the Replacement Funding Agreement to settle the Lind Convertible Loan Agreement, BPC Shareholders and the investor under the Replacement Funding Agreement (collectively the "**BPC Parties**") will in aggregate hold approximately 76.1 per cent. of the enlarged issued share capital of BPC immediately following the Effective Date.

The New BPC Shares will be allotted and issued credited as fully paid and will rank *pari passu* in all respects with the existing BPC Shares in issue at the time the New BPC Shares are allotted and issued pursuant to

the Merger, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date.

The existing BPC Shares are admitted to trading on AIM. BPC is required to seek the approval of its shareholders to the issue of sufficient shares for the Merger at the BPC Annual General Meeting. Application will be made for the admission of the New BPC Shares to trading on AIM. It is expected that, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, admission will become effective and that trading in the New BPC Shares will commence at 8.00 a.m. on 10 August 2020.

The Scheme requires the Scheme Shareholders to vote in favour of the Scheme at the Court Meeting, the Columbus Shareholders to vote in favour of the resolutions to be proposed at the Columbus General Meeting and the BPC Shareholders to vote in favour of the resolutions to be proposed at the BPC Annual General Meeting.

Following the Meetings, it is expected that the Court Hearing will take place on 5 August 2020. The Effective Date is expected to be 7 August 2020.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted and, if they voted, whether they voted for or against the Scheme, at the Court Meeting or the Columbus General Meeting. Upon the Scheme becoming Effective and Columbus's register of members being updated to reflect the transfer of the Scheme Shares from the Scheme Shareholders to BPC, Columbus will become a wholly owned subsidiary of BPC.

The Scheme and Merger are conditional on, amongst other things:

- (A) all resolutions necessary to approve and implement the Scheme, amend the Articles of Columbus being duly passed by the requisite majority or majorities at the Columbus General Meeting and the Court Meeting;
- (B) the sanction of the Scheme by the Court and the Scheme becoming Effective;
- (C) the passing at the BPC Annual General Meeting of such resolution or resolutions as are necessary to authorise the issue of the New BPC Shares;
- (D) entering into the Goudron EPSC with Heritage Petroleum Company Limited;
- (E) receiving Heritage Petroleum Company Limited's consent to the change of control with respect to the applicable contracts for the Goudron, Trinity Inniss and South Erin fields and the non-imposition of a change of control payment (where applicable);
- (F) receiving no objection from Staatsolie Maatschappij Suriname N.V. to the Merger with respect to the Weg Naar Zee block in Suriname; and
- (G) the Conditions and further terms not otherwise identified above to which the Scheme and the Merger are subject, as set out in Part III of this document, either being satisfied or (with the exception of certain conditions which are not capable of waiver) waived.

**IN ACCORDANCE WITH CURRENT GOVERNMENT INSTRUCTIONS IN RESPECT OF THE EVOLVING SITUATION REGARDING COVID-19 AND THE RESTRICTIONS ON SOCIAL CONTACT, PUBLIC GATHERINGS AND NON-ESSENTIAL TRAVEL, WE REQUEST THAT YOU DO NOT PHYSICALLY ATTEND THE MEETINGS AND INSTEAD YOU SHOULD RETURN YOUR FORMS OF PROXY BY THE RELEVANT TIME. ANY COLUMBUS SHAREHOLDER THAT ATTEMPTS TO PHYSICALLY ATTEND THE MEETINGS WILL BE REFUSED ADMISSION IN ORDER TO COMPLY WITH CURRENT GOVERNMENT PUBLIC HEALTH INSTRUCTIONS.**

**The situation in relation to COVID-19 continues to develop and Columbus is aware that the UK Government is looking at solutions for the impact COVID-19 is having on the ability of companies to hold meetings. Columbus will continue to update the Columbus Shareholders on arrangements for the Meetings through a Regulatory Information Service and Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com). Columbus Shareholders are advised to check Columbus's website for updates.**

### 3. Irrevocable undertakings and letter of intent

The Columbus Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Columbus General Meeting in respect of their own entire legal and beneficial holdings of Columbus Shares (and those of connected persons) amounting to, in aggregate, 15,126,296 Columbus Shares, representing approximately 1.62 per cent. of the Columbus Shares in issue on 29 June 2020 (being the latest practicable date prior to the publication date of the document).

BPC has also received irrevocable undertakings and a letter of intent to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Columbus General Meeting from certain Columbus Shareholders amounting to, in aggregate, 160,226,890 Columbus Shares, representing 17.14 per cent. of the Columbus Shares in issue on 29 June 2020 (being the latest practicable date prior to the publication date of this document).

**BPC has therefore received irrevocable undertakings and a letter of intent to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Columbus General Meeting in respect of a total of 175,353,186 Columbus Shares, representing, in aggregate approximately 18.75 per cent. of the Columbus Shares in issue on 29 June 2020 (being the latest practicable date prior to the publication date of this document).**

### 4. Information relating to Columbus and current trading and prospects

Information on Columbus and its current trading and prospects is set out in paragraph 6 of Part I of this document.

### 5. Lind Convertible Loan Agreement and Replacement Funding Agreement

Under the terms of the Convertible Loan Agreement, Lind agreed to make available to Columbus a convertible loan facility of US\$4.5 million (£3.5 million) on the terms and subject to the conditions set out in the Convertible Loan Agreement. Consequent on the Convertible Loan Agreement, Lind is presently owed an amount of approximately US\$2.7 million (£2.2 million) repayable on the terms and subject to the conditions of that agreement. Pursuant to the terms of the Convertible Loan Agreement, Lind also holds 7.5 million shares in Columbus which were issued to Lind for no premium and which Lind is required to pay for on termination of the Convertible Loan Agreement at a price equal to the average of any five daily volume weighted average prices per Columbus Share selected by Lind in its sole discretion during the 20 consecutive trading days immediately prior to termination (the “**Collateral Shares**”), and holds various tranches of options exercisable at various strike prices over various periods of time. Upon the Scheme becoming Effective, it is expected that Lind will be owed an amount of approximately US\$2.6 million (£2.0 million) under the Convertible Loan Agreement.

BPC has entered into a Replacement Funding Agreement with Trafalgar Capital Management (HK) Limited (“**Trafalgar**”), whereby, contemporaneously with the Scheme becoming Effective, Trafalgar will subscribe for approximately US\$2.7 million (£2.1 million) of BPC Shares. BPC will apply those funds to repaying all amounts owing to Lind, in full settlement of the Convertible Loan Agreement. The number of BPC Shares to be issued to Trafalgar will be derived by reference to a formula that, as with the terms of the Convertible Loan Agreement, depends on the price of BPC Shares in the period prior to the date of the Scheme becoming Effective (being 90 per cent. of the average of any five daily volume weighted average prices per BPC Share as selected by Trafalgar in its sole discretion during the 20 trading days immediately prior to the Effective Date). Based on the current share price of BPC, this would, on an indicative basis, equate to approximately 80 million BPC Shares. BPC has also agreed with Trafalgar that at the same time the BPC Shares that will be issued in exchange for the Collateral Shares pursuant to the Scheme will be transferred to Trafalgar, at no cost to Trafalgar, or BPC will issue that number of new BPC Shares to Trafalgar at par consideration (0.002 pence per share).

As part of the Replacement Funding Agreement, if the average volume weighted average prices of BPC Shares in the four month period following the Effective Date is such that, had Trafalgar sold the BPC Shares held (but whether or not Trafalgar has in fact done so), insufficient to deliver to Trafalgar a 10 per cent. return on invested capital, BPC will also be required to make a “top-up” issue of BPC Shares to Trafalgar or pay an equivalent amount to Trafalgar in cash as BPC may in its sole discretion elect. BPC also has the right to terminate the Replacement Funding Agreement prior to the Scheme becoming Effective, in which case a

5 per cent. termination fee is payable, which BPC can elect to settle in cash or in newly issued BPC Shares, at a price equal to the average of any five daily volume weighted average prices per BPC Share selected by Trafalgar in its sole discretion during the 20 consecutive trading days immediately prior to payment of the termination fee.

The full repayment of Lind via the proceeds of the Replacement Funding Agreement will mean that on the Scheme becoming Effective, the Combined Group will be debt free apart from working capital facilities for operations in Trinidad.

## 6. Information relating to BPC and current trading and prospects

Information on BPC and current trading and prospects is set out in paragraph 7 of Part I of this document.

## 7. Financial effects of the Merger

Under the terms of the Merger, Scheme Shareholders will receive 0.803 New BPC Shares for every Scheme Share held.

The following table shows, for illustrative purposes only and on the bases and assumptions set out in the notes below, the financial effects on capital value for a holder of 1 Columbus Share if the Scheme becomes Effective. The table below compares the value of the Merger:

- (A) as at 10 June 2020 (being the last business day prior to the commencement of the Offer Period) using the market value of Columbus Shares and BPC Shares; and
- (B) 29 June 2020 (being the latest practicable date prior to the publication date of this Scheme Document).

	Note	(A) pence	(B) pence
<i>Increase in capital value</i>			
Market value of 1 Columbus Share	(1)	2.40	1.95
Market value of 0.803 New BPC Share	(2)	2.67	2.29
Increase/(decrease) in capital value	(3)	0.27	0.34
Representing an increase/(decrease) in capital value of approximately	(4)	11.25%	17.44%

### Notes:

- The market value of 1 Columbus Shares is based on the Closing Price of (A) 2.40p on 10 June 2020 (being the last business day prior to the commencement of the Offer Period), and (B) 1.95p on 29 June 2020 (being the latest practicable date prior to the publication date of this Scheme Document).
- The market value of 0.803 New BPC Shares implied by the Merger ratio is based on the Closing Price of (A) 3.325p per New BPC Share on 10 June 2020 (being the last business day prior to the commencement of the Offer Period), and (B) 2.85p on 29 June 2020 (being the latest practicable date prior to the publication date of this Scheme Document) multiplied by ratio of 0.803 Columbus Shares for each New BPC Share.
- The increase/(decrease) in capital value compares the values shown in (1) and (2). No account has been taken of any costs associated with the Merger or other potential effects of the Merger. In assessing the financial effects on the capital position of the Scheme Shareholders, no account has been taken of any potential liability to taxation of a Scheme Shareholder, or a beneficial owner of Scheme Shares. The attention of beneficial owners of Scheme Shares and Scheme Shareholders is drawn to Part VII (United Kingdom Taxation) of this document. The tax implications of the financial effects of the Merger will depend on the individual circumstances of each beneficial owner of Scheme Shares and Scheme Shareholder. Beneficial owners of Scheme Shares and Scheme Shareholders should consult their own tax advisers.
- Presents the increase/(decrease) in capital value as a proportion of (1) in percentage terms.

The table above takes no account of taxation, which may vary depending on each Columbus Shareholder's personal circumstances.

On a pro forma basis and assuming that the Scheme had become Effective on 31 December 2019, the Combined Group would have had net assets of £68,756,404 (based on the net assets of BPC at 31 December 2019 (being the date of the last published audited accounts of BPC) converted from US\$ to £ at the Bank of England exchange rate of 1.321 at 31 December 2019 and the net assets of Columbus at 30 June 2019 (being the date of its last published interim accounts of Columbus)).

Following completion of the Merger, the earnings, assets and liabilities of the Columbus Group shall be consolidated into the earnings, assets and liabilities of the BPC Group.

As at the close of business on 29 June 2020 (being the latest practicable date prior to the publication date of this document), the Combined Group would have had a combined market capitalisation of approximately £96 million<sup>1</sup>.

## **8. BPC dividends**

BPC does not intend to pay a dividend for the foreseeable future.

## **9. Background to and reasons for the Merger**

Information relating to the background to and reasons for the Merger is set out in paragraph 3 of Part I of this document.

## **10. Business, employees, research and pension scheme**

Information relating to the business, employees, research and pension scheme is set out in paragraph 11 of Part I of this document.

## **11. Columbus Directors and the effect of the Scheme on their interests**

Details of the interests of the Columbus Directors in the share capital of Columbus are set out in subparagraph 4.3 of Part VI of this document. Columbus Shares held by all of the Columbus Directors at the Scheme Record Date will be subject to the Scheme.

The Columbus Directors have irrevocably undertaken to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the Resolutions proposed at the Columbus General Meeting, as described in paragraph 3 of this Part II above.

Save as set out in this document, the effect of the Scheme on the interests of the Columbus Directors does not differ from its effect on the like interest of any other person.

Following the Scheme becoming Effective, the Columbus Directors will be interested, in aggregate, in approximately 60,000,000 new BPC Shares, representing approximately 1.83 per cent. of the Enlarged BPC Share Capital following the Effective Date and approximately 1.78 per cent. of the Enlarged BPC Share Capital following the Lind Facility repayment or refinancing.

Details of the service contracts (including the termination provisions and payments) or letters of appointment of the Columbus Directors are set out in paragraph 8 of Part VI of this document.

## **12. Columbus Directors' Settlement and Termination Payments**

On termination of their respective positions with Columbus on a change of control of Columbus, Columbus Directors will be entitled to contractual termination payments for loss of office equal to 12 months' salary or fees – (i) Mr Leo Koot – £300,000, (ii) Mr Anthony Hawkins – £250,000, (iii) Mr Gordon Stein – £190,000 and (iv) Mr Michael Douglas – £24,000. Each of Messrs Koot, Hawkins, Stein and Douglas have agreed with BPC at their request that following the implementation of the Merger, each will receive their respective payments in the form of new BPC Shares, with the number of such new BPC Shares to be issued in satisfaction of the payment amount calculated by dividing the relevant sum due by the Closing Price of Columbus on 10 June 2020, being the latest practicable date prior to the date of the Announcement, and then multiplying the Exchange Ratio.

The Columbus Directors have each entered into a settlement agreement with Columbus and BPC on 19 June 2020, pursuant to which such directors' employment or non-executive director role with Columbus

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<sup>1</sup> Based on the Enlarged BPC Share Capital of 3,367,411,364 BPC Shares multiplied by the Closing Price of a BPC Share on the latest practicable prior to the publication date of this Scheme Document of 2.85 pence

will terminate from the Effective Date and they will each receive a termination payment which they are entitled to pursuant to their respective current service agreements or letter of appointment as a result of the change of control of Columbus following the completion of the Scheme. Such termination payment is equal to the gross value of twelve months of the relevant director's basic salary, less any applicable tax and national insurance contributions, and will, as agreed with BPC, be satisfied by way of the issue of new BPC Shares the number of which is to be calculated by dividing the payment due by the Closing Price of Columbus on the day before the Announcement Date and then multiplying by the Exchange Ratio. Columbus agrees to maintain its directors' and officers' liability insurance cover for each of the Columbus Directors on the same terms as apply from time to time to its directors for a period of 6 years from the Effective Date. Customary warranties, undertakings and waivers for an agreement of this type were given by each executive Columbus Director.

### **13. Executive Salary Options**

The holders of the Executive Salary Options have agreed with BPC that following the implementation of the Merger, each may elect either (i) to release their share options, conditional on the Merger taking place, in exchange for the number of new BPC Shares, calculated in accordance with the Exchange Ratio pursuant to the Scheme, that they would have received if such options were exercised prior to the Scheme Record Date; or (ii) exchange their existing options in Columbus for an equivalent number of options on the same terms in BPC, calculated in accordance with the Exchange Ratio.

Conditional on completion of the Merger, Mr Leo Koot, Mr Tony Hawkins and Mr Geoffrey Leid have indicated that they intend to release their options in exchange for new BPC Shares, and Mr Stewart Ahmed and Mr Gordon Stein have indicated that they intend to exchange their options for equivalent options in BPC.

Leo Koot, Anthony Hawkins and Gelco Energy Inc (a St Lucia company controlled by Geoffrey Leid) have each entered into a deed with BPC on 19 June 2020 pursuant to which they will, conditional on the Scheme becoming effective, release their options in exchange for such number of new BPC Shares (calculated in accordance with the Exchange Ratio pursuant to the Scheme) that they would have received if such options were exercised prior to the Scheme Record Date.

Gordon Stein and Stewart Ahmed (together with Dumayat) have each entered into a deed with BPC on 19 June 2020 pursuant to which they will, conditional on the Scheme becoming effective, exchange their options for equivalent options in BPC (exercisable within 7 years from the Effective Date), on the basis of the Exchange Ratio pursuant to the Scheme.

The arrangements set above have been agreed with BPC and represent no material change from the existing contractual rights of the parties concerned.

### **14. Columbus Share Plans**

Almost all of the options to acquire Columbus Shares that have been granted and are outstanding under the Columbus Share Plans have an exercise price that is greater than the value of a Columbus Share implied by the Exchange Ratio. Holders of such options (including the Columbus Directors) will be contacted regarding the effect of the Scheme on their rights under the Columbus Plans. In connection with the Scheme, no additional arrangements have been made with Columbus Directors with respect to the options they hold in the Columbus Share Plans. Options that are not exercised will lapse to the extent unexercised, in due course, in accordance with their terms, following the Effective Date. Any Columbus Shares issued pursuant to the exercise of options under the Columbus Share Plans prior to the Scheme Record Date will be subject to the terms of the Scheme. Columbus will not issue any new Columbus Shares after the Scheme Record Date until after the Effective Date.

As will be set out in the Notice of the Columbus General Meeting, an amendment to the articles of association of Columbus will be proposed at the Columbus General Meeting to the effect that any Columbus Shares allotted and issued pursuant to the Columbus Share Plans following the Effective Date (which are not subject to the Scheme) will be automatically transferred to, and purchased by, BPC on the same terms as the Merger.

## **15. BPC shareholder approval**

The Merger is conditional upon the approval of BPC Shareholders to the issue of sufficient New BPC Shares to give effect to the Merger at the BPC Annual General Meeting which has been convened for 10.00 a.m. (B.S.T.) on 24 July 2020. BPC has today published a circular (a copy of which is available on BPC's website at [www.bpcplc.com](http://www.bpcplc.com) containing, amongst other things, notice of the BPC Annual General Meeting. Application will be made for the admission of the New BPC Shares to trading on AIM. It is expected that, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, admission will become effective and that trading in the New BPC Shares will commence at 8.00 a.m. on 10 August 2020.

## **16. Irrevocable undertakings relating to the BPC Annual General Meeting**

The BPC Directors have irrevocably undertaken to vote in favour of the resolutions to be proposed at the BPC Annual General Meeting in connection with the Merger in respect of their own legal and beneficial holdings of BPC Shares (and those of connected persons) amounting to, in aggregate, 15,820,000 BPC Shares, representing approximately 0.64 per cent. of the existing issued share capital of BPC on 29 June 2020 (being the latest practicable date prior to the publication date of this document).

## **17. Permitted Merger-related arrangements**

### ***Confidentiality Agreement***

On 9 April 2020, Columbus and BPC entered into a confidentiality agreement in customary form in relation to the proposed transaction. The Confidentiality Agreement contained certain undertakings in relation to the use and non-disclosure of certain confidential information.

### ***Cooperation Agreement***

On 11 June 2020, BPC and Columbus entered into a co-operation agreement, pursuant to which BPC and Columbus have agreed certain undertakings to co-operate and provide each other with reasonable information, assistance and access in relation to the submissions and notifications to be made in relation to regulatory clearances and authorisations. BPC and Columbus have also agreed to provide each other with reasonable information, assistance and access for the preparation of their respective key shareholder documentation.

The Co-operation Agreement records BPC and Columbus's intention to implement the Merger by way of the Scheme, subject to the ability of BPC to proceed by way of a takeover offer in certain circumstances.

The Co-operation Agreement also contains provisions that will apply in respect of the Columbus Share Plans and certain other Columbus employee arrangements.

BPC undertakes to confirm to Columbus prior to the Court Hearing either that all Conditions have been satisfied or that it intends to invoke one or more of the Conditions.

The Co-operation Agreement shall be terminated with immediate effect if BPC and Columbus so agree in writing.

BPC has the right to terminate the Co-operation Agreement by written notice to Columbus if: (i) prior to the Long Stop Date, a third party announces a possible or firm intention to make an offer for Columbus, which is recommended by the Columbus Directors, (ii) a Columbus Board Adverse Recommendation Change (as defined in the Co-operation Agreement) occurs, or (iii) (assuming the Merger is being implemented by way of the Scheme) the Court Meeting, the Columbus General Meeting or the Court sanction hearing is/are not held on or before the 22nd day after the expected date of such meeting or hearing as set out in the Scheme Document or such later date as agreed.

Columbus has the right to terminate the Co-operation Agreement by written notice to BPC if: (i) the BPC Annual General Meeting is not convened on or before the 22nd day after the expected date of such meeting as set out in the Scheme Document or such later date as agreed; or (ii) a BPC Board Adverse Recommendation Change (as defined in the Co-operation Agreement) occurs.

In addition, either party has the right to terminate the Co-operation Agreement by written notice to the other party if (i) prior to the Long Stop Date, any Condition has been invoked by BPC (as permitted by the Panel); (ii) prior to the Long Stop Date, a third party competing offer becomes effective or is declared or becomes unconditional in all respects; (iii) if the Merger is, with the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Longstop Date; (iv) if the relevant resolutions are not passed by the requisite majority of the BPC Shareholders at the BPC Annual General Meeting; (v) if the Scheme is not approved by the holders of Scheme Shares at the Court Meeting and/or Columbus Shareholders at the Columbus General Meeting or the Court refuses to sanction the Scheme; or (vi) if the Scheme has not become effective by the Longstop Date.

The Co-operation Agreement is governed by and construed in accordance with the laws of England.

## **18. The Scheme**

### **18.1 Introduction**

The Merger is being implemented by means of a scheme of arrangement between Columbus and the Scheme Shareholders pursuant to the provisions of Part 26 of the Companies Act 2006, details of which are set out in full in Part IV of this document.

The purpose of the Scheme is to enable BPC to become the owner of the entire issued and to be issued share capital of Columbus. This is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to BPC and/or its nominee(s) in consideration for which Scheme Shareholders will receive New BPC Shares on the basis set out in paragraph 2 of this Part II.

To become Effective, the Scheme requires, amongst other things, the approval of a majority in number of those Scheme Shareholders present and voting (and entitled to vote) either in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of all Scheme Shares voted by such Scheme Shareholders and the passing of the resolutions at the Columbus General Meeting. The Scheme also requires the sanction of the Court as well as the satisfaction (or waiver (if capable of waiver)) of the other Conditions set out in Part III of this document. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted and, if they voted, whether they voted for or against the Scheme, at the Court Meeting or the Columbus General Meeting.

The last day of dealings in, and for registration of transfers of, Columbus Shares will be 6 August 2020, being the business day following the Court Hearing.

The procedure for implementing the Scheme involves an application by Columbus to the Court to call the Court Meeting to approve the Scheme and upon the receipt of the requisite approval, an application to the Court to sanction the Scheme and thereby transfer all of the Scheme Shares to BPC, in consideration for which Scheme Shareholders who are on the register of members of Columbus at the Scheme Record Time will receive New BPC Shares in accordance with the settlement arrangements described below. The Scheme is currently expected to become Effective on or about 7 August 2020 and, in any event not later than 15 November 2020 (or such later date as Columbus and BPC may, with the consent of the Panel, agree and (if required) the Court may allow).

Prior to the Scheme becoming Effective, application will be made to the London Stock Exchange to cancel the trading in Columbus Shares on AIM. It is expected that this will take effect on the Effective Date or shortly thereafter. On the Effective Date, each certificate representing a holding of Columbus Shares subject to the Scheme will be cancelled. Share certificates in respect of such shares will cease to be valid and every Columbus Shareholder will be bound at the request of Columbus to deliver to Columbus, or to any person appointed by Columbus, the share certificate(s) for cancellation, or to destroy them. As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course.

Following the Court Hearing and prior to the Scheme Record Time, Columbus may allot and issue Columbus Shares pursuant to the exercise of options under the Columbus Share Plans. Columbus will not issue any shares after the Scheme Record Time until after the Effective Date.

## 18.2 **The Meetings**

The Scheme is subject to the satisfaction (or waiver (if capable of waiver)) of the Conditions set out in Part III of this document. To become Effective, the Scheme will also require the approval by Scheme Shareholders of a resolution at the Court Meeting and the passing of the Resolutions by Columbus Shareholders at the Columbus General Meeting.

Notices of the Court Meeting and the Columbus General Meeting are set out in Parts IX and X of this document respectively. Save as set out below, all holders of Columbus Shares whose names appear on the register of members of Columbus at the Scheme Voting Record Time or, if either the Court Meeting or the Columbus General Meeting are adjourned, on the register of members of Columbus at 6.00 p.m. on the date two days before the date set for the adjourned Meeting, shall be entitled to attend and vote at the relevant Meeting in respect of the number of Columbus Shares registered in their name at the relevant time.

### *The Court Meeting*

The Court Meeting, which has been convened for 10.00 a.m. B.S.T. on 27 July 2020, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme (with or without modification or addition).

At the Court Meeting, voting will be by way of poll and not on a show of hands and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. Scheme Shareholders and all holders of Columbus Shares have the right to raise any objections they may have to the Scheme at the Court Meeting. The Scheme must be approved by a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Shares voted by such Scheme Shareholders. The result of the poll will be posted on Columbus's website.

**IN ACCORDANCE WITH CURRENT GOVERNMENT INSTRUCTIONS IN RESPECT OF THE EVOLVING SITUATION REGARDING COVID-19 AND THE RESTRICTIONS ON SOCIAL CONTACT, PUBLIC GATHERINGS AND NON-ESSENTIAL TRAVEL, WE REQUEST THAT YOU DO NOT PHYSICALLY ATTEND THE MEETINGS AND INSTEAD YOU SHOULD RETURN YOUR FORMS OF PROXY BY THE RELEVANT TIME. ANY COLUMBUS SHAREHOLDER THAT ATTEMPTS TO PHYSICALLY ATTEND THE MEETINGS WILL BE REFUSED ADMISSION IN ORDER TO COMPLY WITH CURRENT GOVERNMENT PUBLIC HEALTH INSTRUCTIONS.**

**The situation in relation to COVID-19 continues to develop and Columbus is aware that the UK Government is looking at solutions for the impact COVID-19 is having on the ability of companies to hold meetings. Columbus will continue to update the Columbus Shareholders on arrangements for the Meetings through a Regulatory Information Service and Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com). Columbus Shareholders are advised to check Columbus's website for updates.**

You will find the notice of the Court Meeting set out in Part IX of this document. Detailed instructions on the action to be taken are set out in paragraph 25 of this Part II.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares at the Court Meeting. Scheme Shareholders are also entitled to appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a Scheme Shareholder must have more than one Scheme Share to be able to appoint more than one proxy). A space has been included in the pink Form of Proxy to allow Scheme Shareholders entitled to attend and vote at the Court Meeting to specify the number of Scheme Shares in relation to which that proxy is appointed.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should complete a separate pink Form of Proxy for each proxy appointed. Such Scheme Shareholders should read the information regarding the appointment of multiple proxies set out on pages 11 to 12 (inclusive) of this document and the related notes contained in the pink Form of Proxy. Further copies of the pink Form of Proxy may be obtained from Share Registrars on +44 (0)1252 821390 between 9.00am and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a

message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com).

#### *The Columbus General Meeting*

The Columbus General Meeting has been convened for 10.15 a.m. (B.S.T.) on 27 July 2020 (or as soon thereafter as the Court Meeting has been concluded or adjourned), to consider and, if thought fit, pass the resolution(s) (which in the case of the resolution to implement the Scheme, requires votes in favour representing 75 per cent. or more of the votes cast at the Columbus General Meeting, whether in person or by proxy) to approve various provisions necessary to implement the Scheme, including:

- (A) grant authority to the Columbus Directors to take all actions as they may consider necessary or appropriate to give effect to the Scheme; and
- (B) certain amendments to Columbus Articles as described below.

It is proposed that the Articles be amended so as to ensure that any Columbus Shares issued at or after the adoption of the amended Articles but on or before the Scheme Record Time will be subject to the terms of the Scheme and that any Columbus Shares issued after the Scheme Record Time, including Columbus Shares issued pursuant to the exercise of options outstanding under the Columbus Share Plans will automatically be transferred to, or purchased by, the BPC on the same terms as the Merger. This amendment will avoid any person (other than BPC) holding shares in the capital of Columbus after the Effective Date. In addition, it is proposed that the Articles be amended to incorporate the compulsory acquisition right which when exercised will result in any Columbus Shares issued following the Merger being transferred to BPC in exchange for the allotment and issue of the BPC Shares.

**IN ACCORDANCE WITH CURRENT GOVERNMENT INSTRUCTIONS IN RESPECT OF THE EVOLVING SITUATION REGARDING COVID-19 AND THE RESTRICTIONS ON SOCIAL CONTACT, PUBLIC GATHERINGS AND NON-ESSENTIAL TRAVEL, WE REQUEST THAT YOU DO NOT PHYSICALLY ATTEND THE MEETINGS AND INSTEAD YOU SHOULD RETURN YOUR FORMS OF PROXY BY THE RELEVANT TIME. ANY COLUMBUS SHAREHOLDER THAT ATTEMPTS TO PHYSICALLY ATTEND THE MEETINGS WILL BE REFUSED ADMISSION IN ORDER TO COMPLY WITH CURRENT GOVERNMENT PUBLIC HEALTH INSTRUCTIONS.**

**The situation in relation to COVID-19 continues to develop and Columbus is aware that the UK Government is looking at solutions for the impact COVID-19 is having on the ability of companies to hold meetings. Columbus will continue to update the Columbus Shareholders on arrangements for the Meetings through a Regulatory Information Service and Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com). Columbus Shareholders are advised to check Columbus's website for updates.**

You will find the notice of the Columbus General Meeting set out in Part X of this document. The quorum for the Columbus General Meeting will be two or more Columbus Shareholders by proxy. Detailed instructions on the action to be taken are set out in paragraph 25 of this Part II.

Columbus Shareholders are entitled to appoint a proxy in respect of some or all of their Columbus Shares at the Columbus General Meeting. Columbus Shareholders are also entitled to appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a Columbus Shareholder must have more than one Columbus Share to be able to appoint more than one proxy). A space has been included in the white Form of Proxy to allow Columbus Shareholders entitled to attend and vote at the Columbus General Meeting to specify the number of Columbus Shares in relation to which that proxy is appointed.

Columbus Shareholders who wish to appoint more than one proxy in respect of their shareholding should complete a separate Form of Proxy for each proxy appointed.

### 18.3 **The Court Hearing**

Under the Companies Act, the Scheme also requires the sanction of the Court.

The Court Hearing to sanction the Scheme is expected to be held on 5 August 2020. Under the Companies Act, the Scheme is also subject to the sanction of the Court at the Court Hearing where

Columbus Shareholders may be present and be heard in person or through representation to support or oppose the sanctioning of the Scheme. This right may be subject to the UK Government instructions relating to COVID-19 at that time and any guidelines issued by the Court.

Following the Court Hearing and on or prior to the Scheme Record Time, Columbus may allot and issue Columbus Shares pursuant to the exercise of the options pursuant to the Columbus Share Plans.

The Scheme will become Effective in accordance with its terms on the delivery of a copy of the Court Order to the Registrar of Companies. The Effective Date is expected to be on or around 7 August 2020.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the Scheme at the Court Meeting or in favour of the resolutions at the Columbus General Meeting.

If the Scheme does not become Effective by 11.59 p.m. B.S.T. on the Long Stop Date or such later date (if any) as Columbus and BPC may agree or the Court may think fit to approve or impose, the Scheme will not become Effective and the Merger will not proceed.

#### **18.4 *Modifications to the Scheme***

The Scheme contains a provision for Columbus and BPC jointly to consent, on behalf of all persons affected, to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, the Scheme or to approve or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Columbus Directors, is of such a nature or importance that it requires the consent of Scheme Shareholders at a further meeting, the Columbus Directors will not take the necessary steps to enable the Scheme to become Effective unless and until such consent is obtained.

#### **18.5 *Alternative means of implementing the Merger***

BPC has reserved the right (subject to the consent of the Panel) to implement the Merger by way of a Takeover Offer at any time before the Scheme becomes Effective, or following its withdrawal, in which case additional documents will be despatched to Columbus Shareholders. In such event, the Takeover Offer will (subject to the Panel and unless otherwise agreed) be implemented on the same terms (subject to appropriate amendments, including (without limitation) the inclusion of an acceptance condition set at 90 per cent. (or such lesser percentage (being more than 50 per cent.) as BPC may determine) of the shares to which such Takeover Offer relates), so far as applicable as those which would apply to the implementation of the Merger by means of the Scheme.

#### **18.6 *Conditions to the Merger***

The Merger and, accordingly, the Scheme are subject to a number of conditions set out in full in Part III of this document. In summary, the implementation of the Scheme is conditional upon, amongst other things:

- (A) the Scheme being approved by a majority in number representing 75 per cent. or more in value of the Scheme Shareholders, present and voting, either in person or by proxy, at the Court Meeting, or any adjournment thereof;
- (B) the resolutions required to approve and implement the Scheme set out in the notice of the Columbus General Meeting being passed by the requisite majority at the Columbus General Meeting, or any adjournment thereof;
- (C) the Scheme being sanctioned (with or without modification or addition) and a copy of the Court Order being delivered to the Registrar of Companies;
- (D) the passing at the BPC Annual General Meeting of such resolution or resolutions as are necessary to authorise the issue of the New BPC Shares;
- (E) entering into the Goudron EPSC with Heritage Petroleum Company Limited;

- (F) receiving Heritage Petroleum Company Limited's consent to the change of control with respect to the applicable contracts for the Goudron, Trinity Inniss and South Erin fields and the non-imposition of a change of control payment (where applicable);
- (G) receiving no objection from Staatsolie Maatschappij Suriname N.V. to the Merger with respect to the Weg Naar Zee block in Suriname; and
- (H) the other Conditions (set out in Part III of this document) which are not otherwise summarised in sub-paragraphs (A) to (G) above being satisfied (or waived (if capable of waiver)).

### 18.7 **Lapse of the Scheme**

The Scheme will lapse if:

- (A) the Scheme is not duly approved by Scheme Shareholders at the Court Meeting or at any adjournment of the Court Meeting on or before 18 August 2020, being the 22nd day after the expected date of the Court Meeting (or such later date as may be agreed by BPC and Columbus and which the Court may allow);
- (B) the special resolution necessary to approve and implement the Scheme is not duly passed at the Columbus General Meeting or at any adjournment of that meeting on or before 18 August 2020, being the 22nd day after the expected date of the Columbus General Meeting (or such later date as may be agreed by BPC and Columbus and which the Court may allow);
- (C) the Scheme is not sanctioned by the Court with or without modification (subject to any modification being on terms acceptable to Columbus and BPC) on or before 27 August 2020, being the 22nd day after the expected date of the Court Hearing (or such later date as may be agreed by BPC and Columbus and which the Court may allow); or
- (D) the Scheme does not become Effective by the Longstop Date or such later date (if any) as BPC and Columbus may agree and, if required, the Court and the Panel may approve.

## 19. **Overseas Shareholders**

### 19.1 **General**

The distribution of this document and the allotment and issue of the New BPC Shares in jurisdictions other than the United Kingdom may be restricted by law. No action has been taken by Columbus or BPC to obtain any approval, authorisation or exemption to permit the allotment or issue of the New BPC Shares or the possession or distribution of this document (or any other publicity material relating to the New BPC Shares) in any jurisdiction, other than in the United Kingdom.

The implications of the Scheme and the Merger for Overseas Shareholders may be affected by the laws of jurisdictions outside the United Kingdom. Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements. It is the responsibility of any Overseas Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or duties or payments due in such jurisdiction. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

This document has been prepared for the purposes of complying with English law, the Code, the Rules of the London Stock Exchange and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside England and Wales.

No BPC Shares or any other securities of BPC have been marketed to, nor are any available for purchase, in whole or in part, by the public in the United Kingdom or elsewhere in connection with the Merger or the Scheme. This document does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, BPC Shares or any other securities in BPC.

If, in respect of any Overseas Shareholder, BPC is advised that the allotment and issue to such Overseas Shareholder of New BPC Shares would or might infringe the laws of the relevant jurisdiction or would or might require BPC to obtain or observe any governmental or other consent or any registration, filing or other formality with which BPC is unable to comply, or compliance with which BPC regards as unduly onerous, then BPC may:

- (A) determine in its sole discretion that the New BPC Shares to which such Overseas Shareholder is entitled shall be sold, in which event the New BPC Shares shall be issued to such Overseas Shareholder and BPC shall appoint a person to act as trustee for such Overseas Shareholder and such person shall be authorised as attorney on behalf of such Overseas Shareholder to procure that any New BPC Shares in respect of which BPC has made such determination shall be sold; or
- (B) where BPC is advised that the procedure in sub-paragraph (A) above would or might be unlawful in a particular jurisdiction or would or might require BPC to obtain or observe any governmental or other consent or any registration, filing or other formality with which BPC is unable to comply or compliance with which BPC regards as unduly onerous, determine in its sole discretion that the New BPC Shares to which such Overseas Shareholder is entitled shall instead be allotted and issued to Columbus, who shall be appointed by BPC as nominee for such Overseas Shareholder and such New BPC Shares shall be sold on his behalf by the nominee,

in either case, as soon as practicable after the Effective Date.

Any sale under sub-paragraphs (A) or (B) above shall be carried out at the best price which can be reasonably obtained at the time of sale, and the net proceeds of such sale, after deduction of all expenses and commission, including any amount in respect of VAT or any applicable sales tax payable thereon, shall be delivered by cheque (by first class post (or such other method as may be approved by the Panel)) to such Overseas Shareholder. To give effect to any such sale, the person or nominee so appointed (as the case may be) shall be authorised as attorney on behalf of such Overseas Shareholder to execute and deliver a form of transfer and to give such instructions and do all such things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of Columbus, BPC, the person or the nominee so appointed or any agent of any of them shall have any liability for any loss arising as a result of the timing or terms of any such sale.

## 19.2 **Other overseas securities laws**

Unless otherwise determined by BPC or required by the Code, and permitted by applicable law and regulation, the Merger will not be made available, directly or indirectly, in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within any jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.

Accordingly, copies of this document and all documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

## 20. **Taxation**

Your attention is drawn to Part VII (*United Kingdom Taxation*) of this Scheme Document for information on the tax position in the UK. Such summary does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

If you are in any doubt about your own tax position, or you are or may be subject to taxation laws in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser immediately as to the tax consequences of the Scheme under applicable tax laws in such jurisdiction.

## **21. Deferred Shares**

Columbus has 418,379,981 Deferred Shares in issue. The Deferred Shares are not listed on any exchange and effectively have no rights, in particular they do not confer on their holders any right to any dividend or the right to receive notice of, attend, speak or vote at general meetings of Columbus. The holders of Deferred Shares are technically entitled, on a distribution of assets on a winding-up or other return of capital, to receive the amount paid up on their Deferred Shares, however, £1,000,000 (one million Pounds Sterling) must first have already been distributed to the holders of the ordinary shares in respect of each ordinary share, rendering this right to receive amounts practically non-existent.

The Deferred Shares will not form part of, and will not be affected by, the Merger and the Scheme. In accordance with Columbus's articles of association, Columbus shall procure the transfer of the Deferred Shares to BPC upon the Scheme becoming Effective.

## **22. Settlement**

Subject to the Scheme becoming Effective, settlement of the consideration to which Scheme Shareholders are entitled under the Scheme will be effected in the manner set out below:

### ***Electronic Settlement in CREST***

#### **22.1 *Scheme Shares held in uncertificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, the settlement of entitlements to New BPC Shares will be effected through CREST. BPC shall procure Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Shareholder with such relevant Scheme Shareholder's entitlement to New BPC Shares as soon as practicable after the Effective Date, and in any event within 14 days of the Effective Date, provided BPC reserves to settle all or part of such consideration in the manner set out in paragraph 22.2 of this Part II if, for reasons outside of its reasonable control, it is not able to effect settlement in accordance with this paragraph 22.1 of Part II.

#### **22.2 *Scheme Shares held in certificated form***

Where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, settlement of the share consideration due under the Scheme will be made by issuing the New BPC Shares in certificated form. Definitive certificates for the New BPC Shares will be despatched by first class post or international standard post (as appropriate) (or by such other method as shall be approved by the Panel) within 14 days of the Effective Date to the address appearing on the register of members (or in the case of joint holders, at the address of that joint holder whose name stands first in the register of members of such joint holdings) and neither BPC nor Columbus shall be responsible for any loss or delay in the transmission of certificates sent in this manner and such certificates shall be sent at the risk of the person entitled thereto.

Temporary documents of title will not be issued pending the despatch by post of the new definitive share certificates. Persons wishing to register transfers of New BPC Shares will be required to forward a completed transfer form to BPC's registrar for certification and registration.

#### **22.3 *General***

Fractions of New BPC Shares will not be allotted and issued to Columbus Shareholders pursuant to the Scheme and shall be aggregated, allotted, issued and sold in the market after the Effective Date.

Except with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which BPC may otherwise be, or claim to be, entitled against such shareholder.

## **23. Cancellation of admission to trading on AIM and re-registration of Columbus as a private company**

Unless the Meetings are adjourned, the last day of dealings in, and for registration of transfers of, Columbus Shares will be the business day of the Court Hearing, which is expected to be 5 August 2020, following which Columbus Shares will be temporarily suspended from trading on AIM.

As at the close of trading on the last day of dealings in Columbus Shares prior to the Effective Date (the last day of dealings is expected to be 6 August 2020), there may be unsettled, open trades for the sale and purchase of Columbus Shares within the CREST system. The Columbus Shares that are the subject of such unsettled trades will be treated under the Scheme in the same way as any other Columbus Share registered in the name of the relevant seller under that trade. Consequently, the seller will receive the appropriate New BPC Shares in accordance with the basic terms of the Merger. However, the CREST system will automatically require the seller to settle that unsettled trade in BPC Shares at the same exchange ratio provided by the basic terms of the Merger. Consequently, a seller within CREST will need to ensure that it holds or acquires the appropriate number of BPC Shares necessary to satisfy that trade at the relevant time. This position will be confirmed in due course by way of a CREST bulletin to all CREST participants.

No transfers of Columbus Shares will be registered after this date and, other than the registration of Columbus Shares released, transferred or issued under the Columbus Share Plans after the Court Hearing and prior to the Scheme Record Time, no Columbus Shares will be issued after this date.

A request will be made to the London Stock Exchange prior to the Effective Date to cancel the trading in Columbus Shares on AIM with effect from 7.00 a.m. B.S.T. on 10 August 2020.

On the Effective Date, each certificate representing a holding of Columbus Shares subject to the Scheme will be cancelled. Share certificates in respect of Columbus Shares will cease to be valid and every Columbus Shareholder will be bound at the request of Columbus to deliver to Columbus, or to any person appointed by Columbus, the share certificate(s) for cancellation, or to destroy them. As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course.

Subsequent to the Merger, it is intended that Columbus be re-registered as a private limited company in due course.

## **24. Rights attaching to the new BPC Shares**

The New BPC Shares will be issued and credited as fully paid and will rank *pari passu* in all respects with those BPC Shares in issue at the time the New BPC Shares are issued pursuant to the Scheme, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. A more detailed summary of the rights attaching to the BPC Shares is provided in Appendix One (*Description of BPC Shares*) to this Scheme Document.

An application for admission of the New BPC Shares to trading on AIM will be made to AIM conditional on the Scheme becoming Effective. The New BPC Shares will be issued free from all options, liens, charges, encumbrances and other third-party rights and interests of any nature whatsoever.

## **25. Action to be taken**

### **25.1 *The Court Meeting and the Columbus General Meeting***

You will find accompanying this document:

- a pink Form of Proxy for use in respect of the Court Meeting;
- a white Form of Proxy for use in respect of the Columbus General Meeting;
- a reply-paid envelope for use in the United Kingdom.

**IN ACCORDANCE WITH CURRENT GOVERNMENT INSTRUCTIONS IN RESPECT OF THE EVOLVING SITUATION REGARDING COVID-19 AND THE RESTRICTIONS ON SOCIAL CONTACT, PUBLIC GATHERINGS AND NON-ESSENTIAL TRAVEL, WE REQUEST THAT YOU DO NOT PHYSICALLY ATTEND THE MEETINGS AND INSTEAD YOU SHOULD RETURN**

**YOUR FORMS BY THE RELEVANT TIME. ANY COLUMBUS SHAREHOLDER THAT ATTEMPTS TO PHYSICALLY ATTEND THE MEETINGS WILL BE REFUSED ADMISSION IN ORDER TO COMPLY WITH CURRENT GOVERNMENT PUBLIC HEALTH INSTRUCTIONS.**

**The situation in relation to COVID-19 continues to develop and Columbus is aware that the UK Government is looking at solutions for the impact COVID-19 is having on the ability of companies to hold meetings. Columbus will continue to update the Columbus Shareholders on arrangements for the Meetings through a Regulatory Information Service and Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com). Columbus Shareholders are advised to check Columbus's website for updates.**

Returning the pink and white forms of Proxy will enable your votes to be counted at the Meetings in your absence. If the pink Form of Proxy for use at the Court Meeting is not returned by 10.00 a.m. B.S.T. on 23 July 2020, it may be handed to the chairman of the Court Meeting, at the Court Meeting before the taking of the poll and will still be valid. However, in the case of the white Form of Proxy for the Columbus General Meeting, it will be invalid unless it is returned to Share Registrars at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, so as to be received no later than 10.15 a.m. B.S.T. on 23 July 2020 (or, if the Columbus General Meeting is adjourned, not less than 48 hours prior to the time and date set for the adjourned meeting).

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares at the Court Meeting. Scheme Shareholders are also entitled to appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a Scheme Shareholder must have more than one Scheme Share to be able to appoint more than one proxy). A space has been included in the pink Form of Proxy to allow Scheme Shareholders entitled to attend and vote at the Court Meeting to specify the number of Scheme Shares in respect of which that proxy is appointed.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should complete a separate pink Form of Proxy for each proxy appointed. Such Scheme Shareholders should read the information regarding the appointment of multiple proxies set out on pages 11 to 12 (inclusive) of this document and the related notes contained in the pink Form of Proxy. Further copies of the pink Form of Proxy may be obtained from Share Registrars on +44 (0) 1252 821390 between 9.00 a.m. and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com). Calls from outside the UK will be charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The registrars cannot provide advice on the merits of the Merger nor give any financial, legal, tax or investment advice.

Columbus Shareholders are entitled to appoint a proxy in respect of some or all of their Columbus Shares at the Columbus General Meeting. Columbus Shareholders are also entitled to appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a Columbus Shareholder must have more than one Columbus Share to be able to appoint more than one proxy). A space has been included in the white Form of Proxy to allow Columbus Shareholders entitled to attend and vote at the Columbus General Meeting to specify the number of Columbus Shares in respect of which that proxy is appointed.

Columbus Shareholders who wish to appoint more than one proxy in respect of their shareholding should complete a separate white Form of Proxy for each proxy appointed. Such Columbus Shareholders should read the information regarding the appointment of multiple proxies set out on pages 11 to 12 (inclusive) of this document and the related notes contained in the white Form of Proxy. Further copies of the white Form of Proxy may be obtained from Share Registrars on +44 (0) 1252 821390 between 9.00am and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com). Calls from outside the UK will be charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The registrars cannot provide advice on the merits of the Merger nor give any financial, legal, tax or investment advice.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.**

***Notices convening the Court Meeting and the Columbus General Meeting are set out in Parts IX and X of this document respectively.***

***Deposits of Columbus Shares into, and withdrawals of Columbus Shares from, CREST***

Normal CREST procedures (including timings and limitations) apply in relation to any Columbus Shares that are, or are to be, converted from uncertificated to certificated form or from certificated to uncertificated form during the course of the Scheme (whether any such conversion arises as a result of a transfer of Columbus Shares or otherwise).

**26. Helpline**

If you are a Columbus Shareholder and you have any questions relating to this document, the Court Meeting, the Columbus General Meeting, the Merger or the Scheme or are in any doubt about the completion and return of the Forms of Proxy, please contact Share Registrars on +44 (0) 1252 821390 between 9.00am and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at enquiries@shareregistrars.uk.com. Please note that calls to these numbers may be monitored or recorded and that, for legal reasons, the helpline cannot provide advice on the merits of the Merger or give any legal, tax or financial advice.

**27. Further information**

Your attention is drawn to the terms of the Scheme which are set out in full in Part IV of this document. Your attention is also drawn to the further information contained in this document which forms part of this Explanatory Statement.

Yours faithfully,

**Andrew Raca**

*Head of Corporate Finance*

for and on behalf of

**VSA Capital Limited**

## PART III

### CONDITIONS TO THE SCHEME AND TO THE OFFER

#### Part A: Conditions and Certain Further Terms of the Scheme and the Merger

##### 1. **Conditions to the Scheme and the Merger**

The Merger is conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, by no later than the Longstop Date or such later date as BPC and Columbus may, with the consent of the Panel, agree and (if required) the Court may allow.

##### 2. **Scheme approval**

###### 2.1 The Scheme will be conditional upon:

- (a) approval of the Scheme at the Court Meeting (or at any adjournment thereof, provided that the Court Meeting may not be adjourned beyond the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course or such later date (if any) as BPC and Columbus may agree and the Court may allow, subject to the Code and, if required, the consent of the Panel) by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders;
- (b) all resolutions required to approve and implement the Scheme as set out in the notice of the Columbus General Meeting (including, without limitation, the special resolution) being duly passed by the requisite majority of Columbus Shareholders at the Columbus General Meeting (or at any adjournment thereof, provided that the Columbus General Meeting may not be adjourned beyond the 22nd day after the expected date of the Columbus General Meeting to be set out in the Scheme Document in due course or such later date (if any) as BPC and Columbus may agree and the Court may allow, subject to the Code and, if required, the consent of the Panel); and
- (c) the sanction of the Scheme by the Court without modification or with modification on terms acceptable to BPC and Columbus (acting reasonably), provided that the Scheme Court Hearing may not be adjourned beyond the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course or such later date (if any) as BPC and Columbus may agree and, if required, the Court may allow and the delivery of a copy of the Court Order(s) to the Registrar of Companies.

2.2 In addition, subject to Part B below and to the requirements of the Panel, BPC and Columbus have agreed that the Merger will be conditional upon the following Conditions and, accordingly, the sanction of the Scheme by the Court will not be sought and the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived.

##### 3. **BPC Shareholder approval**

Any resolution or resolutions of BPC Shareholders required to approve and implement the Merger being duly passed by the requisite majority at the BPC Annual General Meeting (or at any adjournment thereof, provided that the BPC Annual General Meeting may not be adjourned beyond the 22nd day after the expected date of the BPC Annual General Meeting to be set out in the BPC Circular and the Scheme Document in due course or such later date (if any) as BPC and Columbus may agree (acting reasonably)).

##### 4. **Admission to trading on AIM**

The London Stock Exchange having acknowledged to BPC or its agent (and such acknowledgement not having been withdrawn) that the New BPC Shares will be admitted to trading on the London Stock Exchange's AIM Market.

##### 5. **Goudron EPSC**

Prior to the date of the Court Hearing Columbus entering into the Goudron EPSC with Heritage Petroleum Company Limited on the terms of the draft Goudron EPSC, a copy of which draft document has been disclosed by Columbus to BPC prior to the date of the Announcement.

6. **Heritage Petroleum Company Limited consent**

Heritage Petroleum Company Limited consenting to the Merger and confirming in writing prior to the date of the Court Hearing that it will not:

- (a) exercise its right to terminate (i) the Goudron EPSC (if it has been entered into prior to the date of the Court Hearing) or the Goudron IPSC (if the Goudron EPSC has not been entered into prior to the date of the Court Hearing and BPC has agreed to waive the Condition in paragraph 5 in this respect), (ii) the Trinity Inniss IPSC; or (iii) the South Erin Farmout Agreement as a result of the Merger; or
- (b) exercise its right to charge a transaction fee of up to 20 per cent. of the cash value of the Merger which is attributable to Columbus's right and interest in the South Erin Farmout Agreement, or its right to charge a transaction fee of up to 20 per cent. of the cash value of the Merger which is attributable to Columbus's right and interest in the Goudron EPSC (if it has been entered into prior to the date of the Court Hearing).

7. **Suriname Notification**

A joint notification having been made by Columbus and BPC to Staatsolie Maatschappij Suriname N.V. pursuant to the Production Sharing Contract relating to the Weg Naar Zee Block Onshore Suriname and Staatsolie prior to the date of the Court Hearing not raising any objection to the Merger or imposing any additional material conditions or obligations with respect to the Production Sharing Contract.

8. **General Third Party clearances**

- 8.1 Excluding those referred to in the Conditions in paragraphs 6 and 7 in Part A of this Part III, all material notifications to and filings with, Third Parties which are necessary having been made, all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed, been waived or been terminated (as appropriate) and all applicable statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Scheme or Merger or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Columbus or any other member of the Wider Columbus Group by any member of the Wider BPC Group or the carrying on by any member of the Wider Columbus Group of any material aspect of its business;
- 8.2 Other than in relation to the matters referred to in the Conditions in paragraphs 6 and 7 of Part A of this Part III, no Third Party having intervened (as defined below) and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which is material in the context of the Merger and which would or might reasonably be expected to:
  - (a) make the Scheme or the Merger or, in each case, its implementation or the acquisition or proposed acquisition by BPC or any member of the Wider BPC Group of any shares or other securities in, or control or management of, Columbus or any member of the Wider Columbus Group void, illegal or unenforceable in any relevant jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or delay the same or impose additional material conditions or obligations with respect to the Scheme or the Merger or such acquisition, or otherwise materially impede, challenge or interfere with the Scheme or Merger or such acquisition, or require material amendment to the terms of the Scheme or Merger or the acquisition or proposed acquisition of any Columbus Shares or the acquisition of control or management of Columbus or the Wider Columbus Group by BPC or any member of the BPC Group;
  - (b) materially limit or delay, or impose any material limitations on, the ability of any member of the Wider BPC Group or any member of the Wider Columbus Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Columbus Group or any member of the Wider BPC Group, to an extent which is or could be material in the context of the Combined Group taken as a whole or material in the context of the Merger;
  - (c) require, prevent or materially delay the divestiture by any member of the Wider BPC Group of any shares or other securities in any member of the Columbus Group;

- (d) require, prevent or materially delay the divestiture or alter the terms envisaged for any such divestiture by any member of the Wider BPC Group or by any member of the Wider Columbus Group of all or any portion of their respective businesses, assets or properties or materially limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
- (e) except pursuant to sections 974 to 991 of the Companies Act, require any member of the Wider BPC Group or of the Wider Columbus Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of the Wider Columbus Group or any asset owned by any Third Party (other than in the implementation of the Merger);
- (f) materially limit the ability of any member of the Wider BPC Group or any member of the Wider Columbus Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider BPC Group or of the Wider Columbus Group to an extent which is material in the context of the Wider Columbus Group taken as a whole or the Wider BPC Group taken as a whole (as the case may be);
- (g) result in any member of the Wider Columbus Group or any member of the Wider BPC Group ceasing to be able to carry on business under any name under which it presently does so to an extent which is material in the context of the Wider Columbus Group taken as a whole or the Wider BPC Group taken as a whole (as the case may be); or
- (h) otherwise materially adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Columbus Group or any member of the Wider BPC Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated;

8.3 Excluding those referred to in the Conditions in paragraphs 6 and 7 of Part A of this Part III, all Authorisations which are necessary in any relevant jurisdiction for or in respect of the Scheme or Merger or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Columbus or any other member of the Wider Columbus Group by any member of the Wider BPC Group or the carrying on by any member of the Wider Columbus Group of any material aspect of its business having been obtained or having been deemed to have been given or obtained, in terms and in a form satisfactory to BPC (acting reasonably), from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Columbus Group has entered into contractual arrangements and all such Authorisations necessary for the carrying on by any member of the Wider Columbus Group of its business having been obtained and all such Authorisations remaining in full force and effect at the time at which the Merger becomes effective or otherwise wholly unconditional and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same, in each case where the absence of such Authorisation would have a material adverse effect on the Wider Columbus Group (taken as a whole).

## 9. ***Certain matters arising as a result of any arrangement, agreement etc.***

- 9.1 Except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Columbus Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the Scheme or Merger or the acquisition or proposed acquisition by any member of the Wider BPC Group of any shares or other securities (or the equivalent) in Columbus or because of any change in the control or management of any member of the Wider Columbus Group or otherwise, could or might reasonably be expected to result in:
- (a) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Columbus Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity date or repayment date or the ability of any member of the Wider Columbus Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
  - (b) the creation (save in the ordinary course of business) or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Columbus Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) becoming enforceable;

- (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Columbus Group thereunder, being terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
- (d) any asset or interest of any member of the Wider Columbus Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of otherwise than in the ordinary course of business;
- (e) any member of the Wider Columbus Group ceasing to be able to carry on business under any name under which it presently does so;
- (f) the creation of any material liability (actual or contingent) by any member of the Wider Columbus Group other than trade creditors or other liabilities incurred in the ordinary course of business;
- (g) the rights, liabilities, obligations, interests or business of any member of the Wider Columbus Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any member of the Wider Columbus Group in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- (h) the financial or trading position or the value of any member of the Wider Columbus Group being prejudiced or adversely affected,

which, in each of the foregoing cases is material and adverse in the context of the Wider Columbus Group (taken as a whole) and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Columbus Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, could result in any of the events or circumstances which are referred to in paragraphs (a) to (h) of this Condition 9 (in each case, to the extent which is material in the context of the Wider Columbus Group (taken as a whole));

9.2 Since 31 December 2018 and except as Disclosed, no member of the Wider Columbus Group having:

- (a) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or securities or convertible securities or transferred or sold or agreed to transfer or sell any shares out of treasury, other than as between Columbus and wholly-owned subsidiaries of Columbus and other than any shares issued upon the exercise of any options or the vesting of any employee share awards granted under any of the Columbus Share Plans;
- (b) purchased or redeemed or repaid any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (a) above, made any other change to any part of its share capital;
- (c) recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue other than to Columbus or a wholly-owned subsidiary of Columbus;
- (d) made or authorised any change in its loan capital;
- (e) (other than pursuant to the Scheme (and except for transactions between Columbus and its wholly owned subsidiaries or between the wholly owned subsidiaries of Columbus and transactions other than in the ordinary course of business)) disposed of or transferred, mortgaged, charged or created any security interest over any material asset or any right, title or interest in any material asset (including shares in any undertaking and trade investments) or authorised the same, in any such case to an extent which is material in the context of the Wider Columbus Group (taken as a whole);
- (f) (except for transactions between Columbus and its wholly owned subsidiaries or between the wholly owned subsidiaries of Columbus or otherwise in the ordinary course of business) issued or authorised the issue of, or made any change in or to the terms of, any debentures or incurred or increased any indebtedness or liability (actual or contingent), which is material in the context of the Wider Columbus Group taken as a whole;

- (g) entered into, materially varied, or authorised any material agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business, which:
  - (i) is of a long term, onerous or unusual nature or magnitude or which involves an obligation of such nature or magnitude; or
  - (ii) could materially restrict the business of any member of the Wider Columbus Group;
- (h) entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in respect of itself or another member of the Wider Columbus Group otherwise than in the ordinary course of business;
- (i) entered into or materially varied the terms of, any contract, service agreement or binding arrangement with any of the directors or senior executives of any member of the Wider Columbus Group except for salary increases, bonuses or variations of terms in the ordinary course or as a result of genuine promotion;
- (j) (other than in respect of a member of the Wider Columbus Group which is dormant and was solvent at the time) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction in each case as would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Columbus Group taken as a whole;
- (k) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business in each case as would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Columbus Group taken as a whole;
- (l) waived or compromised any claim, otherwise than in the ordinary course of business, which is material in the context of the Wider Columbus Group as a whole;
- (m) save as required or envisaged in accordance with the terms of the Scheme or in connection with the Merger, made any alteration to its memorandum or articles of association which is material in the context of the Merger;
- (n) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to:
  - (i) any significant change:
    - (A) to the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Columbus Group for its directors, employees or their dependants; or
    - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder; or
    - (C) the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
    - (D) the basis upon which the liabilities (including pensions) or such pension schemes are funded, valued or made; or
    - (E) any change to the trustees including the appointment of a trust corporation,
 to an extent which is in any such case material in the context of the Wider Columbus Group;
- (o) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Columbus Group, which is in any such case material in the context of the Wider Columbus Group taken as a whole; or entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) with respect to,

or proposed or announced any intention to effect, any of the transactions, matters or events referred to in this Condition 9.

**10. *No adverse change, litigation or regulatory enquiry***

10.1 Except as Disclosed and/or other than as a result of the Merger, since 31 December 2018 (in each case to an extent which is or could be material in the context of the Wider Columbus Group taken as a whole or the Wider BPC Group taken as a whole, or material in the context of the Merger):

- (a) there having been no adverse change or deterioration and no circumstance having arisen which would or might reasonably be expected to result in any adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects or operational performance of any member of the Wider Columbus Group or any member of the Wider BPC Group;
- (b) no contingent or other liability in respect of any member of the Wider Columbus Group or in respect of any member of the Wider BPC Group, which is, or which would be likely to, affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Columbus Group or any member of the Wider BPC Group having arisen or become apparent or increased;
- (c) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Columbus Group or any member of the Wider BPC Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Columbus Group or any member of the Wider BPC Group;
- (d) (other than as a result of the Merger) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened in writing, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Columbus Group or any member of the Wider BPC Group;
- (e) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Columbus Group or any member of the Wider BPC Group which is necessary for the proper carrying on of its business; or
- (f) no member of the Wider Columbus Group nor any member of the Wider BPC Group having conducted its business in material breach of any applicable laws and regulations.

**11. *No discovery of certain matters***

11.1 Neither BPC nor Columbus having discovered (in each case to an extent which is or could be material in the context of the Wider Columbus Group taken as a whole or material in the context of the Merger):

- (a) that any financial or business or other information concerning the Wider Columbus Group or the Wider BPC Group publicly disclosed by or on behalf of any member of the Wider Columbus Group or the Wider BPC Group (as the case may be) prior to the date of the Announcement is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected before the date of the Announcement by disclosure either publicly or otherwise to BPC or Columbus as applicable;
- (b) that any member of the Wider Columbus Group, otherwise than in the ordinary course of business, is subject to any liability (actual or contingent) which is not disclosed in Columbus's annual report and accounts for the financial year ended 31 December 2018 and which has not been Disclosed; or
- (c) any information which has not been Disclosed and which affects the import of any information Disclosed at any time by or on behalf of any member of the Wider Columbus Group;

11.2 BPC not having discovered, other than as Disclosed (in each case to an extent which is or could be material in the context of the Wider Columbus Group taken as a whole or material in the context of the Merger):

- (a) that any past or present member of the Wider Columbus Group has not complied in any material respect with any applicable legislation or regulations of any jurisdiction with regard to the use,

treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, which, in any case, such non-compliance would be likely to give rise to any material liability (whether actual or contingent) or cost on the part of any member of the Wider Columbus Group; or

- (b) that there is, or is likely to be, any material liability, whether actual or contingent, to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied or made use of by any past or present member of the Wider Columbus Group under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or Third Party.

## 12. **Anti-corruption, sanctions and criminal property**

12.1 BPC not having discovered other than as Disclosed that, in each case to an extent which is or could be material in the context of the Wider Columbus Group taken as a whole or material in the context of the Merger:

- (a)
  - (i) any past or present member, director, officer or employee of the Wider Columbus Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other anti-corruption legislation applicable to the Wider Columbus Group; or
  - (ii) any person that performs or has performed services for or on behalf of the Wider Columbus Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (b) any material asset of any member of the Wider Columbus Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (c) any past or present member, director, officer or employee of the Wider Columbus Group has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states; or
- (d) a member of the Wider Columbus Group has engaged in any transaction which would cause BPC to be in breach of any law or regulation upon its (direct or indirect) acquisition of Columbus, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

12.2 For the purpose of these Conditions:

- (a) **Third Party** means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority (including any national or supranational anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction, including, for the avoidance of doubt, the Panel;
- (b) a Third Party shall be regarded as having “**intervened**” if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything (and in each case, not having withdrawn the same) and **intervene** shall be construed accordingly; and

- (c) **Authorisations** means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, permissions and approvals, in each case, of a Third Party.
- (d) **Disclosed** means:
- (i) In relation to Columbus, the information disclosed by, or on behalf of Columbus, (i) in the audited results of the Columbus Group for the financial year ended 31 December 2018; (ii) in the annual report and accounts of the Columbus Group for the financial year ended 31 December 2018; (iii) in the unaudited interim results of the Columbus Group for the period ended 30 June 2019; (iv) in the Announcement; (v) in any other announcement to a Regulatory Information Service by, or on behalf of, Columbus prior to the Announcement Date; (vi) in the Project Blue online virtual data room facility provided by Egnyte on behalf of Columbus; or (vii) as otherwise fairly disclosed to BPC (or its respective officers, employees, agents or advisers) prior to the Announcement Date.
  - (ii) In relation to BPC, the information disclosed by, or on behalf of BPC, (i) in the audited results of the BPC Group for the financial year ended 31 December 2019; (ii) in the annual report and accounts of the BPC Group for the financial year ended 31 December 2019; (iii) in the Announcement; (iv) in any other announcement to a Regulatory Information Service by, or on behalf of, BPC prior to the Announcement Date; (v) in the Project Blue online virtual data room provided by BPC; or (vi) as otherwise fairly disclosed to Columbus (or its respective officers, employees, agents or advisers) prior to the Announcement Date.

#### **Part B: Waiver and invocation of the Conditions**

13. The Scheme will not become effective unless the Conditions have been fulfilled or (to the extent capable of waiver) waived or, where appropriate, have been determined by BPC or Columbus (as applicable) to be or remain satisfied by no later than the Longstop Date.
14. Subject to the requirements of the Panel, BPC reserves the right in its sole discretion to waive:
- (a) those parts of all or any of the Conditions in paragraph 2 of Part A of this Part III relating to the deadlines for the Court Meeting, Columbus General Meeting and/or the Court Hearing. If any such deadline is not met, BPC shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with Columbus to extend the relevant deadline; and
  - (b) in whole or in part, all or any of (only so far as they relate to Columbus, the Wider Columbus Group or any part thereof) the Conditions in paragraphs 5 to 12 (inclusive) in Part A of this Part III.
15. Subject to the requirements of the Panel, Columbus reserves the right in its sole discretion to waive:
- (a) that part of the Condition in paragraph 3 of Part A of this Part III relating to the deadline for the BPC Annual General Meeting. If such deadline is not met, Columbus shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the deadline or agreed with BPC to extend the deadline; and
  - (b) in whole or in part (only so far as it relates to BPC, the Wider BPC Group or any part thereof) the Conditions in paragraphs 10.1 and 11.1(a) in Part A of this Part III.
16. Save as set out above in respect of paragraphs 2 and 3 in Part A of this Part III, the Conditions in paragraphs 1 to 4 (inclusive) in Part A of this Part III cannot be waived.
17. Save where BPC has confirmed the satisfaction or waiver of all Conditions (other than the Conditions in paragraph 2 in Part A of this Part III) pursuant to the terms of the Cooperation Agreement, BPC shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A above by a date earlier than the latest date specified above for the fulfilment of that Condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.

18. If the Panel requires BPC to make an offer or offers for any Columbus Shares under the provisions of Rule 9 of the Code, BPC may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
19. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
20. Under Rule 13.5(a) of the Code, BPC may not invoke a Condition so as to cause the Merger not to proceed, to lapse or be withdrawn, unless the circumstances which give rise to the right to invoke the Condition are of material significance to BPC in the context of the Merger. The Conditions in paragraphs 1 to 4 (inclusive) in Part A of this Part III are not subject to this provision of the Code.
21. Under Rule 13.6 of the Code, Columbus may not invoke, or cause or permit BPC to invoke, the Condition in paragraphs 10.1 and 11.1(a) in Part A of this Part III unless the circumstances which give rise to the right to invoke the Condition are of material significance to the Columbus Shareholders in the context of the Merger.

### **Implementation by way of Takeover Offer**

22. BPC reserves the right to elect to implement the Merger by way of a Takeover Offer, subject to the Panel's consent and to the terms of the Cooperation Agreement. In such event, such Takeover Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. or such other percentage (being more than 50 per cent.) as BPC may in accordance with the provisions of the Cooperation Agreement decide (subject to the Panel's consent): (i) in nominal value of the shares to which such Takeover Offer relates; and (ii) of the voting rights attaching to those shares.

### **23. Certain further terms of the Merger**

- 23.1 Fractions of New BPC Shares will not be issued to Scheme Shareholders under the Scheme. Fractional entitlements to New BPC Shares will be aggregated and sold in the market and the net proceeds of sale distributed *pro rata* to the relevant Scheme Shareholders. However, individual entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £5 will not be paid to the relevant Scheme Shareholder but will be retained for the benefit of BPC.
- 23.2 Columbus Shares will be acquired by BPC fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after the date of the Announcement.
- 23.3 The Merger will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Part III and those terms which will be set out in the Scheme Document and such further terms as may be required to comply with the provisions of the Code.
- 23.4 The availability of the Merger to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
- 23.5 This document and any rights or liabilities arising hereunder, the Merger, the Scheme, and any Forms of Proxy and other proxies will be governed by English law and be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel and the London Stock Exchange.

## PART IV

### THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

Case No: CR-2020-002462

#### IN THE MATTER OF COLUMBUS ENERGY RESOURCES PLC

and

#### IN THE MATTER OF THE COMPANIES ACT 2006

#### SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

#### COLUMBUS ENERGY RESOURCES PLC

AND

#### THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

#### PRELIMINARY

##### Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

<b>BPC</b>	Bahamas Petroleum Company PLC
<b>BPC Shares</b>	the allotted and issued and fully paid and ordinary shares in the capital of BPC
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in London, United Kingdom) on which banks are open for general commercial business
<b>Certificated form or in certificated form</b>	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
<b>Columbus</b>	Columbus Energy Resources PLC
<b>Columbus Shares</b>	the existing unconditionally allotted and issued and fully paid ordinary shares of 0.05 penny each in the capital of Columbus and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective
<b>Code</b>	the City Code on the Takeovers and Mergers in the UK
<b>Companies Act</b>	the Companies Act 2006 as amended from time to time
<b>Connected Adviser</b>	has the meaning given in the Code
<b>Court</b>	the High Court of Justice in England and Wales

<b>Court Hearing</b>	the hearing by the Court to consider whether to sanction the Scheme under Part 26 of the Companies Act
<b>CREST</b>	the dispatched settlement system (as defined in the Uncertificated Securities Regulations 2001 (SI2001/3755) (as amended)) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>Effective</b>	in the context of the Offer: <ul style="list-style-type: none"> <li>(i) if the Offer is implemented by way of the Scheme, means the Scheme having become effective pursuant to its terms; or</li> <li>(ii) if the Offer is implemented by way of a Takeover Offer, such offer having become or been declared unconditional in all respects in accordance with its terms</li> </ul>
<b>Effective Date</b>	the date on which the Scheme becomes effective in accordance with its terms or, if BPC elects and the Panel consents to implement the Offer by way of a Takeover Offer, the date on which the Takeover Offer is declared or becomes unconditional in all respects in accordance with the requirements of the Code
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Exchange Ratio</b>	0.803 New BPC Shares for each Scheme Share
<b>Excluded Share</b>	any Columbus Share which is controlled by or registered in the name of or is beneficially owned by any member of the BPC Group at the Scheme Record Time
<b>Holder</b>	a registered holder and includes any person entitled by transmission
<b>Longstop Date</b>	15 November 2020 or such later date (if any) as BPC and Columbus may agree and (if required) the Court and the Panel may allow
<b>New BPC Shares</b>	the new BPC Shares proposed to be allotted and issued to Scheme Shareholders in connection with the Offer, being 756,046,346 BPC Shares
<b>Offer</b>	the recommended share for share exchange offer being made by BPC to acquire the entire issued and to be issued ordinary share capital of Columbus to be implemented by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>Panel</b>	the Panel on Takeovers and Mergers in the UK
<b>Restricted Overseas Shareholder</b>	Columbus Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions, or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions
<b>Restricted Jurisdiction</b>	any jurisdiction where the extension or availability of the Offer to Columbus Shareholders generally in such jurisdiction would contravene any applicable law, including, without limitation, Australia, Japan, the Republic of South Africa and the United States
<b>Scheme</b>	the scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by BPC and Columbus

<b>Scheme Document</b>	this document
<b>Scheme Record Time</b>	6.00 p.m. on the Business Day in London immediately prior to the Effective Date
<b>Scheme Shareholders</b>	the holders of the Scheme Shares
<b>Scheme Shares</b>	<p>the Columbus Shares:</p> <p>(i) in issue at the date of this Scheme Document and which remain in issue at the Scheme Record Time;</p> <p>(ii) if any, issued after the date of this Scheme Document but before the Scheme Voting Record Time and which remain in issue at the Scheme Record Time; and</p> <p>(iii) if any, issued at or after the Scheme Voting Record Time but at or before the Scheme Record Time on terms that the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time,</p> <p>in each case, other than any Excluded Shares or any Columbus Shares held in treasury</p>
<b>Scheme Voting Record Time</b>	6.00 p.m. on the day which is two days before the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned Court Meeting
<b>Takeover Offer</b>	as defined in section 974 of the Companies Act
<b>uncertificated form or in uncertificated form</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

References to clauses and sub-clauses are to clauses and sub-clauses of this Scheme.

- (A) The issued share capital of Columbus as at the close of business on 29 June 2020 (being the latest practicable date prior to the publication of this Scheme Document) was 935,053,344 ordinary shares of 0.05p each, none of which were held in treasury.
- (B) As at 29 June 2020 (being the latest practicable date prior to the publication of this Scheme Document), BPC owned no Columbus Shares.
- (C) BPC has agreed to undertake to the Court to be bound by the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.
- (D) References to times are to London time.

## **1. Transfer of Scheme Shares**

- 1.1 Upon and with effect from the Effective Date, BPC shall acquire all the Scheme Shares fully paid up and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made on or after the Effective Date.
- 1.2 For such purposes, the Scheme Shares shall be transferred to BPC (and/or its nominee(s)) and to give effect to such transfer any person may be appointed by BPC as agent and will be dispatched as such

agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer or procure the transfer by means of CREST of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred.

- 1.3 Pending the registration of BPC (and/or its nominee(s)) as the holder of the Scheme Shares pursuant to clauses 1.1 and 1.2 of the Scheme each Scheme Shareholder irrevocably:
- (i) appoints BPC (or its nominee(s)) as its attorney to exercise any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares;
  - (ii) appoints BPC (or its nominee(s)) as its attorney to sign any consent to short notice of any general meeting of Columbus and on their behalf to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by BPC to attend general meetings of Columbus;
  - (iii) agrees to hold any distribution or other benefit accruing or payable on the Scheme Shares on trust for BPC; and
  - (iv) dispatches and instructs Columbus to send to BPC any notice, circular, warrant or other document or communication which Columbus sends to its shareholders.

## **2. Consideration for the transfer of the Scheme Shares**

- 2.1 In consideration for the transfer of the Scheme Shares to BPC as contemplated in clause 1 of this Scheme, BPC shall, subject as hereinafter provided, allot and issue to or for the benefit of each Scheme Shareholder, New BPC Shares on the following basis:

### **for each Scheme Share held by such person 0.803 New BPC Shares**

(with 24 August 2020 being the latest date for the settlement of New BPC Shares under clause 4 of the Scheme, assuming that the Scheme becomes Effective on 7 August 2020).

- 2.2 BPC reserves the right to reduce the consideration payable under the Offer in respect of a Scheme Share by making an adjustment to the Exchange Ratio so as to reduce the implied value under the terms of the Offer by an amount up to the amount of any dividend or distribution and the relevant eligible Scheme Shareholders will be entitled to receive and retain such dividend and/or distribution and/or return of capital. To the extent that such a dividend or distribution has been declared, paid, made or is payable or will be: (i) transferred pursuant to the Offer on a basis which entitles BPC to receive the dividend or distribution and to retain it; or (ii) cancelled, the Exchange Ratio will not be subject to any such change.
- 2.3 Fractional entitlements to New BPC Shares for each Scheme Shareholder will be rounded down to an integral number and will not be allotted or issued to holders of Scheme Shares pursuant to the Scheme. These fractional entitlements will be aggregated and shall, on a reasonable basis, be sold for the benefit of the Scheme Shareholders. The equivalent of the net proceeds of such sale of New BPC Shares (after deduction of brokerage charges and associated expenses) will be paid to the Scheme Shareholders pro-rated to their holdings of Columbus Shares at the Scheme Record Time as soon as practicable after receipt, except that if the aggregate amount due to any Scheme Shareholder in respect of the amounts due to him/it in respect of fractional entitlements to New BPC Shares is less than £5.00 such sum will not be distributed but will instead be aggregated and accrued to the benefit of BPC. Neither BPC nor any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the sales or the sales or any failure to sell fractional entitlements to New BPC Shares.

## **3. Share certificates and cancellation of CREST entitlements**

With effect from and including the Effective Date:

- (i) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound, at the request of BPC, to deliver up the same to BPC, or, as it may direct, to destroy the same;

- (ii) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form; and
- (iii) appropriate entries shall be made in the register of members of Columbus on the Effective Date to reflect the transfer pursuant to Clause 1.

#### **4. Settlement**

4.1 Settlement of the consideration due to Scheme Shareholders under Clause 2.1 shall be effected as follows:

- (A) where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, BPC shall procure that the entitlement to New BPC Shares will be effected by the dispatch of share certificates representing the New BPC Shares to which the relevant Scheme Shareholder is entitled, by first class post as soon as practicable after the Effective Date, and in any event within 14 days of the Effective Date;
- (B) where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, settlement of entitlements to New BPC Shares will be effected through CREST. BPC shall issue the New BPC Shares to which such Scheme Shareholders are entitled and shall procure that Link Market Services (IOM) Limited is instructed to credit the appropriate stock accounts in CREST of the relevant Scheme Shareholder the New BPC Shares to which each such Scheme Shareholder is entitled as soon as practicable after the Effective Date, and in any event within 14 days of the Effective Date, provided that BPC reserves the right to settle all or part of such consideration in the manner set out in Clause 4.1(A) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 4.1(B).

#### **5. Overseas Shareholders**

The provisions of Clauses 2, 3 and 4 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if in the case of any Scheme Shareholder, BPC is advised that the law of a country or territory outside the United Kingdom precludes the allotment, issue or delivery to it of New BPC Shares under Clause 4 except after compliance by Columbus or BPC (as the case may be) with any governmental or other consent or any registration, filing or other formality with which Columbus or BPC (as the case may be) is unable to comply or compliance with which BPC regards as unduly onerous, then:

- (i) BPC may, in its sole discretion, determine that the New BPC Shares shall not be allotted and issued to a Scheme Shareholder to whom Clause 5 applies; and
- (ii) BPC shall be entitled to treat such Scheme Shareholder as a Restricted Overseas Shareholder.

In such case, and in the case of any Scheme Shareholder determined by BPC to be a Restricted Overseas Shareholder, the New BPC Shares which would have been issued to such Scheme Shareholder shall instead be issued to a nominee appointed by BPC on behalf of such Scheme Shareholder on terms that the nominee shall, as soon as reasonably practicable following the Effective Date, sell those New BPC Shares so issued with the net proceeds of such sale being remitted to the Restricted Overseas Shareholder.

#### **6. Dividend Mandates**

All mandates relating to the payment of dividends on any Scheme Shares and other instructions given to Columbus by Scheme Shareholders in force at the Scheme Record Time shall, as from the Effective Date, cease to be valid, except to the extent that a Scheme Shareholder already holds BPC Shares at the Scheme Record Time (and the registrars of BPC are able to match such holdings), in which case any mandates and instructions in relation to those existing BPC Shares will also apply to the New BPC Shares issued to that Scheme Shareholder.

#### **7. Operation of the Scheme**

- (i) Once sanctioned by the Court pursuant to Part 26 of the Companies Act at the Court Hearing, this Scheme will become effective on the Effective Date.

- (ii) Unless this Scheme has become effective on or before 5.00 p.m. on the Longstop Date, this Scheme shall never become effective.

## **8. Modification**

Columbus and BPC may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose. Any such modification or addition may require the consent of the Panel.

## **9. Governing law**

This Scheme is governed by English law, specifically, Part 26 of the Companies Act, and is subject to the jurisdiction of the courts of England and Wales. The rules of the Code will also apply to this Scheme on the basis provided in the Code.

## PART V

### FINANCIAL INFORMATION

#### 1. Columbus financial information

The following table sets out financial information in respect of Columbus as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof), the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into, and form part of, this Scheme Document in accordance with Rule 24.15 of the Code.

- (i) the consolidated audited accounts for the Company for the financial year ended 31 December 2018 are set out on pages 28 to 33 (both inclusive) of Columbus's Annual Report 2018 available from Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com);
- (ii) the consolidated audited accounts for the Company for the financial year ended 31 December 2017 are set out on pages 47 to 52 (both inclusive) of Columbus's Annual Report 2017 available from Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com); and
- (iii) the financial information for the six-month period ended 30 June 2019 is available from Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com).

All documents referred to above are available in "read only" format for printing, reviewing and downloading free of charge on Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com).

Columbus will provide without charge to each person to whom a copy of this Scheme Document has been delivered (upon the written or oral request of such person) a hard copy of any document relating to it which is incorporated by reference into this Scheme Document. You may request a hard copy of any such documents by contacting Share Registrars on +44 (0) 1252 821390 between 9.00 a.m. to 5.30 p.m., Monday to Friday (except for public holidays in England and Wales) or by submitting a request in writing to Share Registrars at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Copies of any document or information incorporated by reference into this Scheme Document will not be provided unless such a request is made.

#### 2. BPC financial information

The following table sets out financial information in respect of BPC as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof) are incorporated by reference into, and form part of, this Scheme Document in accordance with Rule 24.15 of the Code.

- (i) the audited consolidated financial statements of BPC for the financial year ended 31 December 2019 are set out on pages 21 to 24 (both inclusive) of BPC's Annual Report 2019 available from BPC's website at [www.bpcplc.com](http://www.bpcplc.com); and
- (ii) the audited consolidated financial statements of BPC for the financial year ended 31 December 2018 are set out on pages 13 to 16 (both inclusive) of BPC's Annual Report 2018 available from BPC's website at [www.bpcplc.com](http://www.bpcplc.com).

All documents referred to above are available in "read only" format for printing, reviewing and downloading free of charge on BPC's website at [www.bpcplc.com](http://www.bpcplc.com).

BPC will provide without charge to each person to whom a copy of this Scheme Document has been delivered (upon the written or oral request of such person) a hard copy of any document relating to it which is incorporated by reference into this Scheme Document. You may request a hard copy of any such documents by contacting Share Registrars on +44 (0) 1252 821390 between 9.00 a.m. and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com). Calls from outside the United Kingdom will be charged at the applicable international rate. Copies of any document or information incorporated by reference into this Scheme Document will not be provided unless such a request is made.

### **3. Effect of the Scheme becoming Effective on BPC**

Following the Scheme becoming Effective, the earnings, assets, and liabilities of the Columbus Group will be fully consolidated into the BPC Group.

### **4. Incorporation of website information**

Save as expressly referred to in this Scheme Document, neither the content of the Columbus website nor the BPC website, nor the content of any website accessible from hyperlinks on the Columbus website or the BPC website, is incorporated into, or forms part of, this Scheme Document.

## PART VI

### ADDITIONAL INFORMATION ON COLUMBUS AND BPC

#### 1. Responsibility

- 1.1 The Columbus Directors, whose names are set out in section 2.1 below, each accept responsibility for the information contained in this Scheme Document (including the statements of facts and expressions of opinion, belief, expectation or intention), other than information for which responsibility is taken by others pursuant to section 1.2 below. To the best of the knowledge and belief of the Columbus Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Scheme Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The BPC Directors, whose names are set out in section 2.2 below, each accept responsibility for the information contained in this Scheme Document (including the statements of facts and expressions of opinion, belief, expectation or intention) relating to the BPC Group, the BPC Directors and members of their immediate families and related trusts. To the best of the knowledge and belief of the BPC Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Scheme Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Columbus Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Leo Koot	Executive Chairman
Anthony Hawkins	Chief Executive Officer
Gordon Stein	Chief Financial Officer
Michael Douglas	Non-Executive Director

The business address of each of the Columbus Directors and the registered office of Columbus is at: Suite 114, 90 Long Acre, London WC2E 9RA.

- 2.2 The BPC Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
William Schrader	Non-Executive Chairman
James Smith	Non-Executive Deputy Chairman
Simon Potter	Chief Executive Officer
Adrian Collins	Non-Executive Director
Ross McDonald	Non-Executive Director

The business address of each of the BPC Directors and the registered office is at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP. BPC is a company incorporated in the Isle of Man.

#### 3. Stock Exchange Quotations

The following table sets out the closing prices for BPC Shares and for Columbus Shares as derived from Thomson Reuter Eikon for the first dealing day in each of the six months immediately prior to the date of this Scheme Document, for 10 June 2020 (being the last dealing day prior to the commencement of the offer period) and for 29 June 2020 (being the latest practicable date prior to the publication date of this Scheme Document):

<i>Date</i>	<i>BPC Share Price (p)</i>	<i>Columbus Share Price (p)</i>
2 December 2019	2.05	3.10
2 January 2020	2.025	3.45
3 February 2020	3.48	2.75
2 March 2020	4.10	2.10
1 April 2020	1.40	1.25
1 May 2020	1.30	1.50
1 June 2020	3.53	1.95
29 June 2020	2.85	1.95

#### **4. Interests and Dealings in Shares and Persons Acting in Concert**

##### **4.1 Definitions and references**

For the purposes of this section 4:

<b>acting in concert</b>	has the meaning given to it in the Code;
<b>arrangement</b>	includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
<b>connected adviser</b>	has the meaning given to it in the Code;
<b>dealing</b>	has the meaning given to it in the Code;
<b>derivative</b>	has the meaning given to it in the Code;
<b>disclosure-date</b>	means 29 June 2020, being the Business Day in London immediately preceding the date of the Scheme Document;
<b>disclosure period</b>	means the period beginning on 11 June 2019, being the date 12 months prior to the commencement of the Offer Period, and ending on the disclosure date;
<b>interest or interests</b>	in relevant securities shall have the meaning given to it in the Code and references to interests of the BPC Directors or interests of the Columbus Directors in relevant securities shall include all interests of any other person whose interests in shares the BPC Directors or, as the case may be, the Columbus Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;
<b>offer period</b>	means the period commencing on 11 June 2020 and ending on the Effective Date;
<b>relevant BPC Securities</b>	means relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of BPC including equity share capital in BPC (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
<b>relevant Columbus Securities</b>	means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Columbus including equity share capital of Columbus (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof.

##### **4.2 Persons acting in concert**

4.2.1 In addition to the BPC Directors, the following persons are acting in concert (as defined in paragraph 4.1 of Part VI (Additional Information on Columbus and BPC) of this Scheme Document) with BPC:

<i>Name</i>	<i>Type of Company</i>	<i>Registered Office</i>	<i>Relationship with BPC</i>
Gneiss Energy Limited	Financial Institution	29 Farm Street, London, W1J 5RL	Connected Adviser pursuant to the Code
Strand Hanson Limited	Financial Institution	26 Mount Row, London, W1K 3SQ	Connected Adviser pursuant to the Code
Shore Capital Stockbrokers Limited	Financial Institution	Cassini House, 57-58 St. James's Street, London, SW1A 1LD	Connected Adviser pursuant to the Code

4.2.2 In addition to the Columbus Directors, the following persons are acting, or deemed to be acting, in concert with Columbus in respect to the Offer:

<i>Name</i>	<i>Type of Company</i>	<i>Registered Office</i>	<i>Relationship with Columbus</i>
VSA Capital Limited	Financial Institution	New Liverpool House 15-17 Eldon Street London EC2M 7LD	Financial Adviser to Columbus

#### 4.3 **Interests and Dealings in Columbus Shares**

4.3.1 As at close of business on the disclosure date, the Columbus Directors were interested in or had a right to subscribe for the following relevant securities of Columbus:

<i>Name</i>	<i>Number of Columbus Shares</i>	<i>Percentage of Columbus's existing ordinary share capital</i>
Leo Koot	13,137,930	1.43%
Anthony Hawkins	Nil	Nil
Gordon Stein	515,449	0.06%
Michael Douglas	1,472,917	0.16%
<b>Total</b>	<u>15,126,296</u>	<u>1.65%</u>

Columbus Directors' interests in options granted under the Columbus Share Plans and Executive Salary Options:

<i>Name</i>	<i>Number of Columbus Shares Under Option</i>	<i>Vesting Criteria Price/Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>
Leo Koot	3,000,000	4.0p	9 May 2022	2.2p
	3,000,000	8.0p	9 May 2022	4.0p
	3,000,000	12.0p	9 May 2022	6.0p
	3,000,000	16.0p	9 May 2022	8.0p
	3,000,000	20.0p	9 May 2022	10.0p
	5,450,164 as at 31 May 2020	N/A	N/A	Nil
Anthony Hawkins	2,000,000	8.0p	31 December 2022	4.0p
	2,000,000	8.0p	31 December 2022	4.0p
	2,000,000	12.0p	31 December 2022	6.0p
	2,000,000	16.0p	31 December 2022	8.0p

<i>Name</i>	<i>Number of Columbus Shares Under Option</i>	<i>Vesting Criteria Price/Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>
Anthony Hawkins (continued)	2,000,000 11,043,904 as at 31 May 2020	20.0p N/A	31 December 2022 N/A	10.0p N/A
Gordon Stein	2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 11,173,897 as at 31 May 2020	4.0p 8.0p 12.0p 16.0p 20.0p N/A	14 June 2022 14 June 2022 14 June 2022 14 June 2022 14 June 2022 N/A	2.2p 4.0p 6.0p 8.0p 10.0p Nil
Michael Douglas	750,000 600,000 600,000 600,000 600,000 600,000 600,000 600,000 600,000 600,000	31 December 2014 4.0p 8.0p 12.0p 16.0p 20.0p 8.0p 12.0p 16.0p 20.0p 24.0p	31 December 2020 20 August 2022 20 August 2022 20 August 2022 20 August 2022 20 August 2022 30 June 2023 30 June 2023 30 June 2023 30 June 2023 30 June 2023	80.0p 2.2p 4.0p 6.0p 8.0p 10.0p 5.0p 6.0p 8.0p 10.0p 12.0p

4.3.2 At the close of business on the disclosure date, the following persons acting in concert with Columbus (other than the Columbus Directors) were interested in the following relevant Columbus Securities:

<i>Name</i>	<i>Number of Columbus Shares</i>	<i>Percentage of Columbus's existing ordinary share capital</i>
VSA Capital	710,323	0.08%

<i>Name</i>	<i>Number of Columbus Shares Under Warrants</i>	<i>Vesting Criteria Price/Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>
VSA Capital	2,460,000 warrants	N/A	12 October 2020	6.5p

4.3.3 At the close of business on the disclosure date, neither BPC, nor the BPC Directors, nor any person acting in concert with BPC held any interests in, or rights to subscribe in respect of relevant Columbus Securities.

4.3.4 During the disclosure period, no dealings in relevant Columbus Securities by the Columbus Directors and persons acting in concert with Columbus have taken place other than pursuant to the Executive Salary Options and the Contractors Share Scheme.

- 4.3.5 During the disclosure period, no dealings in relevant Columbus Securities by BPC, the BPC Directors or persons with whom BPC, or any person acting in concert with BPC, have taken place.
- 4.3.6 Save as disclosed in this section 4.3 and for the irrevocable undertakings given by the Columbus Directors, as described in section 6 below, as at the disclosure date, no person acting in concert with Columbus and no person with whom Columbus or a person acting in concert with Columbus has an arrangement relating to relevant Columbus Securities was interested in or had a right to subscribe for any relevant Columbus Securities nor has any such person dealt therein in the period commencing on 11 June 2020 (being the first day of the Offer Period) and ending on the disclosure date.
- 4.3.7 As at the disclosure date, neither BPC nor any person acting in concert with BPC, nor Columbus, nor any person acting in concert with Columbus had borrowed or lent any relevant Columbus Securities.
- 4.3.8 Columbus has not redeemed or purchased any relevant Columbus Securities in the period commencing on 11 June 2020 (being the first day of the Offer Period) and ending on the disclosure date.

#### 4.4 **Interests and Dealings in BPC Shares**

- 4.4.1 As at close of business on the disclosure date, the BPC Directors were interested in or had rights to subscribe for the following relevant BPC Securities:

<i>Name</i>	<i>Number of BPC Shares</i>	<i>Percentage of existing issued BPC Shares</i>	<i>Nature of Interest</i>
Simon Potter	4,800,000	0.19%	Ordinary Shares
William Schrader	3,690,000	0.15%	Ordinary Shares
James Smith	2,220,000	0.09%	Ordinary Shares
Adrian Collins	2,640,000	0.11%	Ordinary Shares
Ross McDonald	2,470,000	0.10%	Ordinary Shares
<b>Total</b>	<b>15,820,000</b>	<b>0.64%</b>	

BPC Directors' interests in options:

<i>Name</i>	<i>Number of BPC Shares Under Option</i>	<i>Expiry Date</i>	<i>Exercise Price</i>
Simon Potter	20,000,000	31 October 2024	2.22p
	15,000,000	31 October 2024	2.40p
	25,000,000	31 October 2024	2.80p
William Schrader	1,500,000	31 October 2024	2.22p
	750,000	31 October 2024	2.40p
	750,000	31 October 2024	2.80p
James Smith	750,000	31 October 2024	2.22p
	375,000	31 October 2024	2.40p
	375,000	31 October 2024	2.80p
Adrian Collins	750,000	31 October 2024	2.22p
	375,000	31 October 2024	2.40p
	375,000	31 October 2024	2.80p
Ross McDonald	750,000	31 October 2024	2.22p
	375,000	31 October 2024	2.40p
	375,000	31 October 2024	2.80p

BPC Directors' accrued conditional share entitlements:

<i>Name</i>	<i>Number of Conditional Share Entitlements at 30 June 2020</i>
Simon Potter	63,567,276
William Schrader	8,784,894
James Smith	5,743,970
Adrian Collins	6,757,613
Ross McDonald	5,743,970

The above conditional share entitlements have accrued to the BPC Directors as at 30 June 2020 in lieu of salary forgone. These figures include an estimate for the number of conditional share entitlements accrued during June 2020. Accrued share entitlements are to be issued to the BPC Directors at nil cost once the BPC Board, having consulted with the relevant advisers to BPC, determines that the cost of its initial exploration well in The Bahamas is fully funded on an unconditional basis (defined as BPC 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).

- 4.4.2 At the close of business on the disclosure date, the following persons acting in concert with BPC (other than the BPC Directors) were interested in the following relevant BPC Securities:

<i>Name</i>	<i>Number of BPC Shares Under Warrants</i>	<i>Vesting Criteria Price/Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>
Shore Capital Stockbrokers Limited	7,200,000 warrants	N/A	17 September 2021	1.6p
Strand Hanson Limited	13,157,073 warrants	N/A	11 November 2021	2.0p
	5,000,000 warrants	N/A	5 November 2021	2.0p

- 4.4.2A The fees of the connected advisers of BPC in connection with the Merger will be paid in new BPC shares at a price to be determined based on volume weighted average prices for BPC prior to closing of the Merger as set as follows:

<i>Name</i>	<i>Success Fee</i>
Gneiss Energy Limited	£500,000
Strand Hanson Limited	£175,000
Shore Capital Stockbrokers Limited	£50,000

- 4.4.3 At the close of business on the disclosure date, none of the persons noted at paragraph 4.2.1 above as acting in concert with BPC was interested in relevant BPC Securities.
- 4.4.4 At the close of business on the disclosure date, neither Columbus, nor the Columbus Directors nor any person acting in concert with Columbus held any interests in, or rights to subscribe in respect of, the relevant BPC Securities.
- 4.4.5 Save as disclosed in this section 4.4 of this Part VI, during the disclosure period, there were no dealings in relevant BPC Securities by the BPC Directors and persons acting in concert with BPC.
- 4.4.6 During the disclosure period, no dealings in relevant BPC Securities by Columbus, the Columbus Directors or any persons with whom Columbus, or any person acting in concert with Columbus, have taken place during the disclosure period.

- 4.4.7 Save as disclosed in this section 4.4 of this Part VI, as at the disclosure date, no person acting in concert with BPC and no person with whom BPC or a person acting in concert with BPC has an arrangement relating to relevant BPC Securities was interested in or had any rights to subscribe for any relevant BPC Securities nor has any such person dealt therein in the period commencing on 11 June 2020 (being the first day of the Offer Period) and ending on the disclosure date.
- 4.4.8 As at the disclosure date neither Columbus nor any person acting in concert with Columbus, nor BPC, nor any person acting in concert with BPC had borrowed or lent any relevant BPC Securities.
- 4.4.9 BPC has not redeemed or purchased any relevant BPC Securities during the period commencing on 11 June 2020 (being the first day of the Offer Period) and ending on the disclosure date.

## 5. General

Save as disclosed in this Scheme Document:

- 5.1 during the disclosure period, save for the irrevocable undertakings referred to in section 6 of this Part VI, neither Columbus nor any person acting in concert with Columbus has any arrangement with any person relating to the relevant securities of Columbus or BPC;
- 5.2 during the disclosure period, neither BPC nor any person acting in concert with BPC has any arrangement with any person relating to the relevant securities of Columbus or BPC.

## 6. Irrevocable Undertakings and Letter of Intent

- 6.1 Irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Columbus General Meeting have been received by BPC from the following Columbus Directors in respect of the following holdings of Columbus Shares:

<i>Name of Columbus Director</i>	<i>Number of Columbus Shares in respect of which undertaking is given</i>	<i>Percentage of Columbus's issued share capital</i>
Leo Koot	13,137,930	1.43%
Gordon Stein	515,449	0.06%
Michael Douglas	1,472,917	0.16%
Anthony Hawkins	N/A	N/A
<b>Total</b>	<b>15,126,296</b>	<b>1.65%</b>

These irrevocable undertakings cease to be binding and will lapse if:

- the Scheme is withdrawn or lapses in accordance with its terms; or
- if the Scheme has not become Effective by 15 November 2020.

- 6.2 The following Columbus Shareholders have given irrevocable undertakings to vote in favour of the resolutions relating to the Merger at the Court Meeting and Columbus General Meeting in respect of their own beneficial holdings of Columbus Shares:

<i>Name of Columbus Shareholder</i>	<i>Number of Columbus Shares</i>	<i>Percentage of issued share capital of Columbus</i>
Mr Michael Joseph	63,537,605	6.80%
Mrs Laura Lord	14,285,714	1.53%
<b>Total</b>	<b>77,823,319</b>	<b>8.33%</b>

The obligations of the Columbus Shareholders under the irrevocable undertakings given by them shall lapse and cease to have effect on, *inter alia*,: (a) if the Scheme lapses or is withdrawn; or (b) if the Scheme has not become effective by 5.30 p.m. (London time) on or before the Longstop Date or such later time or date as Columbus and BPC (with the consent of the Panel) agree.

- 6.3 The following Columbus Shareholder has given a letter of intent to vote (or procure the vote) in favour of the resolutions relating to the Merger at the Court Meeting and Columbus General Meeting in respect of its holdings of Columbus Shares:

<i>Name of Columbus Shareholder</i>	<i>Number of Columbus Shares</i>	<i>Percentage of issued share capital of Columbus</i>
Schroder Investment Management Limited	82,403,571	8.81%

The letter of intent dated 11 June 2020 refers to 84,403,571 Columbus Shares. Since that date Schroder Investment Management Limited disclosed that it had sold 2 million Columbus Shares on the market. Therefore, the letter of intent currently relates to 82,403,571 Columbus Shares.

The obligations of the Columbus Shareholder under the letter of intent given by it shall lapse and cease to have effect, *inter alia*, (a) if the Scheme Document has not been sent to Columbus Shareholders by 5 p.m. (London time) on 30 June 2020; or (b) if the Court Meeting and/or the Columbus General Meeting has not taken place by 5 p.m. (London time) on 27 July 2020.

## **7. Material contracts**

- 7.1 The Offer related arrangements (as further described in paragraph 17 of Part II (*Explanatory Statement*) of this Scheme Document):
- Confidentiality Agreement; and
  - Cooperation Agreement.

### **Columbus**

- 7.2 Save as disclosed below, there have been no material contracts entered into by Columbus or any of its subsidiaries during the period commencing on 11 June 2018 (being the date falling two years before the commencement of the Offer Period) and ended on 29 June 2020, being the Business Day in London immediately preceding the date of this document otherwise than in the ordinary course of business:

#### ***The 2018 Lind Convertible Security Funding Agreement***

On 12 July 2018, the Company entered into a convertible security funding agreement (the “**2018 Lind Agreement**”) with Lind Asset Management VII, LLC (“**Lind**”), pursuant to which, the Company was entitled to a total convertible funding facility of up to US\$3,250,000 in tranches.

Under the agreement, upon advancing each tranche of the above convertible funding facility to the Company, Lind would receive uncertificated convertible security to be issued by the Company with an agreed face value as set out in the 2018 Lind Agreement. If Lind decided to convert the face value of the convertible security, the conversion price for these convertible securities was agreed to be £0.081 per ordinary share of the Company, subject to customary adjustments in the event of any share capital restructuring. Otherwise, the Company could repay the face value of the convertible security either (at its election) in cash (with a 3 per cent. premium) or shares (at a price equal to 90 per cent. of a 5 day VWAP chosen by Lind during the relevant pricing period).

In addition, it was agreed that Lind would receive 5,472,136 share options in the Company calculated pursuant to an agreed formula upon execution of the 2018 Lind Agreement and such further number of share options in the Company, upon the closing of each subsequent drawdown, based on an agreed formula; in each case, exercisable for 48 months following their respective grant dates with an exercise price of £0.081 per share.

Pursuant to the 2018 Lind Agreement, the Company agreed to pay to Lind a commitment fee of US\$35,000 upon execution of the 2018 Lind Agreement and in the event of drawdowns in accordance with the agreement, further commitment fees would be payable by the Company.

Customary warranties for an agreement of this type were given by the Company and Lind. Customary events of default apply to the 2018 Convertible Securities which include a change of control of more than 50 per cent. of the voting power in the Company. As the Company did not request any drawdown of funds, the facility automatically terminated after 180 days of the date of the agreement.

### ***The Share Purchase Agreement on Steeldrum Acquisition***

On 12 July 2018, Columbus (St Lucia) Ltd (“**CESLL**”) and the Company entered into a share purchase agreement with West Indian Energy Holding AS, Rex Caribbean Holding Ltd., Geoffrey Leid, Svein Kjellesvik and Gelco Energy Inc. (together, the “**Sellers**”), pursuant to which CESLL acquired the entire issued share capital of Steeldrum Oil Company Inc., subject to certain conditions precedents being satisfied including the parties receiving regulatory approvals and certain third party consents. The acquisition was completed on 8 October 2018.

As consideration for the transaction, it was agreed that the Sellers would receive 92,743,775 shares in the Company at completion as well as further shares in the Company as follows:

- 16,422,434 shares in the Company within 5 business days of the granting of the Cory Moruga Exploration and Production (Public Petroleum Rights) Licence by the regulatory authorities;
- 16,422,434 shares in the Company within 5 business days of either (i) a positive final investment decision being made to develop the Cory Moruga field or (ii) the execution of a sale and purchase agreement for the sale of the Cory Moruga field to a third party within 365 days of completion of the transaction; and
- 16,920,083 shares in the Company upon the sale of the Innis Trinity field by the Company to Predator Oil and Gas Ventures Limited becoming unconditional in all respects for no less than US\$4,200,000.

Customary warranties and restrictive covenants for an agreement of this type were given by the Sellers. The Sellers were severally liable for their obligations and liabilities under the share purchase agreement.

### ***The Sale and Purchase Agreement on Acquisition of a 50 per cent. interest in the Icacos field, Trinidad***

On 21 June 2018, Leni Trinidad Limited (“**LTL**”) entered into a sale and purchase agreement with Primera Oil and Gas Limited (“**Primera**”), pursuant to which LTL acquired a 50 per cent. interest relating to the Icacos oilfield (the “**Interests**”) with an effective date from 1 April 2018, subject to certain customary conditions precedents being satisfied including the parties obtaining regulatory approvals of the transaction. The acquisition was completed on 20 December 2018.

LTL agreed to pay Primera consideration for the Interests as follows:

- 100 per cent. of the net revenue attributable to the Interests up to 11 barrels of oil per day (“**bopd**”) for the period from 1 April 2018 until 31 December 2020 (the “**Payment Period**”);
- 50 per cent. of the net revenue attributable to the Interests above 11 bopd for the period from 1 April 2018 until 31 December 2020 ((a) and (b) together, the “**Base Consideration**”);
- if the Base Consideration is less than US\$500,000 (the “**Minimum Payment**”) for the period up to 31 December 2020, the difference between the Base Consideration and the Minimum Payment.

It was agreed that LTL would be entitled to 100 per cent. of all revenue from the Interests from 1 January 2021, subject to any extension to the Payment Period due to force majeure events. Customary warranties for an agreement of this nature were given by LTL and Primera.

### **The 2019 Lind Convertible Security Funding Agreement**

On 8 November 2019, the Company entered into a secured convertible security funding agreement (the “**2019 Lind Agreement**”) with Lind Global Macro Fund, LP (“**Lind Global**”), pursuant to which the Company was entitled to a total convertible funding facility of up to US\$4,500,000, comprising:

- US\$1,500,000 (the “**First Tranche**”), within 10 Business Days of the date of the 2019 Lind Agreement;
- up to US\$1,500,000 (the “**Second Tranche**”), after the closing of the First Tranche and within 24 months after the date of the 2019 Lind Agreement, subject to the Company having a minimum market capitalisation of US\$25,000,000; and
- up to US\$1,500,000 (the “**Third Tranche**”), after the closing of the Second Tranche and within 24 months after the date of the 2019 Lind Agreement, subject to the Company having a minimum market capitalisation of US\$25,000,000 and the amount outstanding of the 2019 Convertible Securities not exceeding US\$2,000,000 on the date when the Company requested to drawdown the Third Tranche.

(together, the “**2019 Convertible Securities**”, each a “**2019 Convertible Security**”)

Upon advancing each tranche of the above convertible funding facility to the Company, Lind Global would receive uncertificated convertible security to be issued by the Company as follows:

- in respect of the First Tranche, convertible security with a face value equal to US\$1,755,000;
- in respect of the Second Tranche, an amount equal to 117 per cent. of the amount of the Second Tranche; and
- in respect of the Third Tranche, an amount equal to 117 per cent. of the amount of the Third Tranche.

On 18 November 2019 Columbus drew down on the First Tranche (US\$1,500,000) and issued 7,500,000 ordinary Columbus shares to Lind Global as collateral (as described below).

The Second Tranche was drawn down in December 2019 and the Second Tranche convertible security had a face value equal to US\$1,755,000.

Lind Global is entitled to convert such outstanding convertible securities at a conversion price of £0.05170 per ordinary share of the Company, subject to customary adjustments in the event of any share capital restructuring. Otherwise, the Company could repay the face value of the convertible security either (at its election) in cash (with a 1.5 per cent. premium) or shares (at a price equal to 90 per cent. of a 5 day VWAP chosen by Lind during the relevant pricing period).

In addition, it was agreed that Lind Global would receive the following share options in the Company, exercisable for 60 months from their respective grant date:

- upon execution of the 2019 Lind Agreement, 14,625,000 options exercisable at a price of £0.06 per share;
- upon closing of the Second Tranche, such number of options that is equal to 50 per cent. of the amount of the Second Tranche divided by the average of the daily VWAP per share of the Company during the 20 consecutive Business Days immediately prior to the closing of the Second Tranche, exercisable at a price per share equal to 150 per cent. of the average VWAP per share for the 20 Business Days immediately prior to the closing of the Second Tranche. Upon drawing down the Second Tranche, the Company issued 16,861,207 options exercisable at a price of £0.0507 per share; and
- upon closing of the Third Tranche, such number of options that is equal to 50 per cent. of the amount of the Third Tranche divided by the average of the daily VWAP per share of the Company during the 20 consecutive Business Days immediately prior to the closing of the Third Tranche, exercisable at a price per share equal to 150 per cent. of the average VWAP per share for the 20 Business Days immediately prior to the closing of the Third Tranche.

The Company agreed to issue to Lind 7,500,000 ordinary shares as “collateral shares” at par value upon closing of the First Tranche. Subject to there being no amount outstanding after the end of the term of the first 2019 Convertible Security, such collateral shares would be paid for by Lind Global at the “Collateralisation Price” equal to the average of 5 consecutive daily VWAPs per share of the Company (as selected by Lind in its sole discretion during the relevant period) less the par value per share of the Company.

The Company agreed to pay the following commitment fees:

- US\$105,000 upon closing of the First Tranche; and
- an amount equal to 3.5 per cent. of the amount of the Third Tranche.

It was agreed that the funds drawn under the 2019 Convertible Securities must be used for working capital and general corporate purposes, and must not be used for making any pledge payments to any third party, making dividend payments, or the repayment or redemption of any indebtedness or obligations or interests held by any security holders (or similar payments).

After the end of a 120-day period following the completion of the First Tranche, the Company would repay the 2019 Convertible Securities in monthly instalments equal to 1/20th of the face value of each 2019 Convertible Security that was drawn, by way of either (i) cash at a premium of 1.5 per cent. of the repayment amount or (ii) issuing ordinary shares in the Company, at the Company's election. The Company repays the Second Tranche 2019 Convertible Securities in monthly instalments equal to 1/24th of the face value of each Second Tranche 2019 Convertible Security that was drawn, by way of either (i) cash at a premium of 1.5 per cent. of the repayment amount or (ii) issuing ordinary shares in the Company, at the Company's election.

Customary warranties for an agreement of this type were given by the Company and Lind Global. Customary events of default apply to the 2019 Convertible Securities which include a change of control of more than 50 per cent. of the voting power in the Company. The agreement will automatically terminate if the closing of the First Tranche does not take place within 15 Business Days of the agreement.

Subject to there being no event of default, the Company has the right to buy back without penalty the outstanding face value of any 2019 Convertible Security at any time during the term of that relevant 2019 Convertible Security. Such buy-back right is subject to Lind Global's right to convert up to 25 per cent. of the outstanding face value into the Company's shares at the lower of the applicable repayment price and the applicable conversion price.

The 2019 Convertible Securities rank senior to all other debt obligations of the Company and the Group including any of the Company's outstanding unsecured bank debt. The Company gave a customary negative pledge undertaking that unless with Lind Global's prior written consent, it would not and would procure that all entities in the Group will not enter into any agreement or arrangement to obtain debt or any other form of financial accommodation, other than the permitted debt as specified in the 2019 Convertible Securities.

On 13 November 2019, the Company and Lind Global entered into an amendment to the 2019 Lind Agreement, pursuant to which Lind Global was entitled to re-invest up to an additional 50 per cent. of the amount of the First Tranche and/or the Second Tranche (if drawn) on the same terms and conditions as set out in the 2019 Lind Agreement. Such re-investment right may be exercised once in respect of each of the First Tranche and the Second Tranche (if drawn), provided that at the time of notification by Lind Global to exercise such right, the Company's market capitalisation is equal to or greater than the Company's market capitalisation as at the date of the 2019 Lind Agreement.

As at 29 June 2020, being the Business Day in London immediately preceding the date of this document, Lind Global is owed an amount of approximately US\$2.7 million (£2.2 million) repayable on the terms and subject to the conditions of the 2019 Lind Agreement.

### **BPC**

Save as disclosed below, there have been no material contracts entered into by BPC or any of its subsidiaries during the period commencing on 11 June 2018 (being the date falling two years before

the commencement of the Offer Period) and ended on 29 June 2020, being the Business Day in London immediately preceding the date of this document otherwise than in the ordinary course of business:

#### *Conditional Convertible Note Agreement*

On 10 October 2019 BPC entered into a Conditional Convertible Note Subscription Agreement with an Australian investor, whereby, subject to satisfaction of various conditions precedent prior to 15 April 2020, BPC would raise gross proceeds of £10.25 million (c.US\$13.3 million).

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

- Amount: £10.25 million (approximately US\$13.0 million)
- Use of funds: Well finance and general strategic purposes
- Form of investment: Convertible loan notes (“**Conditional Convertible Notes**”)
- Note Subscribers: Initially Bizzell Capital Partners Pty Ltd (as to 50 per cent. of the Conditional Convertible Notes) and MH Carnegie & Co Pty Ltd (as to 50 per cent. of the Conditional Convertible Notes) (the “**Subscribers**”). However, the Convertible Note Subscription Agreement contemplates that the Subscribers may assign their Conditional Convertible Notes such that there may ultimately be multiple note holders, who will be represented by a noteholder trustee under the terms of a noteholder trust deed yet to be entered into between BPC and the noteholder trustee
- Term: 3 years
- Coupon: 12 per cent. per annum, payable annually in arrears; BPC can elect to capitalise interest accrued on the Conditional Convertible Notes
- Priority: On a return of capital (by way of liquidation or otherwise) the Conditional Convertible Notes will rank senior to all ordinary shares on issue to the extent of the principal plus unpaid interest
- Security: the Conditional Convertible Notes will be secured by an appropriate first ranking security to be granted over all the assets and undertakings of BPC, and will rank senior to all other debt of BPC, and which security will be cross-guaranteed on a secured basis by all members of the BPC Group
- Conversion: A holder of Conditional Convertible Notes may at any time prior to maturity elect to convert the Conditional Convertible Notes (principal plus any accrued interest) into fully paid ordinary shares in BPC
- Conversion Price: 2.5 pence per share
- Early Redemption: A holder of Conditional Convertible Notes will be entitled to redeem the Conditional Convertible Notes at a 110 per cent. premium to face value if, as at 31 December 2020, employment and executive retention arrangements between nominated key executives and BPC are on terms that are not satisfactory to the Subscribers. BPC may not redeem the Convertible Notes early, unless agreed with the Subscribers
- Dividends: No dividends may be declared or paid whilst the Conditional Convertible Notes are on issue
- Conditions to Completion: Completion of the subscription for the Conditional Convertible Notes by the Subscribers will be subject to a number of conditions first being met or satisfied or otherwise waived. These conditions are:
  - Any approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the transactions contemplated by the Convertible Note Subscription Agreement are granted, given, made or obtained on an unconditional basis
  - BPC entering into binding contracts with reputable international companies so as to enable BPC (to the satisfaction of each Subscriber, acting reasonably) to conduct the intended drilling of the initial exploration well at the estimated cost of that drilling, being:

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

Pursuant to an amendment to the Conditional Convertible Note Agreement on 9 March 2020, the parties agreed that prior to 31 March 2020 BPC has the right, should it elect to do so, to scale back the Conditional Convertible Notes by up to 50 per cent., at no cost or penalty. In view of the delay to drilling arising from COVID-19, on 25 March 2020 the parties to the Conditional Convertible Note Agreement agreed a further variation such that the date for satisfaction or waiver of all conditions

precedent and election to subscribe to the Convertible Notes was extended to no later than 15 October 2020. Further, to the extent that the subscriber elects to subscribe on an unconditional basis for at least £1.5 million of Convertible Notes prior to 15 October 2020, the date for the satisfaction or waiver of the conditions precedent to draw-down of the balance of the Convertible Notes will be extended to 15 November 2020 (with accrual of interest not commencing until actual remittance of funds by the Subscriber to the BPC, and therefore with no cost to the BPC until that time).

#### *Zero Coupon Finance Facility*

On 20 February 2020, BPC entered into an £8 million (approximately US\$10.3 million) facility for a zero-coupon, second ranking convertible bond (the “**Facility**”), with a Bahamian family office investor, whereby BPC drew down an initial tranche of the Facility of £2.43 million (net of face value discount), and had access on an unconditional basis to four additional tranches of £1.19 million (net of face value discount) each in April, May, June and July 2020, available for draw-down through the course of drilling should BPC elect. Key terms of the Facility are as follows:

- *Amount:* face value of up to £8 million (approximately US\$10.5 million)
- *Use of funds:* to provide staged capital (as required) toward completion of the Perseverance #1 well and associated payments
- *Form of investment:* zero-coupon, second ranking, unsecured convertible loan notes (“**Notes**”)
- *Note Subscriber:* A Bahamian registered institutional family-office investor
- *Structure:* An initial drawdown of £2.7 million (with £2.43 million cash received, net of face value discount) to be made immediately, with four further instalments of £1.325 million (with cash of £1.19 million to be received net of face value discount) each available to be drawn at BPC’s sole election at the start of each of April, May, June and July 2020 (subject to customary termination provisions)
- *Term:* 3 years from time of draw-down
- *Coupon:* Zero. However, Notes when drawn will be issued at 90 per cent. of face-value, equating to the equivalent of an embedded coupon of 3.33 per cent. per annum, effectively paid in advance.
- *Priority:* On a return of capital (by way of liquidation or otherwise) the Notes will rank second to the Conditional Convertible Notes, but will rank senior to all ordinary shares on issue to the extent of the face value of the Notes
- *Security:* the Notes will be unsecured
- *Repayment:* At end of the term, unless redeemed or converted prior
- *Conversion:* The holder of Notes may at any time prior to maturity elect to convert the face value of the Notes into fully paid ordinary shares in BPC
- *Conversion Price:* The lower of (i) a 25 per cent. premium to the price of BPC’s ordinary shares on the date of draw-down, or (ii) the lowest closing bid price of BPC’s shares on the five days prior to the date of conversion
- *Early Redemption:* BPC has the right to redeem the Notes in cash at 105 per cent. of face value; if BPC serves an early redemption notice, the holder has a 3-day period to elect to first convert the notes;
- *Conditions to future draw-downs:* if BPC’s share price falls below 2 pence for five consecutive trading days, there can be no further draw-downs; and no material adverse events subsisting at time of draw-down
- *Fees:* BPC agreed to pay a 3 per cent. arranging fee to the arranger of the Facility in respect of the entire face value of the Facility and an additional raising fee of 3 per cent. of any amounts drawn, the latter payable to the arranger of the Facility only if and when additional funds are drawn under the Facility
- *Change of control:* the Facility contains a change of control provision (per the United Kingdom Corporations Act 2010 or the sale/transfer of 50 per cent. or more of the assets of BPC) pursuant to which the investor can require BPC to redeem the Notes at a price of 105 per cent. of face value

On 17 March 2020 the Facility was expanded, whereby the initial tranche of the Facility was increased by a further £2 million, available on an unconditional basis, and fully drawn down such that BPC saw immediate cash inflow of £1.8 million (approximately US\$2.2 million). In addition, the existing tranches available, for each of May, June and July 2020, were each increased by £2 million. If fully drawn and fully converted, and based on BPC's then prevailing share price, this expanded component of the Facility would have required BPC to issue a total of approximately 250 – 300 million new ordinary shares. As a result of the delay to drilling from COVID-19, on 25 March 2020, the parties to the Facility agreed to keep the Facility on foot, and to replace the draw down dates of April, May, June and July 2020 with draw down dates in November and December 2020 and January and February 2021 – i.e., with revised draw down dates better matched to the revised drilling schedule and funding needs. The parties also agreed to further review the Facility terms and draw down schedule once the overall market impact of the coronavirus response is better understood).

#### *Rig Agreement*

On 16 August 2019 BPC entered into a Framework Agreement with Seadrill, one of the world's largest offshore drill rig companies, for the provision of a sixth-generation drilling rig during the first half of 2020, with delivery from the rig's current working location in the nearby Gulf of Mexico. The Framework Agreement fixed the price for the rig (in accordance with industry practice, quoted as a day-rate in US dollars per day) and stipulated various other key commercial terms of conditions. Further, the Framework Agreement required BPC, on or before 11 October 2019 to notify Seadrill that it wished to "Go-Firm". On 10 October 2019 BPC advised Seadrill that it wished to go-firm on the drilling rig. Accordingly, BPC notified Seadrill of its desire to secure a rig for delivery by late Q1 2020, and BPC and Seadrill commenced negotiation on a long-form Rig Contract. However, a long-form Rig Contract was never entered into.

On 24 May 2020, BPC entered into an agreement with Stena DrillMax Ice Limited ("**Stena**"), a wholly-owned subsidiary of Stena Drilling Limited, one of the world's foremost independent drilling contractors, for the provision of a sixth-generation drilling rig (the "**Rig Contract**"). The Rig Contract entered into with Stena replaces the previous contract for a drilling rig that BPC anticipated entering into with Seadrill Limited. Key terms of the rig contract with Stena are:

<b>Rig</b>	A sixth generation drill ship, which shall be provided with an integrated managed pressure drilling system on board, and which may be any of the Stena IceMax, Stena Forth, or Stena DrillMax (or, subject to agreement, any other suitable Stena vessel).
<b>Drilling Window</b>	Stena must provide the rig on location to commence drilling within a firm time window of 15 December 2020 to 1 February 2021.
<b>Sequence to drilling</b>	<p>On signing of the Rig Contract, BPC has paid to Stena an initial down payment amount of US\$250,000 and the parties have commenced working together collaboratively to prepare for drilling activities in the drilling window on the basis of any one of the identified Stena drilling rigs.</p> <p>At any time after 1 September 2020 but prior to 1 November 2020, Stena must provide to BPC a commencement notice, which notice must specify:</p> <ol style="list-style-type: none"> <li>(1) the specific drilling rig to be deployed by Stena,</li> <li>(2) the location(s) which that drilling rig will be mobilised from/demobilised to, and</li> <li>(3) the date within the drilling window on which that drilling rig will arrive on location and be ready to commence drilling operations.</li> </ol>
<b>Drilling Duration</b>	The duration estimated to complete the well, which is approximately 30-45 days.

## **Contract Payments**

BPC is to pay a fixed lump sum mobilisation fee of US\$2 million at such time as Stena delivers a commencement notice to BPC. Once the rig arrives on location BPC is to pay for the operating use of the rig, inclusive of the use of the managed pressure drilling system. In aggregate, the total value of payments to be made by BPC to Stena in respect of use of the rig, inclusive of mobilisation, is estimated to range between US\$8 million and US\$11 million depending on the duration of drilling activities.

## **Penalty regime**

If Stena fails to deliver a commencement notice by 1 November 2020, or if, following delivery of a commencement notice, Stena fails to provide the nominated drilling rig, a penalty of US\$7.5 million will become payable by Stena to BPC.

## **Investment Options**

Consequent on entry into the rig contract, BPC has granted several investment options to Stena Drilling Limited (the “**Optionholder**”), such that, prior to 1 December 2020, the Optionholder has the right (but not the obligation, and there can be no assurance that the Optionholder will exercise the right, all or in part) to (i) subscribe for up to US\$10 million of new equity in BPC on the same terms and conditions as would apply in any BPC capital raising, or (ii) farm-in to the BPC Southern Licences on the basis of US\$10 million for a 10 per cent. non-operated working interest. If the Optionholder were to seek to take up either of these investment options, the consideration could be satisfied either in cash or by way of offset against amounts payable by BPC under the Rig Contract.

### *Replacement Funding Agreement in respect of the 2019 Lind Agreement*

BPC has entered into a Replacement Funding Agreement with Trafalgar Capital Management (HK) Limited on 10 June 2020, whereby, contemporaneously with the Scheme becoming Effective, Trafalgar will subscribe for approximately US\$2.7 million (£2.1 million) of BPC Shares. BPC will apply those funds to repaying all amounts owing to Lind Global, in full settlement of the 2019 Lind Agreement. The number of BPC Shares to be issued to Trafalgar will be derived by reference to a formula that, as with the terms of the 2019 Lind Agreement, depends on the price of BPC Shares in the period prior to the date of the Scheme becoming Effective (being 90 per cent. of the average of any five daily volume weighted average prices per BPC Share as selected by Trafalgar in its sole discretion during the 20 trading days immediately prior to the Effective Date). Based on the current share price of BPC, this would, on an indicative basis, equate to approximately 80 million BPC Shares. BPC has also agreed with Trafalgar that at the same time the BPC Shares that will be issued in exchange for the Collateral Shares pursuant to the Scheme will be transferred to Trafalgar, at no cost to Trafalgar, or BPC will issue that number of new BPC Shares to Trafalgar at par consideration (0.002 pence per share).

As part of the Replacement Funding Agreement, if the average volume weighted average prices of BPC Shares in the four month period following the Effective Date is such that, had Trafalgar sold the BPC Shares held (but whether or not Trafalgar has in fact done so), insufficient to deliver to Trafalgar a 10 per cent. return on invested capital, BPC will also be required to make a “top-up” issue of BPC Shares to Trafalgar or pay an equivalent amount to Trafalgar in cash as BPC may in its sole discretion elect. BPC also has the right to terminate the Replacement Funding Agreement prior to the Scheme becoming Effective, in which case a 5 per cent. termination fee is payable, which BPC can elect to settle in cash or in newly issued BPC Shares, at a price equal to the average of any five daily volume weighted average prices per BPC Share selected by Trafalgar in its sole discretion during the 20 consecutive trading days immediately prior to payment of the termination fee.

VSA Capital, Rule 3 Adviser to Columbus, will receive an introductory commission from BPC amounting to £63,000, being 3 per cent. of the amount of £2.1 million secured by BPC under the Replacement Funding Agreement from a lender introduced by VSA Capital.

#### *Letter on Appointment of Non-Executive Director*

On 19 June 2020, LWK – Energy Consulting, Unipessoal LDA (“**LWK-Energy Consulting**”, a Portuguese company controlled by Leo Koot) entered into a letter of appointment with BPC pursuant to which Leo Koot will be appointed as a non-executive director of BPC effective from the Effective Date. He will participate in regular meetings of the BPC Board and serve on BPC Board’s HSE committee as chair and on the Audit committee. He will receive a fee of £35,000 per annum subject to an annual review by the BPC Board, as well as an additional amount of £7,500 per annum in respect of each Board committee he sits on.

#### *Consultancy Agreements*

LWK-Energy Consulting, Anthony Hawkins and Bookham Energy Services Ltd (“**Bookham**”, an English company of which Gordon Stein is a director) have each entered into a consultancy agreement with BPC on 19 June 2020, pursuant to which:

- LWK-Energy Consulting has agreed to procure that Leo Koot will make available his services through LWK-Energy Consulting to BPC for at least two days per calendar week for a period of 6 months from the Effective Date (unless terminated earlier or extended by mutual agreement) to assist the general transition between Columbus and BPC, assist with BPC’s assets in Suriname, conduct a peer review of BPC’s drilling plans, introduce potential sources of capital for the Combined Group and assist with any other matters as reasonably requested by BPC. For each day Leo Koot worked, LWK-Energy Consulting will receive US\$1,750 (exclusive of VAT), less any deductions for income tax and national insurance contributions as required by law.
- Anthony Hawkins has agreed to make available his services to BPC for two days per calendar week for a period of 3 months from the Effective Date (unless terminated earlier or extended by mutual agreement) to assist the general transition between Columbus and BPC as may be reasonably requested. He will receive US\$1,400 (exclusive of VAT (if applicable)) per day worked.
- Bookham has agreed to procure that Gordon Stein will make available his services through Bookham to BPC for as much time as BPC reasonably requires (initially expected to be around two days per calendar week) for a period of 3 months from the Effective Date (unless terminated earlier or extended by mutual agreement) to assist the general transition between Columbus and BPC in respect of financial, accounting, treasury and any other relevant matters relating to his role as a Columbus Director and Chief Financial Officer of Columbus. For each day Gordon Stein worked, Bookham will receive US\$1,200 (exclusive of VAT), less any deductions for income tax and national insurance contributions as required by law.

## **8. Columbus Directors’ Service Contracts, Appointment Letters and Emoluments**

Save as set out below, there are no service contracts or appointment letters between any Columbus Director and Columbus and no such contract or appointment letter has been entered into or amended or any Columbus Director’s remuneration increased within the six months immediately prior to the date of publication of this Scheme Document.

### **8.1 Executive Directors**

#### *Leo Koot*

Leo Koot was appointed by Columbus to act as Executive Chairman and a director pursuant to a service agreement dated 10 May 2017, which became effective on the same date and was subsequently amended and restated in September 2018. His appointment continues unless terminated on not less than six months’ prior written notice by either party. He is entitled to an initial salary of £300,000 per annum. Pursuant to his service agreement and a deed of option grant dated 1 May 2018 (which was subsequently amended on 19 May 2020), it was agreed that half of his salary would be paid in Columbus Shares by way of a grant of options. The options accrue and vest monthly, have no other vesting conditions and are issued free from any exercise price save for the nominal value of each share. The options are exercisable up to the seventh anniversary of the date of vesting

and do not lapse by reason of his termination of employment with or directorship of Columbus howsoever such termination arises. In the event of any variation in the share capital of Columbus, the number of Columbus Shares subject to the options shall be adjusted (if at all) by auditors instructed by Columbus.

#### *Anthony Hawkins*

Anthony Hawkins was initially appointed as Legal & Commercial Director on 1 January 2018, before being appointed by Columbus to act as Chief Executive Officer and a director pursuant to a service agreement dated 18 November 2019. His appointment commenced on 19 November 2019 and continues unless terminated on not less than six months' prior written notice by either party. He is entitled to a salary of £250,000 per annum. Pursuant to the terms of his employment and the deed of option grant dated 22 May 2018 (which was subsequently amended on 21 May 2020), it was agreed that half of his salary is paid in Columbus Shares. The options granted accrue and vest monthly, have no other vesting conditions and are issued free from any exercise price save for the nominal value of each share. The options are exercisable up to the seventh anniversary of the date of vesting. In the event of any variation in the share capital of Columbus, the number of Columbus Shares subject to the options shall be adjusted (if at all) by auditors instructed by Columbus.

#### *Gordon Stein*

Gordon Stein was appointed a Non-Executive Director of the Company on 10 January 2017 and was subsequently appointed to act as Chief Financial Officer pursuant to a service agreement dated 14 June 2017. His appointment commenced on 15 June 2017 and continues unless terminated on not less than six months' prior written notice by either party. He is entitled to a salary of £190,000 per annum. Pursuant to his service agreement and a deed of option grant dated 22 May 2018 (which was subsequently amended on 21 May 2020), it was agreed that half of his salary will be paid in Columbus Shares by way of a grant of options. The options accrue and vest monthly, have no other vesting conditions and are issued free from any exercise price save for the nominal value of each share. The options are exercisable up to the seventh anniversary of the date of vesting and do not lapse by reason of his termination of employment with or directorship of Columbus howsoever such termination arises. In the event of any variation in the share capital of Columbus, the number of Columbus Shares subject to the options shall be adjusted (if at all) by auditors instructed by Columbus.

The service agreements of each of Leo Koot, Anthony Hawkins and Gordon Stein each contain a change of control provision, which entitles them to an amount equal to twelve months' basic salary, if there is a change of control of Columbus and within six months following such change of control, whether directly or indirectly in connection with it, Columbus terminates their appointment other than in circumstances which allow it to terminate without notice, or they serve notice to terminate their appointment.

As a cost management measure in response to COVID-19, the Columbus executive management have, via the Executive Salary Options, been taking no-cash salaries in the form of nil cost options since March 2020.

## 8.2 **Non-Executive Director**

#### *Michael Douglas*

Michael Douglas was appointed by Columbus to act as a non-executive director under a letter of appointment dated 26 August 2014, which became effective on the same date and was subsequently amended on 19 May 2015, 8 May 2017 and 27 May 2020 respectively. His appointment is for an initial term of three years and is terminable on six months' prior written notice by either party. He is entitled to a fee of £24,000 per annum and an additional annual fee of £10,000 for acting as a committee chairman. According to the terms governing his appointment, he shall be entitled to receive pay equivalent to twelve months' fees, if a change of control of Columbus occurs and within six months following such change of control, whether directly or indirectly in connection with it, Columbus terminates his appointment other than for gross misconduct or illegal activity, or he serves notice to terminate his appointment.

Each of Anthony Hawkins, Gordon Stein and Michael Douglas have agreed to cease to be Columbus Directors with effect from the Effective Date and they will each receive a payment consistent with the

change of control provisions of their respective service agreement and letter of appointment in each case, an amount in cash equivalent to 12 months' basic salary.

## 9. Ratings and Outlooks

There are no current credit ratings or outlooks by any ratings agencies that have been publicly accorded to either Columbus or BPC.

## 10. BPC's fees and expenses

The aggregate fees and expenses to be incurred by BPC in connection with the Offer (excluding any applicable VAT) are expected to be <sup>(1)</sup>

<i>Category</i>	<i>Amount (£m)</i>
Legal advice <sup>(2)</sup>	0.20
Other professional services	0.70
Other costs and expenses	0.10
<b>Total</b>	<b>1.00</b>

(1) These figures are based on BPC's current expectations as to the likely date of completion of the Offer.

(2) The figures included are based on time charged up to the latest practicable date prior to the publication date of this document, together with an estimate of time to completion of the Offer.

## 11. Columbus's Fees and Expenses

The aggregate fees and expenses to be incurred by Columbus in connection with the Offer (excluding any applicable VAT) are expected to be:

<i>Category</i>	<i>Amount (£m)</i>
Financial and corporate broking advice <sup>(1)</sup>	0.18
Legal advice <sup>(2)</sup>	0.15
Other costs and expenses and tax advice	0.10
<b>Total</b>	<b>0.43</b>

(1) The costs for financial and corporate broking advice includes the expenses of VSA Capital incurred in connection with the Offer.

(2) An element of these costs is based on time spent and hourly rates. The figures included are based on time charged up to the latest practicable date prior to the publication of this Scheme Document, together with an estimate of time to completion of the Offer.

## 12. Other Information

12.1 Save as disclosed in this Scheme Document, no agreement, arrangement or understanding (including any compensation arrangement) exists between BPC or any party acting in concert with BPC and any of the directors, recent directors, shareholders or recent shareholders of Columbus which has any connection with, or dependence on, or which is conditional upon the outcome of the Offer.

12.2 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Columbus Shares to be acquired pursuant to the Offer will be transferred to any person, but BPC reserves the right to transfer any such shares to any member of the BPC Group.

12.3 Save as disclosed in this Scheme Document or as publicly disclosed by the Company via a Regulatory Information Service, there have been no significant changes in the financial or trading position of the Columbus Group since 30 June 2019, being the date to which the latest unaudited consolidated financial statements for the Columbus Group were prepared.

- 12.4 Save as disclosed in this Scheme Document, there have been no material changes in the financial or trading position of the BPC Group since 31 December 2019 (the date to which the last audited accounts of the BPC Group have been prepared).
- 12.5 The emoluments of the BPC Directors will not be varied as a consequence of the Offer or by any other associated transaction.
- 12.6 VSA Capital has given and has not withdrawn its written consent to the publication of this Scheme Document with the inclusion of the references to its name in the form and context in which they appear.
- 12.7 Save with the consent of the Panel, settlement of the consideration to which any Columbus Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which BPC may otherwise be, or claim to be, entitled as against such Columbus Shareholder.
- 12.8 As at 29 June 2020, Columbus held no Columbus Shares as treasury shares.

### **13 Documents Published on a Website**

Copies of the following documents will be made available on Columbus's website at [www.columbus-erp.com](http://www.columbus-erp.com) and BPC's website at [www.bpcplc.com](http://www.bpcplc.com) from not later than 12.00 p.m. (London time) on 1 July 2020 up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- 13.1 the current articles of association of Columbus and the articles of Columbus as proposed to be amended in connection with the Scheme;
- 13.2 the articles of association of BPC;
- 13.3 the Announcement;
- 13.4 the audited financial statements of the BPC Group for the 12 months ended 2018 and 2019;
- 13.5 the material contracts referred to in section 7 above which have been entered into in connection with the Offer;
- 13.6 the written consent provided by VSA Capital referred to in section 12.6 above;
- 13.7 the irrevocable undertakings referred to in section 6 above;
- 13.8 this Scheme Document and the accompanying Forms of Proxy;
- 13.9 the Confidentiality Agreement; and
- 13.10 the Cooperation Agreement.

Save as expressly referred to herein, neither the content of any website referred to in this Scheme Document nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Scheme Document.

### **14 Sources of Information and Bases of Calculations**

In this Scheme Document, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

- 14.1 The value attributed to the Offer is based on:
- 14.1.1 The value of 3.33p per BPC Share, being the closing price on Thomson Reuters Eikon on 10 June 2020 (being the last trading day prior to the Announcement Date);
- 14.1.2 multiplying by the number of fully diluted Columbus Shares, being 941,527,205. This is based on 918,014,741 Columbus Shares in issue on the date of the Announcement and a further, in aggregate, 23,512,464 Columbus Shares which may be issued on or after the date of the Announcement, but before the Effective Date, pursuant to the Contractor Shares Scheme,

being an estimated 9,500,000 Columbus Shares, and other contractual commitments, being an estimated 14,012,464 Columbus Shares; and

- 14.1.3 multiplying by the Exchange Ratio.
- 14.2 Unless otherwise stated, all prices for Columbus Shares are closing middle market quotations derived from Thomson Reuters Eikon for the particular date(s) concerned.
- 14.3 Unless otherwise stated all prices for BPC Shares are closing prices derived from Thomson Reuters Eikon.
- 14.4 Unless otherwise stated all exchange rates are the average of the “best ask” and “best bid” US\$/£ cross rate sourced from Thomson Reuters Eikon on 10 June 2020 (being the last Business Day in the United States prior to the Announcement Date).
- 14.5 Volume weighted average prices are derived from Thomson Reuters Eikon for the time periods stipulated.
- 14.6 BPC’s market capitalisation is calculated by multiplying the Existing BPC Share Capital by 3.33p per BPC Share, being the closing price sourced from Thomson Reuters Eikon on 10 June 2020 (being the last Business Day prior to the Announcement Date).
- 14.7 The proportionate ownership of the Combined Group between the Scheme Shareholders, outgoing Columbus executives and the BPC Shareholders respectively is based on:
- 14.7.1 for Scheme Shareholders and outgoing Columbus executives, (i) the fully diluted Columbus Shares of 941,527,205, as set out in 14.1.2 above, multiplied by the Exchange Ratio, resulting in 756,046,346 New BPC Shares, plus (ii) 25,562,167 new BPC Shares to be issued in respect of termination payments to Columbus executives, plus (iii) 22,026,766 new BPC Shares in respect of the exchange of certain Columbus executives’ nil-cost options, resulting in 803,635,279 new BPC Shares;
- 14.7.2 for BPC Shareholders, (i) BPC Shares currently outstanding of 2,448,438,757, plus (ii) 35,337,328 BPC Shares to be issued to BPC Investment Fund Ltd, expected after the date of the Announcement but before the Effective Date, plus (iii) 80,000,000 new BPC Shares pursuant to the Replacement Funding Agreement to settle the Lind Convertible Loan Agreement, resulting in 2,563,776,085 BPC Shares;
- 14.8 The proportionate ownership of the Combined Group assumes that no outstanding Columbus share options are exercised prior to the Effective Date.
- 14.9 Unless otherwise stated, the financial information relating to Columbus has been extracted or derived (without any adjustment) from the audited consolidated accounts of the Columbus Group for the financial year ended 31 December 2018 and the unaudited interim results of the Columbus Group for the six months to 30 June 2019, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and available on Columbus’s website at [www.columbus-erp.com](http://www.columbus-erp.com).
- 14.10 Unless otherwise stated, the financial information relating to BPC has been extracted or derived (without any adjustment) from the audited consolidated financial statements of the BPC Group for the financial year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards as adopted by the European Union and available on BPC’s website at [www.bpcplc.com](http://www.bpcplc.com).
- 14.11 All information relating to Columbus and BPC has been provided by persons duly authorised by the Columbus Board and the BPC Board respectively.

## PART VII

### UNITED KINGDOM TAXATION

The comments set out below refer to certain limited aspects of the UK taxation treatment of Scheme Shareholders resident in the UK and do not purport to be either (i) a complete analysis of all tax considerations relating to the Scheme and their holding of New BPC Shares or (ii) an analysis of the tax position of Columbus or BPC. The following statements do not constitute tax advice and are intended only as a general guide to current UK tax law and published practice of HMRC, both of which are subject to change at any time, possibly with retrospective effect.

The comments are intended as a general guide and apply only to Scheme Shareholders who are resident for tax purposes in the UK, who hold their Scheme Shares and will hold their New BPC Shares as an investment and who are the absolute beneficial owners of their Scheme Shares and will be the absolute beneficial owners of their New BPC Shares (other than under a Self-Invested Personal Pension or through an Individual Savings Account). These comments may not apply to certain classes of Scheme Shareholders who are subject to different tax rules, such as charities, dealers in securities, persons holding or acquiring shares in the course of a trade, persons who have or could be treated for tax purposes as having acquired their Scheme Shares or New BPC Shares by reason of their employment, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies. Scheme Shareholders are encouraged to consult an appropriate independent professional tax adviser in respect of their personal tax position.

If you are in any doubt as to your taxation position, or if you are resident or otherwise subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately.

#### 1 Exchange of Scheme Shares for New BPC Shares

##### 1.1 *The Scheme*

The Scheme Shareholders will receive New BPC Shares as consideration for the transfer of their Scheme Shares.

##### 1.2 *Taxation of Chargeable Gains on Exchange*

Subject to the comments made below, the receipt of New BPC Shares by Scheme Shareholders pursuant to the Scheme should be treated as an exchange of securities for the purposes of section 135 of the Taxation of Chargeable Gains Act 1992 ("**TCGA**"). This means that the Scheme Shareholders should not be treated as disposing of the proportion of their Scheme Shares which are exchanged for New BPC Shares and, instead, the New BPC Shares received by them should be treated for UK tax purposes as the same asset, acquired at the same time as the Scheme Shares in respect of which they are issued as consideration.

In the case of Scheme Shareholders who alone, or together with persons connected with them, hold 5 per cent. or more of the Scheme Shares, such "rollover" treatment will only apply if the provisions of section 137(1) of the TCGA do not prevent it, where such provisions state that the exchange of securities must be for *bona fide* commercial purposes and not as part of a scheme for the avoidance of UK tax. No clearance has been sought from HMRC confirming that section 137(1) TCGA should not prevent the rollover treatment. If the Scheme is not treated as an exchange of securities, UK resident Scheme Shareholders who alone, or together with persons connected with them, hold 5 per cent. or more of the Scheme Shares, would be treated for the purposes of taxation on chargeable gains as having disposed of their holding of Scheme Shares in consideration of the issue to them of the New BPC Shares pursuant to the Scheme.

#### 2 Taxation of New BPC Shares

##### 2.1 *Disposal of New BPC Shares – tax on chargeable gains*

Liability to UK tax on chargeable gains will depend on the circumstances of Scheme Shareholders.

## 2.2 **Disposal of New BPC Shares by UK tax resident Scheme Shareholders**

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

### *Individuals*

For gains for individual Scheme Shareholders, to the extent that it exceeds the tax free annual exemption, the rate of capital gains tax on a disposal of New BPC Shares by basic rate taxpayers will be 10 per cent. and, for upper rate and additional rate taxpayers, the rate will be 20 per cent.

### *Companies*

For corporate Scheme Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of New BPC Shares but will not create or increase an allowable loss. Indexation allowance has been removed from gains accruing after 1 January 2018.

Subject to certain exemptions, the corporation tax rate applicable to chargeable gains is 19 per cent.

## 2.3 **Disposal of New BPC Shares by non-UK resident Scheme Shareholders**

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

A Scheme Shareholder who is an individual and who is temporarily a non-UK resident at the time of the disposal may, under anti-avoidance legislation, still be liable to UK taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs) on their return to the UK. A person is temporarily non-resident if they are not resident for less than five complete years.

## 2.4 **Tax on dividends paid by BPC**

Under current Isle of Man tax legislation, no tax is required to be withheld from dividend payments by an Isle of Man company.

### *Individuals*

UK tax resident individual Scheme Shareholders who are domiciled in the UK, and who will hold their New BPC Shares as investments, will be subject to UK income tax on the amount of dividends received from BPC. Dividend income received by UK tax resident individuals will have a £2,000 0 per cent. dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

### *Companies*

Corporate Scheme Shareholders within the charge to UK corporation tax which are “*small companies*” (for the purposes of UK taxation of dividends) will be subject to tax on dividends paid on the New BPC Shares. This is on the basis that HMRC does not currently recognise the Isle of Man as a qualifying territory for the purposes of the dividend exemption. Should HMRC change its view, corporate Scheme Shareholders may wish to review the position.

Other corporate Scheme Shareholders within the charge to UK corporation tax will not be subject to tax on dividends on the New BPC Shares so long as:

- the dividends fall within an exempt class; and
- do not fall within certain specified anti-avoidance provisions; and
- the corporate Scheme Shareholder has not elected for the dividends not to be exempt.

Each corporate Scheme Shareholder’s position will depend on its own individual circumstances, although it would normally be expected that dividends paid on the New BPC Shares would fall within an exempt class. Examples of dividends that are within an exempt class include dividends paid on

shares that are non-redeemable ordinary shares and dividends in respect of portfolio holdings where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) and is entitled to less than 10 per cent. of the profits available for distribution and less than 10 per cent. of assets available for distribution on a winding up in either case to holders of the issued share capital of the payer (or of any class of that share capital). The exemptions are not comprehensive and are subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a corporate Scheme Shareholder elects for an otherwise exempt dividend to be taxable, the corporate Scheme Shareholder will be subject to corporation tax in the UK on dividends received from BPC. Corporation tax is charged on dividends at the rate applicable to that company. Corporate Scheme Shareholders will need to ensure that they satisfy the requirements of an exempt class before treating any dividend as exempt, and seek appropriate professional advice where necessary.

## 2.5 **Anti-Avoidance – Transactions in securities**

The attention of Scheme Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007 which, in each case, give powers to HMRC to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

## 2.6 **Stamp duty and stamp duty reserve tax arising on future issues and transfers of BPC Shares**

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate:

- no UK stamp duty or stamp duty reserve tax will be payable on the future issue, by BPC, of BPC Shares; and
- most investors will make open-market purchases of BPC Shares using the CREST paperless clearance system and these acquisitions will be subject to SDRT at 0.5 per cent. Where BPC Shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable if the purchase consideration exceeds £1,000, but only if the documents are physically in, or brought into, the UK.

## 3 **Comparison between UK and Isle of Man tax treatments on UK tax resident Scheme Shareholders**

Set out below is a summary comparing the UK and Isle of Man tax treatments of UK tax resident Scheme Shareholders holding Scheme Shares and New BPC Shares:

	<i>Scheme Shares</i>	<i>New BPC Shares</i>
Disposal of shares by an individual UK resident tax payer	Capital gains taxed at 10 per cent. for upper rate taxpayers and at 20 per cent. for upper rate and additional rate taxpayers	No change
Disposal of shares by a corporate UK resident tax payer	Chargeable gains taxed at 19 per cent.	No change
Dividends received by an individual UK resident tax payer	Annual dividend tax allowance of £2,000. Dividend income received in excess of £2,000 taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers	No change (as no withholding tax charged in the Isle of Man).

	<i>Scheme Shares</i>	<i>New BPC Shares</i>
Dividends received by a corporate UK resident tax payer	Subject to anti-avoidance regulations, dividends received will be exempt from UK corporation tax	Corporates defined as “small companies” will be subject to tax on dividends  Other corporates will not be subject to tax on dividends, provided certain conditions are met
Stamp duty and stamp duty reserve tax on the issue of new shares	No stamp duty or stamp duty reserve tax payable on the issue of new Columbus Shares	No change
Stamp duty reserve tax on the purchase or transfer of shares in the open market	Stamp duty reserve tax at 0.5 per cent. on transfers through the CREST paperless clearance system  Stamp duty payable on paper transfers if the purchase consideration exceeds £1,000 and the documents are either physically in, or brought into, the UK	No change

## PART VIII

### DEFINITIONS

The following definitions apply throughout this document (with the exception of Part IV) unless the context requires otherwise:

<b>AIM</b>	AIM, a market operated by the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time)
<b>Announcement</b>	the announcement of a firm intention to make the Offer pursuant to Rule 2.7 of the Code made on the Announcement Date
<b>Announcement Date</b>	11 June 2020
<b>Authorisations</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
<b>Board</b>	the board of directors of BPC or Columbus (as applicable) with the terms “ <b>BPC Board</b> ” and “ <b>Columbus Board</b> ” being construed accordingly and “ <b>Boards</b> ” shall mean both the BPC Board and Columbus Board
<b>Bookham</b>	Bookham Energy Services Ltd, an English company of which Gordon Stein is a director
<b>BPC</b>	Bahamas Petroleum Company PLC
<b>BPC AGM</b> or <b>BPC Annual General Meeting</b>	the annual general meeting of BPC Shareholders (including any adjournment thereof) to consider the BPC Resolution amongst other matters
<b>BPC Articles</b>	the articles of association of BPC
<b>BPC Board Adverse Recommendation Change</b>	<ul style="list-style-type: none"><li>(a) if BPC makes an announcement prior to the publication of the Scheme Document that:<ul style="list-style-type: none"><li>(i) the BPC Directors no longer intend to make the BPC Board Recommendation or intend adversely to modify or qualify such recommendation;</li><li>(ii) it will not convene the BPC Annual General Meeting; or</li><li>(iii) it intends not to post the BPC Circular or (if different) the document convening the BPC Annual General Meeting;</li></ul></li><li>(b) if BPC makes an announcement that it will delay the convening of, or will adjourn the BPC Annual General Meeting without the consent of Columbus not to be unreasonably withheld, delayed or conditioned, except where such delay or adjournment is for reasons outside BPC’s control;</li><li>(c) the BPC Board Recommendation is not included in the BPC Circular; or</li><li>(d) the BPC Directors withdraw or adversely modify or qualify the BPC Board Recommendation</li></ul>

<b>BPC Board Recommendation</b>	a unanimous and unqualified recommendation from the BPC Directors to the BPC Shareholders in respect of the Merger to vote in favour of the BPC Resolution
<b>BPC Circular</b>	the circular to be despatched to the BPC Shareholders in connection with the Merger and convening the BPC Annual General Meeting, including any supplementary circular
<b>BPC Directors or BPC Board</b>	the directors of BPC
<b>BPC Group</b>	Bahamas Petroleum Company plc and its subsidiaries and, where the context permits, each of them
<b>BPC Resolution</b>	the shareholder resolution(s) of BPC that are necessary to approve, implement and effect the Merger whether by way of the Scheme or the Offer, and the allotment and issue of BPC Shares contemplated in the Announcement
<b>BPC Shareholders</b>	the holders of BPC Shares
<b>BPC Shares</b>	the fully paid ordinary shares of 0.002p in the capital of BPC
<b>B.S.T.</b>	British Summer Time
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in London, UK) on which banks are open for general commercial business
<b>Certificated or in Certificated Form</b>	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
<b>Closing Price</b>	the closing middle market quotation derived from Thomson Reuters Eikon for the particular date(s) concerned
<b>Code</b>	the City Code on Takeovers and Mergers in the UK
<b>Collateral Shares</b>	7,500,000 Columbus Shares issued to Lind pursuant to the Convertible Loan Agreement
<b>Columbus or the Company</b>	Columbus Energy Resources PLC
<b>Columbus Articles</b>	the articles of association of Columbus
<b>Columbus Board Adverse Recommendation Change</b>	<p>(a) if Columbus makes an announcement prior to the publication of the Scheme Document that:</p> <ul style="list-style-type: none"> <li>(i) the Columbus Directors no longer intend to make the Columbus Board Recommendation or intend adversely to modify or qualify such recommendation;</li> <li>(ii) it will not convene the Court Meeting or the Columbus General Meeting; or</li> <li>(iii) it intends not to post the Scheme Document or (if different) the document convening the Columbus General Meeting;</li> </ul> <p>(b) if Columbus makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting, the Columbus General Meeting, in each case without the consent of BPC not to be unreasonably withheld, delayed or conditioned,</p>

	except where such delay or adjournment is for reasons outside Columbus's control;
	(c) the Columbus Board Recommendation is not included in the Scheme Document; or
	(d) the Columbus Directors withdraw or adversely modify or qualify the Columbus Board Recommendation
<b>Columbus Board Recommendation</b>	a unanimous and unqualified recommendation from the Columbus Directors to the Columbus Shareholders in respect of the Merger: <ul style="list-style-type: none"> <li>(a) to vote in favour of such shareholder resolutions of Columbus as are necessary to approve, implement and effect the Scheme and the Merger and the changes to Columbus's articles of association contemplated in the Announcement; or</li> <li>(b) if BPC elects to implement the Merger by means of an Offer in accordance with the terms of the Cooperation Agreement, to accept the Offer</li> </ul>
<b>Columbus Directors or Columbus board</b>	the board of directors of Columbus, as at the date of this Scheme Document
<b>Columbus General Meeting</b>	the general meeting of Columbus Shareholders (including any adjournment thereof) to be convened in connection with the Scheme, notice of which is set out in Part X ( <i>Notice of the Columbus General Meeting</i> ) of this Scheme Document
<b>Columbus Group</b>	Columbus and its subsidiaries and, where the context permits, each of them
<b>Columbus Shares</b>	the existing unconditionally allotted and issued and fully paid ordinary shares of 0.05 penny each in the capital of Columbus and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes effective
<b>Columbus Shareholders</b>	the holders of Columbus Shares
<b>Columbus Share Plans</b>	any deed or agreement, pursuant to which a right to acquire ordinary shares in the capital of the Company has been granted by the Company to any individual or entity
<b>Combined Group</b>	the combined Columbus Group and BPC Group following completion of the Offer
<b>Companies Act</b>	the Companies Act 2006 as amended from time to time
<b>Conditions</b>	the conditions to the implementation of the Offer, as set out in Part III ( <i>Conditions to the Scheme and to the Offer</i> ) of this Scheme Document
<b>Confidentiality Agreement</b>	a confidentiality agreement dated 9 April 2020 between Columbus and BPC
<b>Connected Adviser</b>	has the meaning given to it in the Code
<b>Contractors Share Scheme</b>	a share scheme operated by Columbus where the fees of certain service providers to the Columbus Group are settled by the allotment and issued of Columbus Shares

<b>Convertible Loan Agreement</b>	the agreement entered into by Columbus and Lind Global Macro Fund, LP on 8 November 2019, whereby Lind Global Macro Fund, LP made available a convertible loan facility of up to US\$4.5 million to Columbus
<b>Cooperation Agreement</b>	an agreement dated 11 June 2020 between Columbus and BPC in connection with the Merger which was varied by the parties on 23 June 2020
<b>Court</b>	the High Court of Justice in England and Wales
<b>Court Hearing</b>	the hearing by the Court to consider whether to sanction the Scheme under Part 26 of the Companies Act
<b>Court Meeting</b>	the meeting (or any adjournment thereof) of Scheme Shareholders (or any relevant class or classes thereof) to be convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, for the purpose of considering and, if thought fit, approving the Scheme (with or without modification), notice of which is set out in Part IX ( <i>Notice of Court Meeting</i> ) of this Scheme Document
<b>Court Order(s)</b>	the order(s) of the Court sanctioning the Scheme
<b>CREST</b>	the computerised settlement system (as defined in the Uncertified Securities Regulations 2001 (SI2001/3755)) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>CREST Manual</b>	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, 166 Daily Timetable, CREST Application Procedure, CREST Glossary of Terms and CREST Terms and Conditions (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since
<b>Daily Official List</b>	the Daily Official List published by the London Stock Exchange
<b>Dealing day</b>	a day on which dealing in domestic securities may take place on, and with the authority of, the London Stock Exchange
<b>Dealing Disclosure</b>	has the same meaning as in Rule 8 of the Code
<b>Deferred Shares</b>	deferred shares of 0.95p each in the capital of Columbus
<b>Disclosed</b>	(i) in relation to Columbus, the information disclosed by, or on behalf of Columbus; (i) in the audited results of the Columbus Group for the financial year ended 31 December 2018; (ii) in the annual report and accounts of the Columbus Group for the financial year ended 31 December 2018; (iii) in the unaudited interim results of the Columbus Group for the period ended 30 June 2019; (iv) in the Announcement; (v) in any other announcement to a Regulatory Information Service by, or on behalf of, Columbus, prior to the Announcement Date; (vi) in the Project Blue online virtual data room facility provided by Egnyte on behalf of Columbus; or (vii) as otherwise fairly disclosed to BPC (or its respective officers, employees, agents or advisers) prior to the Announcement Date;

- (ii) in relation to BPC, the information disclosed by, or on behalf of BPC, (i) in the audited results of the BPC Group for the financial year ended 31 December 2019; (ii) in the annual report and accounts of the BPC Group for the financial year ended 31 December 2019; (iii) in the Announcement; (iv) in any other announcement to a Regulatory Information Service by, or on behalf of, BPC prior to the Announcement Date; (v) in the Project Blue online virtual data room provided by BPC; or (vi) as otherwise fairly disclosed to Columbus (or its respective officers, employees, agents or advisers) prior to the Announcement Date.

<b>Disclosure Table</b>	details of offeree companies and offerors currently in an offer period published by the Panel under Rule 8 of the Code
<b>Dumayat</b>	Dumayat Consultancy Ltd (an English private limited liability company controlled by Stewart Ahmed)
<b>Effective</b>	<p>in the context of the Offer:</p> <ul style="list-style-type: none"> <li>(i) if the Offer is implemented by way of the Scheme, means the Scheme having become effective pursuant to its terms; or</li> <li>(ii) if the Offer is implemented by way of a Takeover Offer, such offer having become or been declared unconditional in all respects in accordance with its terms</li> </ul>
<b>Effective Date</b>	the date on which the Scheme becomes Effective in accordance with its terms or, if BPC elects and the Panel consents to implement the Offer by way of a Takeover Offer, the date on which the Takeover Offer is declared or becomes unconditional in all respects in accordance with the requirements of the Code
<b>EPSC</b>	enhanced production service contract
<b>Enlarged BPC Share Capital</b>	3,367,411,364 BPC Shares being the issued share capital of BPC following the issue of the New BPC Shares and any other new BPC Shares pursuant to the Merger and the Replacement Funding Agreement
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Exchange Ratio</b>	0.803 New BPC Shares for each Scheme Share
<b>Excluded Share</b>	any Columbus Share which is controlled by or registered in the name of or is beneficially owned by any member of the BPC Group at the Scheme Record Time
<b>Executive Salary Options</b>	the executive salary scheme administered by Columbus whereby executive management received all or part of their salary in nil cost options, as previously disclosed via the Regulatory Information Service
<b>Existing BPC Share Capital</b>	the existing issued and outstanding share capital in BPC, excluding those shares held in treasury by BPC, comprising 2,483,776,085 BPC Shares as at 29 June 2020 (being the latest practicable date prior to the publication date this document)
<b>Explanatory Statement</b>	the explanatory statement set out in Part II of this Scheme Document

<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000 (as amended)
<b>Forms of Proxy</b>	the forms of proxy for use at the Court Meeting and the Columbus General Meeting, which accompany this Scheme Document
<b>HMRC</b>	Her Majesty's Revenue & Customs
<b>Holder</b>	a registered holder and includes any person entitled by transmission
<b>IPSC</b>	incremental production service contract
<b>Lind</b>	Lind Global Macro Fund, LP
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Longstop Date</b>	15 November 2020 or such later date (if any) as BPC and Columbus may agree and (if required) the Court and the Panel may allow
<b>Meetings</b>	the Court Meeting and the Columbus General Meeting and the singular " <b>Meeting</b> " shall be construed accordingly
<b>Merger</b>	the proposed merger by acquisition of the entire issued and to be issued ordinary share capital of Columbus by BPC, to be effected by the Scheme described in this document (or by the Offer under certain circumstances described in this document)
<b>New BPC Shares</b>	the new BPC Shares proposed to be allotted and issued to Scheme Shareholders in connection with the Offer, being 756,046,346 BPC Shares
<b>Offer</b>	the recommended share for share exchange offer being made by BPC to acquire the entire issued and to be issued ordinary share capital of Columbus to be implemented by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>Offer Period</b>	the offer period (as defined by the Code) relating to Columbus, which commenced on 11 June 2020 and which will end on the Effective Date
<b>Opening Position Disclosure</b>	An announcement pursuant to Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer if the person concerned has such a position
<b>Overseas Shareholders</b>	Columbus Shareholders (or nominees of, or custodians or trustees for, Columbus Shareholders) not resident in, or nationals or citizens of, the United Kingdom
<b>Panel</b>	the Panel on Takeovers and Mergers in the UK
<b>Registrar</b>	Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales within the meaning of the Companies Act
<b>Regulatory Information Service</b>	a primary information provider which has been approved by the FCA to disseminate regulated information

<b>Replacement Funding</b>	the funding pursuant to the Replacement Funding Agreement, as described in paragraph 7 of Part VI of this document
<b>Replacement Funding Agreement</b>	the funding agreement dated 10 June 2020 between BPC and Trafalgar Capital Management (HK) Limited, further details set out in paragraph 7 of Part VI of this document
<b>Restricted Jurisdiction</b>	any jurisdiction where the extension or availability of the Offer to Columbus Shareholders generally in such jurisdiction would contravene any applicable law, including, without limitation, Australia, Japan, the Republic of South Africa and the United States
<b>Restricted Overseas Person</b>	Columbus Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions
<b>Scheme</b>	the scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by BPC and Columbus
<b>Scheme Document</b>	this document
<b>Scheme Record Time</b>	6.00 p.m. on the Business Day in London immediately prior to the Effective Date
<b>Scheme Shareholders</b>	the holders of the Scheme Shares
<b>Scheme Shares</b>	<p>the Columbus Shares:</p> <ul style="list-style-type: none"> <li>(i) in issue at the date of this Scheme Document and which remain in issue at the Scheme Record Time;</li> <li>(ii) if any, issued after the date of this Scheme Document but before the Scheme Voting Record Time and which remain in issue at the Scheme Record Time; and</li> <li>(iii) if any, issued at or after the Scheme Voting Record Time but at or before the Scheme Record Time on terms that the original or any subsequent holders thereof are, or shall have agreed in writing, to be bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time,</li> </ul> <p>in each case, other than any Excluded Shares, Deferred Shares or any Columbus Shares held in treasury</p>
<b>Scheme Voting Record Time</b>	6.00 p.m. on the day which is two days before the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned Court Meeting
<b>Significant Interest</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital of such undertaking
<b>Staatsolie</b>	Staatsolie Maatschappij Suriname N.V
<b>STOIP</b>	stock tank oil initially in place
<b>SWP</b>	South West Peninsula
<b>Takeover Offer</b>	as defined in section 974 of the Companies Act

<b>Third Party</b>	each of a central bank, government or governmental, quasigovernmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body or any other body or person whatsoever in any jurisdiction
<b>Thomson Reuters Eikon</b>	open platform desktop and mobile solution for financial professionals from Thomson Reuters Corporation, a company incorporated in Canada
<b>Trafalgar</b>	Trafalgar Capital Management (HK) Limited
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Government</b>	the Government of the United Kingdom
<b>uncertificated form</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
<b>US Exchange Act</b>	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
<b>US Securities Act</b>	the US Securities Act of 1933
<b>VSA Capital</b>	VSA Capital Limited, Rule 3 Advisor, Financial Adviser and Broker to Columbus
<b>Wider BPC Group</b>	the BPC Group and its associates and any other body corporate, partnership, joint venture or person in which any member of the BPC Group and such associated companies (aggregating their interests) have a Significant Interest
<b>Wider Columbus Group</b>	the Columbus Group and its associates and any other body corporate, partnership, joint venture or person in which any member of the Columbus Group and such associated companies (aggregating their interests) have a Significant Interest

For the purposes of this Scheme Document, “**associate**”, “**associated undertaking**”, “**subsidiary**”, “**subsidiary undertaking**” and “**undertaking**” have the respective meanings given thereto by the Companies Act.

All references to “**GBP**”, “**pounds**”, “**pounds Sterling**”, “**Sterling**”, “**£**”, “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All references to “**US\$**” and “**\$**” are to the lawful currency of the United States.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Scheme Document.

All the times referred to in this Scheme Document are London times unless otherwise stated.

References to the singular include the plural and *vice versa* unless the context requires otherwise and words imparting the masculine gender shall include the feminine or neutral gender.

## PART IX

### NOTICE OF THE COURT MEETING

IN THE HIGH COURT OF JUSTICE

Case No: CR-2020-002462

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

Insolvency and Companies Court Judge Jones

#### IN THE MATTER OF COLUMBUS ENERGY RESOURCES PLC

and

#### IN THE MATTER OF THE COMPANIES ACT 2006

**NOTICE IS HEREBY GIVEN** that, by an Order dated 29 June 2020 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Act**”) between Columbus Energy Resources plc (“**Columbus**” or the “**Company**”), and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) and that the Court Meeting will be held at the offices of Kerman & Co, 200 Strand, London WC2R 1DJ on 27 July 2020 at 10.00 a.m.

Copies of the Scheme of Arrangement and of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the document of which this Notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine.

#### ***Right to Appoint a Proxy; Procedure for Appointment***

**Holders of Scheme Shares entitled to attend and vote at the Court Meeting may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies, to exercise all or any of their rights to attend, speak and vote at the Court Meeting. We recommend that you appoint the Chairman of the Court Meeting to be your proxy. It is strongly urged that you to follow the UK Government instructions in respect of the evolving situation regarding COVID-19 and the restrictions on social contact, and public gatherings. It is expected that the Company’s attendance at the Court Meeting in person will be limited to the number required to satisfy the requirements for quorum. The Court Meeting will end immediately after the formal business. Any Columbus Shareholder that attempts to physically attend the Meetings will be refused admission in order to comply with the UK Government public health instructions.**

**A pink Form of Proxy, for use at the Court Meeting, is enclosed with this notice. Instructions for its use are set out on the form. It is requested that the pink Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company’s Registrars, Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, by post or (during normal business hours only) by hand, so as to be received by the Registrars not later than 10.00 a.m. (London time) on 23 July 2020 or, in the case of an adjournment of the Court Meeting, 48 hours (excluding non-working days) before the time appointed for the adjourned meeting. However, if not so returned, Forms of Proxy (together with any such authority, if applicable) may be handed to the Chairman of the Court Meeting before the start of the Court Meeting. However, as physical attendance at the Court Meeting will be refused in order to comply with the current UK Government public health instructions, you are strongly encouraged to return the pink Form of Proxy by the time noted above.**

As a member of the Company you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote on your behalf at the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares. A proxy need not be a member of the Company but they must attend the Court Meeting to represent you. However, as physical attendance at the Court Meeting will be refused in order to comply with the current UK Government public health instructions, you are strongly encouraged to appoint the Chairman of the Court Meeting as your proxy.

If you require additional proxy forms, please contact the Company's Registrars, Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR between 8.30 a.m. and 5.30 p.m. on Monday to Friday (except public holidays in England and Wales) on +44 (0) 1252 821390.

**Completion and return of a Form of Proxy (or any other procedure described on pages 90 and 91 of the document of which this Notice forms part), will not prevent a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting, or any adjournment thereof, if such holder of Scheme Shares wishes and is entitled to do so.**

### **Voting Record Time**

Entitlement to attend, speak and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting, will be determined by reference to the register of members of the Company at the close of business (London time) on 23 July 2020 or, if the Court Meeting is adjourned, the close of business (London time) on the date which is two days (excluding non-working days) before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote at the Court Meeting.

### **Joint Holders**

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

### **Corporate Representatives**

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said Order, the Court has appointed Gordon Stein or, failing him, any other director of the Company to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

## PART X

### NOTICE OF THE COLUMBUS ENERGY RESOURCES GENERAL MEETING

## COLUMBUS ENERGY RESOURCES PLC

*(registered in England and Wales with company registration number 05901339)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of Columbus Energy Resources PLC (the “**Company**”) will be held at the offices of Kerman & Co, 200 Strand, London WC2R 1DJ on 27 July 2020 at 10.15a.m. (London time) (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution:

#### SPECIAL RESOLUTION

**THAT**, for the purpose of giving effect to the scheme of arrangement dated 30 June 2020 between the Company and the holders of Scheme Shares (as defined in the said scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman hereof, in its original form or subject to such modification, addition or condition as may be agreed between the Company and Bahamas Petroleum Company PLC (“**BPC**”) and approved or imposed by the Court (the “**Scheme**”):

- 1 The directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect; and
- 2 With effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by:
  - 2.1 The inclusion of the following definitions as new definitions in article 1.1:

<b>Acquisition</b>	the acquisition of the Company by the Purchaser pursuant to a scheme of arrangement sanctioned by the Court under Part 26 of the CA Act
<b>BPC</b>	has the meaning given in article 37A.1
<b>BPC Company</b>	has the meaning given in article 37A.2
<b>CA Act</b>	Companies Act 2006
<b>Effective</b>	has the meaning given to it in Part VIII (Definitions) of the scheme document issued by the Company on 30 June 2020 in connection with the Scheme
<b>Effective Date</b>	has the meaning given to it in Part VIII (Definitions) of the scheme document issued by the Company on 30 June 2020 in connection with the Scheme
<b>New Member</b>	has the meaning given in article 37A.3
<b>Post-Scheme Shares</b>	has the meaning given in article 37A.3
<b>Purchaser</b>	has the meaning given in article 37A.3
<b>Scheme</b>	has the meaning given in article 37A.1
<b>Scheme Shares</b>	has the meaning given to it in Part VIII (Definitions) of the scheme document issued by the Company on 30 June 2020 in connection with the Scheme
<b>Scheme Record Time</b>	has the meaning given to it in Part VIII (Definitions) of the scheme document issued by the Company on 30 June 2020 in connection with the Scheme
<b>Transfer Completion Date</b>	such date for the completion of the sale and purchase of the Post-Scheme Shares as the Purchaser may determine

2.2 the adoption and inclusion of the following new article 37A after article 37 (and amending the remainder of the articles and any cross references thereto accordingly):

**“SCHEME OF ARRANGEMENT”**

37A.1 In this article 37A references to the **“Scheme”** are to the Scheme of Arrangement under Part 26 of the CA Act between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 30 June 2020 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Bahamas Petroleum Company PLC (**“BPC”**)) which expression includes any other name which BPC may adopt from time to time) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.

37A.2 Notwithstanding any other provisions in these articles, if the Company issues any Shares (other than to BPC, any subsidiary of BPC, any parent undertaking of BPC, or any nominee of BPC (each a **“BPC Company”**)) on or after the date of the insertion of this article and prior to the Scheme Record Time, such Shares shall be issued subject to the terms of the Scheme and the original holder or any subsequent holder or holders of such Shares shall be bound by the Scheme accordingly.

37A.3 Notwithstanding any other provision of these articles, subject to the Scheme becoming Effective, any shares issued to any person (other than a BPC Company) after the Scheme Record Time (a **“New Member”**) (each a **“Post-Scheme Share”**) shall be issued on terms that, provided the Scheme has become Effective, they shall be immediately transferred to BPC (or such person as it may direct) (the **“Purchaser”**) in consideration for, and conditional on, the allotment and issue free of all encumbrances of such number of fully paid and ordinary shares in the capital of BPC as would have been allotted and issued to such New Member (or any subsequent holder or any nominee of such New Member or of any subsequent holder) under the Scheme had such Post Scheme Shares been Scheme Shares, provided that:

- (a) if the Company is advised that the allotment and issue of any ordinary shares in BPC pursuant to this article would or may infringe the laws of a jurisdiction outside the United Kingdom or would or may require BPC to comply with any governmental or other consent or any registration, filing or other formality or requirement with which BPC is in its opinion unable to comply or compliance with which BPC regards as unduly onerous, the Company may, in its sole discretion, determine that such ordinary shares in BPC shall be sold, in which event BPC shall appoint a person to act pursuant to this article and such person shall be authorised on behalf of the New Member to procure that any ordinary shares in respect of which BPC has made such a determination, as soon as practicable following the allotment of such ordinary shares, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any value added tax payable thereon), rounded down to the nearest penny, shall be paid to the New Member;
- (b) the number of ordinary shares in BPC allotted and issued to a New Member pursuant to this article may be adjusted by the Directors on any reorganisation of or material alteration to the share capital of either the Company or BPC (including, without limitation, any subdivision and/or consolidation) effected after the close of business on the Scheme Effective Date. References in this article to shares shall, following such adjustment, be construed accordingly; and
- (c) no fraction of an ordinary share in BPC shall be allotted or issued pursuant to this article and the fractional entitlement of each New Member who would otherwise have been entitled to the beneficial interest in a fraction of such ordinary share in BPC shall be rounded down to the nearest whole number of shares.

37A.4 To give effect to any transfer of Post-Scheme Shares required pursuant to article 37A, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is appointed, the New Member shall not thereafter (except to the

extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. BPC shall issue and allot any ordinary shares in BPC within 14 days of the issue of the Post-Scheme Shares to the New Member.

- 37A.5 If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) section 7(ii) of the Scheme, this 37A shall cease to be of any effect.
- 37A.6 Notwithstanding any other provision of these articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominee(s) pursuant to the Scheme.

## NOTES:

- 1 To be entitled to attend and vote at the Columbus General Meeting (whether in person or by proxy), you must be registered in the register of members of the Company at 6.00 p.m. on 23 July 2020 (or, if the Columbus General Meeting is adjourned, at the close of business on the date that is two days immediately prior to the adjourned Columbus General Meeting, taking no account of any part of a day that is not a working day). Changes to entries on the register of members after this time will be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the Columbus General Meeting or at any adjourned Columbus General Meeting.
- 2 You may appoint one or more persons (who need not be members) as your proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Columbus General Meeting. You can appoint more than one proxy in relation to the Columbus General Meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by you.
- 3 A proxy need not be a member of the Company but must attend the Columbus General Meeting in person in order to represent you. You can appoint the chairman, another director of the Company or another person who has agreed to attend to represent you. A proxy must vote as instructed by you and must attend the Columbus General Meeting in order to cast your vote. Unless you are appointing the chairman as your proxy, please check with your appointed proxy prior to appointing him/her that he/she intends to attend the Columbus General Meeting. Due to the on-going COVID-19 outbreak, and in particular, the current UK Government guidance on social distancing and prohibiting non-essential travel and public gatherings, proxies (other than the Chairman of the Columbus General Meeting) will not be permitted to attend the Columbus General Meeting in person. As a result, if members wish to appoint a proxy, they are strongly advised to appoint the Chairman of the Columbus General Meeting as their proxy.
- 4 A form of proxy accompanies this notice. To be effective the form of proxy must:
  - 4.1 be in writing;
  - 4.2 if you are an individual shareholder, be signed by you or your duly appointed and authorised attorney;
  - 4.3 if you are a corporate shareholder, be duly executed under your common seal or under the hand of your officer, attorney or other person duly appointed and authorised for that purpose or in any other manner authorised by your constitution; and
  - 4.4 be received (together with any power of attorney or other authority under which it is executed, or a certified copy of such authority or in some other way approved by the board) by the Company's Registrars, Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, or email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com), in each case not less than 48 hours before the time appointed for the Columbus General Meeting, being no later than 10.15 a.m. on 23 July 2020. If you are a CREST member, see the applicable notes above.
- 5 If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR on +44 (0) 1252 821390 between 9.00 a.m. and 5.30 p.m. Monday to Friday. Calls will be charged at your network provider's standard rates. Please note that the Registrar's office is operating with a reduced staff and you may be asked to leave a message so that you can be called back. Alternatively you can email the Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com).
- 6 Should you wish to change your proxy instructions, you may do so by completing a new form of proxy. Additional forms of proxy may be obtained from the Company's Registrars, Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR. The deadline for receipt of proxy appointments is set out above. The termination of a proxy appointment must be received by the Company's Registrars, Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR not less than 48 hours before the time appointed for the Columbus General Meeting, being no later than, 10.15 a.m. on 23 July 2020. To appoint more than one proxy, you should contact +44 (0) 1252 821390.
- 7 Where two (or more) valid but differing appointments of proxy are received before the deadline in respect of the same share(s) for use at the Columbus General Meeting and in respect of the same matter, the one which is received last (regardless of its date or of the date of its execution or submission) will be given priority and will supersede the earlier one(s). If the Company is unable to determine which appointment was received last, none of them will be treated as valid in respect of the relevant share(s).
- 8 You may not use any electronic address provided in this notice of meeting to communicate with the Company for any purposes other than those expressly stated. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders subject all messages to a virus checking procedure prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
- 9 Any member attending the Columbus General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Columbus General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Columbus General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Columbus General Meeting that the question be answered.
- 10 If you are a corporation you may appoint a person or persons to act as your representative(s) at the Columbus General Meeting. Each such representative may exercise on your behalf the same powers as you could exercise if you were an individual member of the Company, provided that they do not do so in relation to the same share(s).
- 11 Voting on the special resolution will be conducted by way of a poll. As soon as practicable after the Columbus General Meeting, the results of the voting at the Columbus General Meeting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of the resolution will be announced through a regulatory information service and also placed on the Company's website: [www.columbus-erp.com](http://www.columbus-erp.com).
- 12 Copies of the Columbus Executive Director's service agreement and copies of the service agreement and letter of appointment of Columbus 's Non-Executive Directors are available for inspection at the registered office of the Company during normal business

hours on any weekday and will be available at the place of the Columbus General Meeting from 15 minutes prior to the commencement of the Columbus General Meeting until the conclusion thereof.

- 13 As at 29 June 2020 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 935,053,344 ordinary shares of 0.05p each, carrying one vote each. The Company does not hold any shares in treasury. Therefore, as at 29 June 2020 the total voting rights in the Company are 935,053,344.
- 14 The special resolution to be put to the Columbus General Meeting will be voted on by way of a poll and not by way of a show of hands. The Company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of shares held and all votes tendered are taken into account.

## **APPENDIX ONE:**

### **DESCRIPTION OF BPC SHARES**

Set out below is information concerning the BPC Shares, including brief summaries of certain provisions of the articles of association of BPC and the Isle of Man Companies Act 1931 to 2006 (the Acts) relating to limited companies and certain related legislation, all as currently in effect.

#### **Voting**

Subject to the provisions of the Acts any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the BPC Articles, at any general meeting every member who is present in person shall on a show of hands have one vote and every member present in person or by proxy shall on a poll have one vote for each share of which he is the holder.

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to the BPC Articles and has failed in relation to any shares (the “default shares”, which expression includes any shares issued after the date of such notice in right of those shares) to give BPC the information thereby required within the prescribed period from the service of the notice unless the BPC Board otherwise determines the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll.

#### **Dividends**

All dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but no amount paid up on a share in advance of the date on which a call is payable shall be treated as paid up on the share. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

#### **Transfer of Shares**

Subject to such of the restrictions of the BPC Articles as may be applicable, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the BPC Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members in respect of it.

The BPC Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a share (or renunciation of a renounceable letter of allotment) unless, it is in respect of a share which is fully paid up, it is in respect of only one class of share, it is in favour of a single transferee or not more than four joint transferees; it is duly stamped (if so required), and it is delivered for registration to the registered office or such other place as the BPC Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the BPC Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so; provided that the BPC Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on the London Stock Exchange on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to the BPC Articles and has failed in relation to any shares (the “default shares”, which expression includes any shares issued after the date of such notice in right of those shares) to give

BPC the information thereby required within the prescribed period from the service of the notice and where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class unless the BPC Board otherwise determines no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required; and the member proves to the satisfaction of the BPC Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

### **Pre-emption Rights**

Subject to the provisions of the BPC Articles and the provisions of the Acts and to any relevant authority of BPC in general meeting required by the Acts, unissued shares at the date of adoption of the BPC Articles and any shares hereafter created shall be at the disposal of the BPC Board, which may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons (including the BPC Directors themselves), at such times and generally on such terms and conditions as the BPC Board may decide, provided that no share shall be issued at a discount.

The maximum nominal amount of share capital which or in respect of which the BPC Directors may allot, grant options or subscription or conversion rights, create, deal or otherwise dispose of in accordance with BPC Articles shall be £32,000 or such other amount as shall be authorised by BPC in general meeting. The authority conferred on the BPC Directors by BPC Articles shall be for an indefinite period.

Subject to the BPC Articles, BPC, when proposing to allot shares of any class for cash: shall not allot any of them on any terms to a person unless it has offered to each person who is a holder of and who holds shares of the relevant class on the same or more favourable terms a proportion of those shares which is as nearly as practicable equal to the proportion in nominal value held by the holder of the relevant class of shares then in issue; and shall not allot any of those shares to a person unless the period during which any such offer may be accepted by the relevant current holders has expired or BPC has received a notice of the acceptance or refusal of every offer so made from such holders.

The restrictions above shall not apply to an allotment of shares: in connection with an offer of such securities by way of a rights issue or other issue in favour of holders of BPC Shares in BPC where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be practicable) to their respective holdings of BPC Shares (but subject to such exclusions or other arrangements as the BPC Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or otherwise howsoever); pursuant to the terms of any share option scheme adopted by BPC (and any BPC Shares acquired or held by BPC in treasury may be transferred in satisfaction of the exercise of options under any of BPC's share option schemes); pursuant to the exercise of share options held by Ambrian Partners Limited or its assignees of such options; and otherwise than as set in this paragraph, up to an aggregate nominal amount of £2,400 per year.

### **Distribution of Assets on a winding up**

If BPC is wound up the liquidator may, with the sanction of a special resolution of BPC and any other sanction required by law, divide among the members in specie the whole or any part of the assets of BPC and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 222 of the Companies Act 1931. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine, but no member shall be compelled to accept any assets on which there is a liability.

