Bahamas Petroleum Company plc
Annual Report and Financial Statements

For the year ended 31 December 2019

Contents

Chairman's Report

Dear Shareholder,

In the year since my last report to you, there have been a number of developments, both at the project level and globally, that have had a significant impact on our Company.

The clear topic on everyone's mind at present is of course the Covid-19 pandemic and its global impact on almost every single person and business. At the time of writing, most industrialised economies are in some form of societal lockdown, with restrictions not only on travel and economic activity, but on individual freedom and mobility. It is with great relief that I am able to report that all members of our project, from the Board of directors to our staff, consultants and advisors, remain safe and secure in these difficult times.

It is also with a sense of relief that I can report that, whilst our Company has suffered an unfortunate delay to the execution of the Perseverance #1 well as a result of this pandemic, we have taken all of the necessary steps to preserve our cash resources and retain access to our project team such that we are well placed to resume preparations for the well once the dust has settled and normality begins to be restored to global business activity. We have activated the force majeure provisions of our licences that will ensure we have adequate time added to the licence term for the execution of the well in the revised target window. The Company has a strong cash position, a fully developed well design, a highly experienced team of staff and consultants, and prospects that remain world class in their resource potential.

The other recent global development that merits up front discussion is the impact that the pandemic has had on the oil and gas industry specifically. The current constraints on travel and industrial activity has driven a collapse in demand for crude oil, with current estimates of a 20-30% decrease in consumption from levels seen earlier in the year. This effect was initially compounded by the inability of the OPEC+ consortium to agree production cuts in response to this slump in demand, which saw Brent crude prices touching $20 a barrel at times. Whilst more recent collaboration between global producers has seen prices start to stabilise, the impact that this price environment is having on the global industry cannot be exaggerated. Many producers are struggling to deliver positive cash at current crude prices. Activity that these companies have implemented to ensure survival has placed significant stress on the oilfield services industry, which is now faced with significant overcapacity.

Whilst it is impossible to predict exactly when normal levels of global business activity may resume, it is safe to say that the overcapacity in the oilfield services and rig markets will persist for some time as drilling activity always takes longer to restore than curtail. Against this backdrop, the Company has been well placed to capitalise on pricing pressure in the rig market, as demonstrated by our announcement in May 2020 of having entered into a definitive rig provision contract with Stena. This has resulted in an overall 15% reduction to our total well cost from previous estimates, based on a substantial reduction to the rig day rate relative to the day rate negotiated before the global pandemic.

Focusing on the Company's project more specifically, 2019 and the start of 2020 saw a number of positive milestone accomplishments.

In February 2019, the Government of The Bahamas ("Government") extended the term of our southern licences to the end of 2020, requiring that a well be commenced this year. This development saw the removal of the key impediment facing the project at the time, and provided us with a clear mandate to deliver on our core focus at the Company: the drilling of Perseverance #1. In response, the Board implemented a strategic shift away from reliance on finding an attractive farm-in partner, to ensuring we are able to deliver on this objective in the required timeframe. This new strategy has seen the Company finalise its well design, implement a broad package of funding options to support the execution of the well, secure access to various oilfield service providers, and commence procurement of the long lead items necessary for drilling.

On the funding strategy, a core feature of this was the open offer to existing shareholders which concluded in early November 2019. I am delighted to report that nearly 50% of our shareholders took up this opportunity, which we consider to be an excellent result for a company of our size and stage of development. When combined with the institutional placing which followed immediately afterwards, we raised over $11 million in gross funding. These funds have been further complemented in 2020 by the implementation of a convertible loan facility with an institutional Bahamian investor and have greatly contributed to the implementation of our broader funding strategy for Perseverance #1. I would personally like to thank all of our shareholders who, like management and the Board, took up their entitlement to participate in funding this exciting project.

In early 2020 we also saw another long-term goal of the Company realised via the creation of a Bahamian Mutual Fund for the purposes of providing Bahamian residents with the opportunity to participate in the project. It has been the intention of the Company for some time to provide a means of ownership to Bahamians who do not have access to foreign currency, and therefore ownership of foreign securities, so that they can take a direct stake in the resources of their nation. The initial subscriptions of the Fund raised an encouraging $0.9 million and the ongoing, open ended nature of the Fund's investment mechanism will continue to provide Bahamians with the ability to own the Company's stock as we continue to progress towards drilling later this year.

Chairman's Report (continued)

Finally, February 2020 saw the granting of our Environmental Authorisation (EA) for the well by the Government of The Bahamas. This development represents a major milestone event and the culmination of years of collaborative work with the Government and its advisors. Issuance of the EA further demonstrates the commitment of the Government to the success of this project and represented satisfaction of the final regulatory hurdle before commencement of drilling activity.

The last year has without a doubt been the most exciting since I started my tenure as Chairman of the Company in 2014, with a great number of positive developments towards drilling our first well having been achieved in this time. Whilst it is regrettable that we have had to revise our target window of operations in the face of the Covid-19 pandemic, we have taken every measure to secure our position as we ride out the current turmoil in the oil & gas industry and the financial markets. We are strongly positioned to drive this project forward to completion when global conditions once again allow.

As a final point, it is with great sadness that I would like to reflect on the death of one of our Non-Executive Directors in the year, Eddie Shallcross. Eddie contributed significantly to making Bahamas Petroleum what it is and will be, having been on the Board since 2011. As chair of the Audit Committee we all valued his attention to detail, his thoroughness, professionalism and custodianship of the many controls, processes and policies a company such as ours requires in this day and age. His guidance, intelligence and humour will be sorely missed by all in the Company.

As ever, I would like to thank my fellow Directors and all of our staff and consultants for their enormous efforts over the last year, along with our shareholders for their continued support in our drive to make this project the success that it has the capacity to be.

Yours sincerely,

Bill Schrader
Chairman
29 May 2020

Chief Executive Officer's Report

Dear Shareholder,

2019 was an extraordinarily exciting year of progress for the Company. We made enormous strides toward our objective of finally – after many years – testing the hydrocarbon potential of our exploration licences in The Bahamas with an initial exploration well. Activities continued at a pace through the first quarter of 2020, only to then be overshadowed by the dramatic, unprecedented global events that have unfolded as a result of the Covid-19 virus pandemic. Everyone understands the adverse impact Covid-19 has had, not only on our project, but on human lives and economies across the globe. Thus, in reporting to you on your Company's activities for 2019 and year-to-date 2020, rather than reflecting on these well understood impacts I wish to use the opportunity to detail the transformational shift in our Company in the past period. A time in which we moved into an operational mode, focused single-mindedly on the delivery of an exploration well.

2019 Operational Overview

As the 2019 year began, management was working hard with the Government of The Bahamas to unambiguously establish licence tenure and deadlines – a necessary precursor to being able to move forward to drilling an initial exploration well. In February 2019 the Company received notice from the Government that the second exploration period of the Company's licences had been extended to the end of 2020, with a definitive requirement to commence the exploration well prior to the end of that period – thus providing unambiguous clarity on licence tenure and obligations, and allowing approximately 22 months to design, plan, source, procure, recruit and execute.

Immediately thereafter, in March 2019, the Company raised $2.5 million through an institutional placing. This modest financing provided adequate funding to enable management to develop the overall well plan – the subsurface, engineering, environmental and operational work required in support of well design and thereafter planning for locating facilities, equipment, services, contractors and suppliers necessary for the delivery of the well. The target we set was to be able to drill in H1 2020 ahead of the 2020 Bahamas hurricane season, and in good time for the licence renewal deadline at the end of 2020.

The subsurface studies undertaken at this time focused on establishing hydrocarbon indicators from the 3D data so as to continue to reduce technical uncertainty, as well as prioritising reservoir analysis with a view to delineating well-developed fault and fracture systems, so as to educate final drill site selection – the objective being to locate the well where we have the highest confidence of encountering hydrocarbons.

Engineering work focused on delivery of a well plan that would effectively de-risk each of the primary play elements – top seal, reservoir quality, oil quality and source rock presence/maturity, whilst establishing the presence and distribution of hydrocarbons throughout the stratigraphic column.

In terms of environmental work, the Company commenced working collaboratively with the Government (through the Bahamas Environment, Science and Technology Commission and its advisers) to review and upgrade the Environmental Authorisation application originally lodged by the Company in April 2018. The focus was to ensure that the Company's planned drilling activities complied with all appropriate laws, regulations and international "best practice" performance standards, including those of the International Association of Drilling Contractors, International Finance Corporation, World Bank Group EH&S Guidelines – Offshore Oil and Gas Development, and International Association of Oil and Gas Producers.

Operationally, a considerable body of work was undertaken necessary to assure the timely, safe and cost-effective delivery of a well in H1 2020. As part of this work, in Q3 2019 the Company announced (i) a framework agreement with Seadrill, a leading global offshore rig provider, for the provision of a 6th generation rig; (ii) the appointment of Halliburton for the provision of integrated well services; and (iii) the appointment of Baker Hughes GE for the provision of various well-related equipment.

Subsequently, a temporary Houston operational office was established, an expanded high-quality drilling team was recruited, and the team set about developing the logistics plan and securing the various services, goods and equipment needed for drilling. Based on the already agreed rates, the Company was able to finalise an initial estimate for the cost of the exploration well in the range of $20 million – $25 million. This represented a substantial decrease on previous costs estimates, largely due to the competitive rates arrived at for goods and services, design improvements resulting from technical advances in drill bit technology, and lower estimated logistical and support costs.

With the benefit of a robust cost estimate the Company was then in a position to begin to implement a coordinated funding strategy. That strategy was informed by a clear set of principles: (i) to ensure that funding is available as and when required; (ii) to seek to minimise shareholder dilution from such funding, such that the dilution required to secure the funding for the well would be less than or at least no more than the dilution that would result from a farm-in transaction; and (iii) create multiple funding sources with maximum flexibility and optionality. In particular, this meant that whilst continuing to pursue a farm-in, the Company would also actively develop alternative funding options such that it would not be solely reliant on a farm-in as the only source of potential well funding.

Chief Executive Officer's Report (continued)

Accordingly at its AGM on 17 September 2019, the Company presented to its shareholders a number of special resolutions (all of which were overwhelmingly passed) designed to provide the Board with the flexibility needed to enter into a range of possible funding arrangements consistent with the outlined strategy. Thereafter, the Company proceeded to enact its funding strategy in a measured and coordinated fashion through the balance of 2019 as follows:

- Approval by the Company's shareholders of a temporary authority to issue up to 1,800,000,000 ordinary shares;
- An open offer to the then existing shareholders, which was well supported, raising gross proceeds of approximately $4.3 million with the issue of 166.4 million new shares at 2p each, and an institutional placing, raising approximately $7.1 million with the issue of 275.6 million new shares at 2p each – the aggregate funds raised though the open offer and placing ($11.4m) representing approximately half the anticipated cost of the well; and
- A Conditional Convertible Note Subscription Agreement under which (subject to satisfaction of various conditions precedent by March 2020) the Company would raise gross proceeds of £10.25 million (*c.*$13.3 million) – approximately the second half of the anticipated cost of the well. If fully drawn, and assuming all interest were accrued and the principal and interest fully converted into shares, a total of approximately 590 million new shares would be issued to secure the funding under this agreement.

In summary, therefore, as at the year-end 2019 your Company had secured clarity of licence tenure, laid out a very clear roadmap to drilling, had moved on to an operational footing sufficient to deliver the well, contracted major international companies for this purpose, was close to completing its process of Environmental Authorisation with the Government of The Bahamas, and had initiated a funding strategy to finance the well independent of any outcome of ongoing farm-in discussions. This was a transformation of status, activity, capacity and drill-readiness that the Board and management worked hard to achieve, and were extremely proud of.

Q1 2020 Subsequent Activities

Progress continued at a similar pace into 2020, with a view to drilling commencing in the first half of 2020. Thus, during Q1 2020 (subsequent to the 2019 year end):

- The Company named the well to be drilled Perseverance #1 and designated its location in the northern segment of the B megastructure with target of P_{50} prospective recoverable oil resource of 0.767 billion barrels, with an upside of 1.444 billion barrels. Any discovery at this location would have the potential to extend into a larger portion of the overall B structure which extends for between 70 and 80 kilometres along strike and accommodates over 400 square kilometres of mapped closure, to the extent that a combined most likely potential resource is in excess of 2.0 billion barrels.
- The temporary field office in Houston expanded to manage and support drilling and well operations. This included bringing on board personnel with a breadth of global expertise and experience in well design and engineering, offshore drilling (including the use of Managed Pressure Drilling systems), logistics and planning and further integrating key contractor personnel into the organisation. Cost management processes and procedures were established and all necessary safety and environmental management systems were finalised and documented, with BPC's incident response systems and procedures tested and verified by the Company's contracted response specialists. Procurement activities advanced to the point where critical path long lead items were delivered and logistics contracts for supply boats and helicopters were in place, all consistent with a well spud date in late March 2020, and with operations anticipated to take between 45 – 60 days.
- Based on the considerable progress made in refining key cost components for the well, to now include a managed pressure drilling system ("MPD") integrated onto the drilling rig and a range of other operational elements (the loadout, mobilisation and demobilisation of the rig) the initial cost (in the range of $20 million to $25 million) were refined to $25 million to $30 million. At the same time a number of potential contingency elements were identified – additional, optional casing strings and the possibility for an expanded data gathering, logging and sampling programme – whose cost, if not offset by other cost savings or a reduction in drilling time, would add a further $5 million to the total estimated cost of the well.
- The Company thus sought to further expand its financing capacity through entry into an £8 million (approximately $10.4 million) facility for a zero-coupon convertible bond with a Bahamian private family office investor. The facility was structured such that funding was available and could be drawn at the Company's election, in agreed tranches, linked to when incremental funding might be required through the course of drilling operations – thus providing the Company with control of its funding and the flexibility needed to respond to real-time drilling requirements. This facility was subsequently expanded to £16 million (approximately $21 million), such that when aggregated with the Company's cash resources and the Conditional Convertible Notes, the Company's total potential funding availability amounted to approximately $45 million. The Company has drawn-down £4.2 million (approx. $5.5 million) under this facility (net of face value discount) – to date approximately half of this drawn-amount has been converted by the investor. If all remaining availability under this facility had been fully drawn and fully converted, based on the then prevailing share price the total facility would have required the Company to issue a total of approximately 500 million new ordinary shares.

- The Company also sponsored the creation of a Bahamian domiciled mutual fund, with the primary objective of creating a vehicle through which qualified Bahamian investors could invest in the Company, and thereby share in the ownership of the Company's nationally significant project. Initial subscriptions raised gross proceeds equivalent to $0.9 million through the issue of 35.3 million new shares at 2p each.
- Finally, in completing all the many things necessary to see commencement of operations on the Perseverance #1 well in H1 2020, Environmental Authorisation from The Government of The Bahamas was received in February 2020. This was a major milestone for the Company, and followed extensive review by independent, internationally recognised consultants.

Thus, to the extent progress in 2019 was extraordinary it did not abate in 2020. Difficult deadlines, targets and goals were repeatedly met and exceeded, and in March 2020 the Company was poised and ready, after many years, to drill its initial exploration well.

Covid-19

The spread of Covid-19 and the global response to the pandemic unfolded rapidly through the course of late February, March and into April 2020. As borders progressively shut and day-to-day business activities across the world became more and more restrictive, it rapidly became evident to us that achieving our objective of safe and responsible drilling in H1 2020 would no longer be possible.

This was an incredibly disappointing development given the years of waiting and all the hard work undertaken to reach the point of imminent drilling. However, faced with unprecedented events the Board and management reacted quickly and decisively so as to ensure the wellbeing of all Company personnel, to protect the Company's financial position, and preserve the ability to proceed to drilling as soon as operationally possible. Specifically, in a few short weeks, the Company:

- Moved to remote working arrangements for the time being, closed the temporary Houston office, stood down contractors and consultants, and warehoused a range of critical path and long-lead equipment that had already been purchased to be ready for immediate redeployment when possible;
- Notified the Government of The Bahamas that a Force Majeure event had occurred (the Company's licences and Bahamian regulations specifically define epidemic to be a force majeure) – such that to the extent additional time into 2021 is required to complete well operations the Company is confident it will remain in compliance with its licence requirements; and
- Reached agreement with its finance providers to defer all potential funding arrangements until later in 2020, to a time when the Company expects operations can resume. The date for satisfaction of conditions precedent under the Conditional Convertible Note Agreement was reset to Q4 2020, and at the same time the Company secured the right, should it elect to do so, to scale back this facility by up to 50%, at no cost or penalty. The dates on which tranches under the zero coupon facility with the Bahamian family office investor can be drawn were likewise reset to November 2020 – February 2021, to better match when drilling activities are likely to occur.

Together management has responded to the Covid-19 situation prudently but decisively, taking immediate steps to constrain non-essential costs and minimise cash burn, whilst at the same time preserving the activities, agreements and relationships essential to being able to recommence operations as soon as is practicable and safe.

As a clearer picture of the Covid-19 related interruption has emerged, Management has sought to reschedule its drilling plans, including all critical supply and service contracts, with a clear determination that drilling should proceed as soon as is feasibly and safely possible. Consistent with this objective, BPC has entered into a fully termed, binding and unconditional rig contract with Stena DrillMax Ice Limited for delivery of a sixth-generation drilling rig to location within a firm time slot between 15 December 2020 to 1 February 2021. The rig contract provides for significantly improved terms (notably, an all-in rig cost, including managed pressure drilling system, substantially lower than that previously anticipated) to the extent that on a like-for-like basis, the total cost of Perseverance #1 is now estimated to be up to $30 million in total, representing an approximate reduction of 15% to the previous well cost estimate. Such assurance on costs and timing has allowed the BPC drilling team to recommence planning for operations without unnecessary distraction or uncertainty.

Financial Review

As the Group ramped up preparations for the execution of its exploration well a number of additional costs were incurred in 2019 in support of these activities, largely related to technical costs directly associated with well planning and procurement which, unlike other costs, qualify for capitalisation into our exploration and evaluation asset under the provisions of IFRS 6. This increase in activity in the year has also seen commensurate increases in various "P&L" expense items such as third party legal and professional fees and travel costs.

Employee Benefit Expenses for the year totalled $1.4 million, however comparison of this figure with the prior year total of $0.5 million requires consideration that 2018 includes a credit of $1.2 million in "writebacks" of provisions against my salary which had accrued over several years and were forgone in 2018 as part of a restructuring of my remuneration. When this substantial credit to the expense in the prior year is reconciled out so that fair comparison of year on year performance may be made, an "adjusted" employee benefit expense of $1.7 million for 2018 demonstrates a substantial reduction in 2019 of approx. 16%.

Other Expenses for the year totalled $2.9 million against a prior year figure of $1.8 million. However this charge for the year includes a substantially greater "share-based payments" expense of $0.8 million *vs* $0.1 million for 2018 such that when we exclude this non cash item, which represents the valuation of share options, warrants and conditional share entitlements accrued in the period, a "reconciled" Other Expenses figure of $2.1 million represents a more modest 22% increase on the prior year reconciled figure of $1.7 million and is commensurate with the increase in professional activity as the Company has ramped up well preparations for Perseverance #1.

Depreciation charges for 2019 of $238,326 have also substantially increased on the prior year period figure of $30,798 due to the adoption of IFRS 16. This new standard, which has become mandatory for adoption for accounting periods beginning on 1 January 2019, requires leases that were previously recognised as "operating leases" to now be treated as "finance leases", such that a number of such lease payments have had to be present valued, recognised as assets on the balance sheet and depreciated over the remaining life of the lease. The same effect can be seen in Finance Costs for the year, which represents the unwinding of "present value discounting" applied to the corresponding lease liability recognised for these leased assets. Similarly, the operating lease expense charge has been commensurately reduced in the year through the implementation of the new standard. Further detail on the adoption of IFRS 16 in the year can be found in the notes to the financial statements.

Other Income in the prior year of $1 million in exclusivity payments creates a further distorting effect when comparing the overall loss for the year of $4.6 million *vs* $1.3 million in 2018. If we reconcile out the effects of the prior year salary "writebacks" and exclusivity income, along with the non cash IFRS 2 charges for both years, we arrive at a reconciled total loss of $3.6 million in 2019 and $3.1 million in 2018, representing a 15% increase year on year and commensurate with the increased level of activity noted above.

Finally, the Group closed the year with $11.2 million in cash reserves, despite the substantial increase in well preparation activity, thanks to the tremendous show of support by our shareholders, both retail and institutional, in the open offer and placing completed in November 2019 which raised $11.4 million in gross funding.

Summary

I know that shareholders will be as disappointed as management and the Board are that we have not been able to commence drilling of the Perseverance #1 well as planned in H1 2020. However, the well is named "Perseverance" for a reason – your Company has waited a long time for this opportunity, and along the way has already met, responded to, and overcome many other adverse situations. Everyone at Bahamas Petroleum remains fully committed to achieving the drilling objective as soon as a period of 60 days of continuous operation is possible (and where the risk of interruption, whether due to the impact of Covid-19 or hurricanes, is minimised). We thus presently expect that operations will likely be able to recommence toward the end of 2020, when hopefully the worst of the Covid-19 pandemic is behind us, and after the 2020 hurricane season in The Bahamas, which customarily comes to an end in mid October each year.

Shareholders should be encouraged that we are in a strong position to resume drilling activities when possible. The Company has cash reserves and financial backers intent on flexibly supporting the Company once operations are able to resume, and appropriate cost control measures have been implemented consistent with the preservation of cash while we wait for the dust to settle. We have a robust drill plan that has been risk-assessed and reviewed by insurers and contractors alike, and the rig market is changing rapidly such that there will likely be a surfeit of capable rigs towards the end of this year in a competitive price environment. We also have an approved Environmental Authorisation from the Government of The Bahamas, farm-in discussions remain on foot, and the current crisis is presenting a number of interesting alternative opportunities for us. Moreover, the Company's prospect has not changed: the same rocks will still be there at such time as safe and responsible operations can resume, and shareholders can rest assured that the entire team at the Company will continue working towards drilling with the same commitment, passion and belief that has got us to this stage.

On behalf of the Board and staff of BPC, I would like to thank all our shareholders for their continued support of the Company. I believe that toward the end of 2020 we will be back on track toward our unwavering objective of drilling an initial exploration well in The Bahamas, and seeking to realise the enormous shareholder value a successful discovery could unlock.

Yours sincerely,

Simon Potter
Chief Executive Officer
29 May 2020

Corporate Governance

Bahamas Petroleum Company plc's shares are traded on the AIM Market of the London Stock Exchange and as such the Company is not subject to the requirements of the UK Corporate Governance Code, though the Company is required to apply a recognised corporate governance code, demonstrating how the Company complies with such corporate governance code and where it departs from it.

The Directors of the Company have formally taken the decision to apply the QCA Corporate Governance Code (the "QCA Code") as the standard against which the Company chooses to measure itself. This QCA Code emphasises the need for well balanced, effective boards, with a strong emphasis on overseeing risk management aimed at protecting the Company from unnecessary risk to enable the Company to secure its long-term future. In addition, the QCA Code highlights the alignment of remuneration policies with shareholder interests and sound shareholder relations. Further information on the Company's application of the QCA Code is available on the Company website at www.bpcplc.com.

Departure from the QCA Code

In accordance with the AIM Rules for Companies, BPC departs from the QCA Code in the following way:

Principle 7 – "Evaluate board performance based on clear and relevant objectives, seeking continuous improvement."

BPC's board is small and extremely focused on implementing the Company's strategy. However, given the size and nature of the Company, the Board does not consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code. The Board will closely monitor the situation as and when the Company grows.

The workings of the Board and its Committees

The Board of Directors

The Board meets regularly to discuss and consider all aspects of the Group's and Company's activities. A Charter of the Board has been approved and adopted which sets out the membership, roles and responsibilities of the Board. The Board is primarily responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions.

The Board currently consists of the Chairman, the Chief Executive Officer, and three Non-executive Directors. All Directors have access to the Company Secretary and the Company's professional advisors.

Record of Board meetings

There were nine board meetings of the parent entity of the Group during the financial year.

Director	Number of Board meetings attended	Number of Board meetings eligible to attend
Simon Potter	9	9
William Schrader	9	9
James Smith	9	9
Adrian Collins	8	9
Edward Shallcross	3	5
Ross McDonald	9	9

Audit Committee

The Audit Committee comprises Ross McDonald (Chairman) and James Smith, with Edward Shallcross having acted as Chairman of the Committee until 14 October 2019. The Audit Committee is primarily responsible for ensuring that the financial performance of the Group is properly reported on and monitored, for reviewing the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor. The Audit Committee has oversight responsibility for public reporting and the internal controls of the Group. A Charter of the Audit Committee has been approved and adopted which formally sets out the membership, roles and responsibilities of the Audit Committee.

Remuneration Committee

The Remuneration Committee comprises Adrian Collins (Chairman) and William Schrader, with Edward Shallcross having been a sitting member of the Committee until 14 October 2019. The Remuneration Committee is responsible for making recommendations to the Board of Directors regarding executive remuneration packages, including bonus awards and share options.

Corporate Governance (continued)

Nomination Committee

The Nomination Committee comprises Adrian Collins (Chairman), William Schrader and Simon Potter, with Edward Shallcross having been a sitting member of the Committee until 14 October 2019. The role of the Nomination Committee is to assist the Board in fulfilling its responsibilities in the search for and evaluation of potential new Directors and ensuring that the size, composition and performance of the Board is appropriate for the scope of the Group's and Company's activities. It is recognised that shareholders of the Company have the ultimate responsibility for determining who should represent them on the Board.

Health, Safety, Environmental and Security Committee

The Group has a Health, Safety, Environmental and Security Committee which comprised during the year William Schrader, Simon Potter and the Group Environmental Scientist (Non-Board). The committee's purpose is to assist the Directors in reviewing, reporting and managing the Group's performance, to assess compliance with applicable regulations, internal policies and goals and to contribute to the Group's risk management processes.

Internal Control

The Directors acknowledge their responsibility for the Group's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage the risk of failure to achieve the Group's strategic objectives. It cannot totally eliminate the risk of failure but will provide reasonable, although not absolute, assurance against material misstatement or loss.

Going Concern

The Directors consider that the Group and Company has adequate financial resources to enable it to meet its financial obligations for at least 12 months from the date of this report from existing liquid cash resources. For this reason they continue to adopt the going concern basis of preparing the financial statements. Further information regarding the appropriateness of the use of the going concern assumption in the basis of preparation can be found in note 4 to the consolidated financial statements.

Directors' Report

Your Directors present their report and audited financial statements of the Company and the consolidated Group (referred to hereafter as the Group) consisting of Bahamas Petroleum Company plc (the "Company") and the entities it controlled (the "Group") at the end of, or during, the year ended 31 December 2019.

Directors

The following persons were Directors of the Company during the financial year and to date:

Simon Potter
William Schrader
James Smith
Adrian Collins
Ross McDonald

Edward Shallcross, who had been a Director of the Company since 2011, passed away on 14 October 2019. The Board notes the invaluable contributions Eddie made to the progression of the Group since joining and passes its condolences to his family and friends.

Further details of the above Directors can be found on the Company's website: www.bpcplc.com.

Principal activity

The principal activity of the Group and the Company consists of oil & gas exploration in The Commonwealth of The Bahamas.

Results and dividends

The results of the Group for the year are set out on page 18 and show a loss for the year ended 31 December 2019 of $4,631,674 (2018: loss of $1,307,455). The total comprehensive loss for the year of $4,631,674 (2018: loss of $1,307,455) has been transferred to the retained deficit.

The Directors do not recommend payment of a dividend (2018: $nil).

Review of operations

On 21 February 2019, the Group was informed by the Government of The Bahamas that its licences had been extended to 31 December 2020 in recognition of the various delays to which the project had been subjected. The terms of this extension require an exploration well to be commenced prior to 31 December 2020.

On 22 March 2019, the Group raised $2.5 million in additional funding through a placement of 120 million new ordinary shares with institutional shareholders.

On 21 August 2019, the Group announced its strategy to execute its first exploration well without the need for a farm-in partner in the first half of 2020, including the entering into of a framework rig provision agreement with Seadrill, the conditional agreement for the provision of a convertible loan note facility with an Australian investor totalling £10.25 million (approx. $13 million) and the appointment of Halliburton and Baker Hughes GE for the provision of integrated well services and equipment.

On 17 September 2019, the Group shareholders approved, *inter alia,* the granting of authority to allot up to 1.8 billion new ordinary shares, expiring on 31 December 2020, providing the Group with the ability to raise the funding necessary to pursue its strategy of executing the exploration well without a partner in 2020.

On 1 November 2019, the Group completed an open offer to the existing shareholders of the Group on a 1 for 5 basis at 2 pence per share, raising $4.3 million before costs and issuing 166,402,235 new ordinary shares. On 5 November 2019 the Group completed a private placing to institutional shareholders to supplement the open offer and at the same subscription price, raising $7.1 million before costs and issuing 275,641,455 new ordinary shares.

During the year, and following the reporting date, the Group has undertaken the procurement of various long lead items necessary for the execution of the exploration well, including wellheads, casing, drill bits and other ancillary equipment in preparation for the execution of the exploration well.

Directors' Report (continued)

On 6 January 2020, the Company in conjunction with Leno Corporate Services Limited of The Bahamas, launched a Bahamian domiciled mutual fund for the purposes of providing Bahamian investors with an opportunity to participate in ownership of the project. In order to ensure all incoming Bahamian investors were provided with an equal investment opportunity to UK based shareholders, the Group agreed to offer the fund new ordinary shares at the same price as the November 2019 open offer, namely 2 pence per share, at the end of the initial subscription period. The initial subscription period of the Fund commenced on 6 January 2020 and terminated on 12 February 2020, with subscriptions totalling $914,000 giving rise to subscriptions by the fund for 35,337,328 new ordinary shares in the Group. The fund is yet to complete certain necessary administrative processes in The Bahamas, which have been significantly hampered and thus delayed by the State of Emergency declared and ongoing business disruption caused by the national response to the Covid-19 outbreak. The expected admission date for the Fund Shares will be announced once timing for completion of the necessary administrative processes is known with certainty. The Company notes that, notwithstanding the delay in allotment, the subscription funds, amounting to approximately $0.9 million in respect of the Fund Shares, resides in the Mutual Fund Account.

On 20 February 2020 the Group announced that it had entered into an unconditional convertible loan facility for up to £8 million (approx. $10.4 million) in funding, with £2.7 million (approx. $3.5 million) (net £2.43 million (approx. $3.2 million)) being immediately drawn down on entry into the facility and the remainder being available in equal instalments in the months of April, May, June and July 2020. On 17 March 2020 the Group expanded the facility to provide an additional £8 million (approx. $10.4 million) in available funding, bringing the total facility to £16 million (approx. $21 million), with a further immediate drawdown of £2 million (approx. $2.6 million) (net £1.8 million (approx. $2.2 million)) and the remainder being available in equal instalments in the months of May, June and July 2020.

On 25 March 2020, the timing of the availability of future tranches for draw down was amended by agreement with the facility provider to November 2020, December 2020, January 2021 and February 2021, commensurate with the delay of the target window for commencing the drilling of Perseverance #1 well announced on the same date in response to uncertainty surrounding the global impact of the Covid-19 pandemic.

On 27 February 2020, the Government of The Bahamas granted the Group its Environmental Authorisation (EA) for the Perseverance #1 well. The granting of the EA represents the final regulatory prerequisite now in place for the Group to proceed with commencement of drilling activity and follows a considerable body of work that had taken place over several years and involving a number of external consultants and advisors to both the Group and the Government.

On 27 February 2020, the Company also advised that, consequent on the granting of Environmental Authorisation for the Perseverance #1 well, the Company and the Government of The Bahamas had agreed a process seeking a final agreement on the amount of licence fees payable for the period to 2018 and the two years to December 2020 (if any, and subject to any reconciliations of prior amounts paid by the Company that may be required). At the time, the parties had acknowledged that they would work collaboratively with a view to finalising this outstanding matter within the next 60 days. Subsequently, the Company and the Government reached agreement in principle in relation to this matter within the agreed timetable, with final documentation (and thereafter payment) pending confirmation from the Bahamian Treasury of receipt of past payments made by the Company to the Ministry. This confirmation process has been delayed owing to the State of Emergency declared and ongoing business disruption caused by the national response to the Covid-19 outbreak in The Bahamas. However, subject to said confirmation, the Company expects that an appropriate side-letter agreement will be finalised in due course, and the outstanding amount paid.

On 25 March 2020, the Group announced that, due to the impacts of the Covid-19 outbreak, it could no longer guarantee safe and continuous drilling operations could be undertaken during its target window of operations for H1 2020. As a consequence, the commencement of the well was delayed until after the peak period of the 2020 hurricane season, notionally mid October 2020. The Group has notified the Government of The Bahamas that it has declared force majeure under its licences such that an extension to the term and obligations therein will be due commensurate with the period of force majeure, once ended. Commensurate with this revised window for operations, the deadline for the meeting of the conditions precedent under the conditional convertible loan facility entered into on 10 October 2019 was extended by agreement with the note subscribers to 15 October 2020.

On 26 May 2020, the Company announced that it had entered into a fully termed, binding and unconditional rig contract with Stena DrillMax Ice Limited for delivery of a sixth-generation drilling rig to location within a firm time slot between 15 December 2020 to 1 February 2021. The rig contract provides for significantly improved terms (notably, an all-in rig cost, including managed pressure drilling system, substantially lower than that previously anticipated) to the extent that on a like-for-like basis, the total cost of Perseverance #1 has been estimated to be up to $30 million in total, representing an approximate reduction of 15% to the previously advised well cost estimate.

Substantial shareholdings

The following table represents shareholdings of 3% or more notified to the Company as at 31 December 2019:

Name	Number of shares	% of shareholding
Hargreaves Lansdown Asset Management	365,869,710	17.14%
Interactive Investor	317,616,717	14.88%
Halifax Share Dealing	178,431,742	8.36%
Barclays Wealth	130,502,721	6.11%
IG Markets	104,868,762	4.91%
Equiniti Financial Services	84,717,444	3.97%

Directors' Interests

The interests in the Company at the balance sheet date of all Directors who held office on the Board of the Company at the year end are stated below.

Shareholding and Options

Name	**Number of shares 31 December 2019**	**Number of share options 31 December 2019**	Number of shares 31 December 2018	Number of share options 31 December 2018
Simon Potter	**4,800,000**	**60,000,000**	4,000,000	39,000,000
William Schrader	**3,690,000**	**3,000,000**	3,075,000	2,000,000
James Smith	**2,220,000**	**1,500,000**	1,850,000	1,000,000
Ross McDonald	**2,470,000**	**1,500,000**	2,100,000	1,000,000
Adrian Collins	**2,640,000**	**1,500,000**	2,200,000	1,000,000

No options were exercised by the Directors during the year. See note 20 to the consolidated financial statements for further details.

Independent auditor

PricewaterhouseCoopers LLC, being eligible, has indicated its willingness to continue in office in accordance with section 12(2) of the Isle of Man Companies Act 1982.

By order of the Board

Benjamin Proffitt
Company Secretary
29 May 2020

Statement of Directors’ Responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Isle of Man law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Isle of Man Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company’s website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Simon Potter
Director
29 May 2020

Independent Auditor's Report to the Members of Bahamas Petroleum Company plc

Report on the audit of the financial statements

Our opinion

In our opinion:

- Bahamas Petroleum Company plc's consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2019 and of its loss and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union;
- Bahamas Petroleum Company plc's company financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2019 and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union as applied in accordance with the provisions of the Isle of Man Companies Act 1982; and
- the financial statements have been properly prepared in accordance with the Isle of Man Companies Acts 1931 to 2004.

What we have audited

Bahamas Petroleum Company plc's consolidated and company financial statements (the "financial statements") comprise:

- the consolidated and company balance sheets as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of Bahamas Petroleum Company plc (continued)

Key audit matter	How our audit addressed the key audit matter
Recoverability of the Group's intangible exploration and evaluation assets/Recoverability of Company's investment in subsidiaries and amount owed by subsidiary undertakings Refer to note 4 of the Group and Company financial statements. At 31 December 2019 the carrying value of the Group's intangible exploration and evaluation assets was $50.6 million (2018: $48.5 million), as disclosed in note 15 to the consolidated financial statements. As the carrying value of these intangible exploration and evaluation assets are significant in the financial statements of the Group, we consider it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of these assets may exceed their recoverable amount. The Company's investment in its subsidiaries totalled $29.6 million (2018: $29.6 million) and the amount owed by its subsidiary undertakings totalled $66.7 million (2018: $63.0 million) as shown in notes 9 and 10 to the Company financial statements respectively. The recoverability of the Company's investment in its subsidiaries and amount owed by its subsidiary undertakings are dependent upon the successful development or sale of the relevant exploration areas.	For intangible exploration and evaluation assets, we critically evaluated management's assessment of each impairment trigger per IFRS 6 Exploration for and evaluation of mineral resources, including but not limited to: • Assessing whether the Group had the rights to explore in the relevant geographical areas by obtaining supporting documentation such as licence agreements. • Enquiring to determine whether management had the intention to carry out exploration and evaluation activity in the relevant exploration areas. We reviewed management's cash flow forecast models to assess the level of the budgeted expenditure on these areas, and obtained details of contracts and arrangements made in order to commence drilling in 2020. • Critically assessing whether any impairment indicators were present to suggest that the carrying value of these exploration and evaluation assets is unlikely to be recovered through development or a sale. Having completed our work, we did not identify any material misstatements regarding the carrying value of the intangible exploration and evaluation assets and as a result, the recoverability of the Company's investment in subsidiaries and amount owed by its subsidiary undertakings.
Going concern Refer to the Directors' report, note 2 and note 4 of the Group financial statements and note 2 of the Company financial statements. At 31 December 2019 the Group and Company had cash and cash equivalents of $11.2 million (2018: $2.2 million) and $11.1 million (2018: $2.2 million) respectively. Based on the Group and Company cash flow forecasts there are sufficient funds in place to allow the Group and Company to continue for at least the next 12 months. However, additional funding is required for the Group and Company to undertake the drilling programme necessary to satisfy the conditions in the licences it holds. Post year end we also assessed the impact of Covid-19 on the going concern assessment as also set out as a key audit matter within this report.	We assessed management's cash flow model, which includes the anticipated costs of the first exploration well together with the financing facilities the Group has negotiated post year end to meet these costs and the ability to satisfy the licence conditions. We further reviewed these to assess the anticipated changes in light of the Covid-19 pandemic. We concluded the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate for both the Group and Company.

Key audit matter	How our audit addressed the key audit matter
Impact of Covid-19 on the Financial Statements During the course of the audit both management and the audit team considered the impact the ongoing Covid-19 pandemic is having on the Groups' activities, the financial statements and the oil price environment. The main impact of the pandemic was the decision to delay the commencement of drilling the Perseverance #1 well until later in 2020. The Group has disclosed the impact as a non-adjusting post balance sheet event in note 24 to the financial statements. Given the significance of this we determined the impact of Covid-19 to be a key audit matter. This key audit matter relates to both the Group and the Company financial statements.	We performed the following procedures to address the impact that Covid-19 has on the financial statements: • We held discussions with senior management about the impact on the plans to execute the Perseverance #1 well. • We considered the impact on management's assessment of the carrying value of assets, conducted in accordance with IFRS 6 Exploration for and evaluation of mineral resources. Management concluded the Group had the right under their licences to declare force majeure as a result of the pandemic. This provides additional time for the Group to commence drilling once operations can resume and hence remain in compliance with their licence conditions, despite the delay to the drilling timetable. • We considered the impact of Covid-19 on management's going concern assessment noted above. The delayed drilling timetable is still scheduled to happen within 12 months of the approval of these financial statements; the financing previously negotiated has been deferred and is available to meet the anticipated drilling costs. We discussed with management and reviewed the steps taken to protect the Group and Company's financial position until drilling can commence. The impact of the pandemic on the Group and Company's going concern has been appropriately mitigated by management. We concluded that management's assessment of Covid-19 on the financial statements is reasonable and the non-adjusting post balance sheet event disclosure in note 24 of the financial statements reflects the revised plans and agreements in place.

Other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and Isle of Man law, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

Independent Auditor’s Report to the Members of Bahamas Petroleum Company plc (continued)

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report, including the opinion, has been prepared for and only for the Company’s members as a body in accordance with Section 15 of the Isle of Man Companies Act 1982 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Adequacy of accounting records and information and explanations received

Under the Isle of Man Companies Acts 1931 to 2004 we are required to report to you by exception if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper books of account have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us;
- the company financial statements are not in agreement with the books of account and returns; and
- certain disclosures of directors' loans and remuneration specified by law have not been complied with.

We have no exceptions to report arising from this responsibility.

Andrew Dunn
for and on behalf of PricewaterhouseCoopers LLC
Chartered Accountants, Isle of Man
29 May 2020

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

	Note	2019 Group $	2018 Group $
Continuing operations			
Employee benefit expense	8	**(1,432,256)**	(458,923)
Depreciation expense	13, 14	**(238,326)**	(30,798)
Other expenses	9	**(2,932,830)**	(1,823,042)
Operating loss		**(4,603,412)**	(2,312,763)
Other income	6	**1,268**	1,000,000
Finance income	6	**39,411**	5,308
Finance costs	7	**(68,941)**	–
Loss before tax		**(4,631,674)**	(1,307,455)
Taxation	10	**–**	–
Loss for the year		**(4,631,674)**	(1,307,455)
Total comprehensive expense for the year		**(4,631,674)**	(1,307,455)
Loss per share attributable to owners of the Company:			
Basic and diluted loss per share (expressed in cents per share)	11	**(0.27)**	(0.08)

The notes on pages 22 to 49 form part of these consolidated financial statements.

Consolidated Balance Sheet

At 31 December 2019

	Note	2019 Group $	2018 Group $
ASSETS			
Non-current assets			
Intangible exploration and evaluation assets	15	**50,569,263**	48,515,200
Property, plant and equipment	13	**30,977**	45,692
Right-of-use assets	14	**198,335**	–
Total non-current assets		**50,798,575**	48,560,892
Current assets			
Restricted cash	12	**26,363**	25,480
Other receivables	17	**858,344**	705,635
Cash and cash equivalents	16	**11,151,614**	2,220,765
Total current assets		**12,036,321**	2,951,880
Total assets		**62,834,896**	51,512,772
LIABILITIES			
Non-current liabilities			
Lease liabilities		**44,143**	–
Total non-current liabilities		**44,143**	–
Current liabilities			
Trade and other payables	18	**1,951,465**	354,422
Lease liabilities		**161,261**	–
Total current liabilities		**2,112,726**	354,422
Total liabilities		**2,156,869**	354,422
EQUITY			
Share capital	19	**60,638**	46,138
Share premium reserve	19	**96,157,034**	83,068,307
Merger reserve	19	**77,130,684**	77,130,684
Reverse acquisition reserve	19	**(53,846,526)**	(53,846,526)
Share-based payment reserve	20	**4,867,967**	3,819,843
Retained deficit		**(63,691,770)**	(59,060,096)
Total equity		**60,678,027**	51,158,350
Total equity and liabilities		**62,834,896**	51,512,772

The consolidated financial statements on pages 18 to 49 were approved and authorised for issue by the Board of Directors on 29 May 2020 and signed on its behalf by:

William Schrader
Director

Simon Potter
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Note	Share capital $	Share premium reserve $	Merger reserve $	Reverse acquisition reserve $	Share-based payment reserve $	Retained deficit $	Total equity $
Balance at 1 January 2018		**44,481**	**81,398,084**	**77,130,684**	**(53,846,526)**	**3,381,645**	**(57,752,641)**	**50,355,727**
Comprehensive income								
Total comprehensive expense for the year		–	–	–	–	–	(1,307,455)	(1,307,455)
Total Comprehensive expense		–	–	–	–	–	(1,307,455)	(1,307,455)
Transactions with owners								
Issue of ordinary shares	19	1,657	1,670,223	–	–	–	–	1,671,880
Share options – value of services	20	–	–	–	–	438,198	–	438,198
Total transactions with owners		1,657	1,670,223	–	–	438,198	–	2,110,078
Balance at 31 December 2018		**46,138**	**83,068,307**	**77,130,684**	**(53,846,526)**	**3,819,843**	**(59,060,096)**	**51,158,350**
Balance at 1 January 2019		**46,138**	**83,068,307**	**77,130,684**	**(53,846,526)**	**3,819,843**	**(59,060,096)**	**51,158,350**
Comprehensive income								
Total comprehensive expense for the year		–	–	–	–	–	(4,631,674)	(4,631,674)
Total Comprehensive expense		–	–	–	–	–	(4,631,674)	(4,631,674)
Transactions with owners								
Issue of ordinary shares	19	14,500	13,088,727	–	–	–	–	13,103,227
Share options – value of services	20	–	–	–	–	1,048,124	–	1,048,124
Total transactions with owners		14,500	13,088,727	–	–	1,048,124	–	14,151,351
Balance at 31 December 2019		**60,638**	**96,157,034**	**77,130,684**	**(53,846,526)**	**4,867,967**	**(63,691,770)**	**60,678,027**

The notes on pages 22 to 49 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 Group $	2018 Group $
Cash flows from operating activities			
Cash used in operations	21	**(3,017,195)**	(2,542,110)
Net cash used in operating activities		**(3,017,195)**	(2,542,110)
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(7,438)**	(35,212)
Proceeds from sale of property, plant and equipment		**999**	–
Payments for exploration and evaluation assets	15	**(985,427)**	(197,121)
(Increase)/decrease in restricted cash	12	**(52)**	500,000
Other income received	6	**1,268**	1,000,000
Interest received	6	**39,411**	5,308
Net cash (used in)/generated from investing activities		**(951,239)**	1,272,975
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	19	**13,103,227**	1,671,880
Principal elements of lease payments		**(211,582)**	–
Interest payable on lease liabilities		**(23,537)**	–
Net cash flows from financing activities		**12,868,108**	1,671,880
Net increase in cash and cash equivalents		**8,899,674**	402,745
Cash and cash equivalents at the beginning of the year	16	**2,220,765**	1,838,527
Effects of exchange rate changes on cash and cash equivalents		**31,175**	(20,507)
Cash and cash equivalents at the end of the year	16	**11,151,614**	2,220,765

The notes on pages 22 to 49 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 General information

Bahamas Petroleum Company plc ("the Company") and its subsidiaries (together "the Group") is the holder of several oil & gas exploration licences issued by the Government of The Bahamas ("the Government").

The Company is a limited liability company incorporated in the Isle of Man. The address of its registered office is IOMA House, Hope Street, Douglas, Isle of Man. The Company's review of operations is set out in the Directors' Report. The principal activity of the Group and the Company consists of oil & gas exploration in The Commonwealth of The Bahamas.

The Company has four directly, and eleven indirectly, 100% owned subsidiaries as follows:

Name	Country of Incorporation	Holding
BPC (A) Limited	Isle of Man	100% Direct
BPC (B) Limited	Isle of Man	100% Direct
BPC (C) Limited	Isle of Man	100% Direct
BPC (D) Limited	Isle of Man	100% Direct
BPC Limited	Bahamas	100% Indirect
BPC (A) Limited	Bahamas	100% Indirect
BPC (B) Limited	Bahamas	100% Indirect
BPC (C) Limited	Bahamas	100% Indirect
BPC (D) Limited	Bahamas	100% Indirect
BPC (E) Limited	Bahamas	100% Indirect
Bahamas Offshore Petroleum Ltd	Bahamas	100% Indirect
Island Offshore Petroleum Ltd	Bahamas	100% Indirect
Sargasso Petroleum Ltd	Bahamas	100% Indirect
Privateer Petroleum Ltd	Bahamas	100% Indirect
Columbus Oil & Gas Limited	Bahamas	100% Indirect

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Bahamas Petroleum Company plc (the "Financial Statements") reflect the results and financial position of the Group for the year ended 31 December 2019, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC ("International Financial Reporting Interpretations Committee") interpretations as adopted by the European Union ("EU"). These financial statements have been prepared under the historical cost convention and the requirements of the Isle of Man Companies Acts 1931 to 2004.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The Directors have, at the time of approving these financial statements, determined that the Group has adequate financial resources and therefore these financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as and when they fall due. See note 4 for further information.

Adoption of new and revised Standards

a) New standards, amendments and interpretations adopted

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

IFRS 16 Leases

The Group had to change its accounting policies as a result of adopting IFRS 16. The Group elected to adopt the new rules on a modified retrospective basis, recognising the cumulative effect of initially applying the new standard on 1 January 2019. The impact of the adoption of the leasing standard and the new accounting policies are disclosed below in this note.

Other amendments to IFRSs effective for the financial period ended 31 December 2019 have not had a material impact on the Group or the Company.

b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group or the Company.

c) Adoption of IFRS 16 Leases

As indicated above, the Group has adopted IFRS 16 'Leases' on a modified retrospective basis from 1 January 2019, so the comparatives for the 2018 reporting period are not required to be restated, as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.14 below.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.03%.

i) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on previous assessments as to whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- Excluding initial direct costs for the measurement of the right of use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made in applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

ii) Measurement of lease liabilities

	2019 Group $
Operating lease commitments disclosed as at 31 December 2018	**131,102**
Less short-term leases not recognised as a liability	**(2,160)**
Add adjustment as a result of a different treatment of extension and termination options	**286,958**
	415,900
Discounted using the lessee's incremental borrowing rate at the date of initial application	**(31,103)**
Lease liability recognised as at 1 January 2019	**384,797**
Of which are:	
Current lease liabilities	**210,349**
Non current lease liabilities	**174,448**
Total	**384,797**

iii) Measurement of right-of-use assets

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

iv) Adjustments recognised in the balance sheet as at 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use asset – increase by $384,797
- Lease liabilities – increase by $384,797

The net impact on the retained deficit on 1 January 2019 was nil.

Notes to the Consolidated Financial Statements
(continued)

2 Summary of significant accounting policies continued

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses (including unrealised gains and losses on transactions between Group companies) are eliminated on consolidation.

The financial statements consolidate the results, cash flows and assets and liabilities of the Company and its wholly owned subsidiary undertakings.

2.3 Operating segments

All of the Group's business activities relate to oil & gas exploration activities in the Commonwealth of The Bahamas. The business is managed as one business segment by the chief operating decision maker ("the CODM"), who has been identified as the Chief Executive Officer ("the CEO"). The CODM receives reports at a consolidated level and uses those reports to assess business performance. It is not possible to assess performance properly using the financial information collected at the subsidiary level.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements and company financial statements are presented in United States Dollars ("$"), which is the functional currency of the Company and all of the Group's entities, and the Group's and Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denoted in foreign currency are translated into the functional currency at exchange rates ruling at the year end. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful economic lives, as follows:

- Furniture, fittings and equipment 3 – 4 years
- Motor vehicles 5 years
- Leasehold improvements Over the life of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount with any impairment charge being taken to the statement of comprehensive income.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of comprehensive income.

2.6 Intangible assets – exploration and evaluation assets

Exploration and evaluation expenditure incurred which relates to more than one area of interest is allocated across the various areas of interest to which it relates on a proportionate basis. Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. The area of interest adopted by the Group is defined as a petroleum title.

Expenditure in the area of interest comprises direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not linked to a particular area of interest.

As permitted under IFRS 6, exploration and evaluation expenditure for each area of interest, other than that acquired from the purchase of another entity, is carried forward as an asset at cost provided that one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Such costs are initially capitalised as intangible assets and include payments to acquire the legal right to explore, together with the directly related costs of technical services and studies, seismic acquisition, exploratory drilling and testing. Exploration and evaluation expenditure which fails to meet at least one of the conditions outlined above is taken to the statement of comprehensive income.

Expenditure is not capitalised in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

Intangible exploration and evaluation assets in relation to each area of interest are not amortised until the existence (or otherwise) of commercial reserves in the area of interest has been determined.

2.7 Impairment of intangible assets – exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. In accordance with IFRS 6, the Group reviews and tests for impairment on an ongoing basis and specifically if the following occurs:

a) the period for which the Group has a right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and

d) sufficient data exists to indicate that although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Notes to the Consolidated Financial Statements
(continued)

2 Summary of significant accounting policies continued

2.8 Financial instruments

i) Financial assets

Classification

The Group classifies its financial assets as financial assets held at amortised cost. Management determines the classification of its financial assets at initial recognition.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Measurement

Financial assets held at amortised cost are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method. Financial assets at amortised cost comprise 'cash and cash equivalents' at variable interest rates, 'restricted cash' and 'other receivables' excluding 'prepayments'.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets held at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the expected credit loss model to financial assets at amortised cost. Given the nature of the Group's receivables, expected credit losses are not material.

ii) Financial liabilities

The Group classifies its financial liabilities as other financial liabilities. Other financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. Other financial liabilities consist of 'trade and other payables' and 'lease liabilities'. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions with original maturities of three months or less. For the purposes of the cash flow statement, restricted cash is not included within cash and cash equivalents.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are deducted, net of tax, from the proceeds. Net proceeds are disclosed in the statement of changes in equity.

2.11 Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Share-based payments

Where equity settled share-based instruments are awarded to employees or Directors, the fair value of the instruments at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest. Market vesting conditions are factored into the fair value of the instruments granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where equity instruments are granted to persons other than employees or Directors, the statement of comprehensive income is charged with the fair value of goods and services received.

(iii) Bonuses
The Group recognises a liability and an expense for bonuses. Bonuses are approved by the Board and a number of factors are taken into consideration when determining the amount of any bonus payable, including the recipient's existing salary, length of service and merit. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Pension obligations
For defined contribution plans, the Group pays contributions to privately administered pension plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

(v) Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination and when the entity has a detailed formal plan to terminate the employment of current employees without the possibility of withdrawal. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.12 Interest income
Interest income is recognised on a time proportion basis using the effective interest method.

2.13 Other income
Other income is recognised in the period during which the provision of entitlements or services to which the income relates take place.

2.14 Leases
As explained in note 2.1 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2.1.

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 3 years, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 Summary of significant accounting policies continued

2.14 Leases continued

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3 Financial risk management in respect of financial instruments

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity, market and credit risk. The Group's overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Group.

Risk management is carried out by the CEO under policies approved by the Board of Directors. The CEO identifies, evaluates and addresses financial risks in close cooperation with the Group's management. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

(i) Liquidity risk

The Group monitors its rolling cash flow forecasts and liquidity requirements to ensure it has sufficient cash to meet its operational needs. Surplus cash is invested in interest bearing current accounts and money market deposits.

No profit to date

The Group has incurred losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. Since the Group intends to continue investing in the exploration licences it currently holds an interest in, the Directors anticipate making further losses. There can be no certainty that the Group will achieve or sustain profitability or achieve or sustain positive cash flows from its activities.

Future funding requirements

The Group raises funding through, *inter alia*, the placing of ordinary shares, entry into convertible loan note facilities and farm-outs of its licences. There is no certainty that the Company will be able to continue raising funding on the equity markets, or that the raising of sufficient funds through future farm-outs will be possible at all or achievable on acceptable terms. The conclusion of a farm-out could substantially dilute the Group's interest in the licences, however, given the size of the Group's existing holding it would be expected, although there is no guarantee, that the Group will retain a significant equity interest in the licences.

The Group currently estimates to total cost of its planned exploration well, Perseverance #1, to be in the range of $21 million to $25 million, with potential elective contingent costs of $5 million, such that the total potential cost of the well is estimated to be up to $30 million.

As at 31 December 2019, the Group had entered into an agreement with a consortium of Australian investors for the future access to a convertible loan note facility of up to £10.25 million (approx. $13 million). The agreement stipulates that access to the facility remains conditional on a number of prerequisites having been met before the deadline of 15 February 2020 (extended by mutual agreement to 15 October 2020 following the balance sheet date), the key prerequisites being:

i) The Group having entered into a binding contract for the provision of a drilling rig capable of executing the planned exploration well;

ii) The Group having entered into binding contracts for the provision of integrated well services required for the drilling of the planned exploration well;

iii) The Group having secured all of the necessary permits and approvals from the Government of The Bahamas for the execution of the planned exploration well; and

iv) The Group having sufficient cash reserves such that, when aggregated with the total facility funding, would be sufficient to finance the execution of the planned exploration well.

On 20 February 2020 the Group announced that it had entered into an unconditional convertible loan facility for up to £8 million (approx. $10.4 million) in funding, with £2.7 million (approx. $3.5 million) (net £2.43 million (approx. $3.2 million)) being immediately drawn down on entry into the facility and the remainder being available in equal instalments in the months of April, May, June and July 2020. On 17 March 2020 the Company expanded the facility to provide an additional £8 million (approx. $10.4 million) in available funding, bringing the total facility to £16 million (approx. $21 million), with a further immediate drawdown of £2 million (approx. $2.6 million) (net £1.8 million (approx. $2.2 million)) and the remainder being available in equal instalments in the months of May, June and July 2020. On 25 March 2020, the timing of the availability of future tranches for draw down was amended by agreement with the facility provider to November 2020, December 2020, January 2021 and February 2021, commensurate with the delay of the target window for commencing the drilling of the Perseverance #1 well announced on the same date in response to uncertainty surrounding the global impact of the Covid-19 pandemic. The ability of the Group to draw down on this facility on these revised dates is contingent on the Group and the facility providers agreeing to reset certain prerequisite conditions relating to the Company's market share price which were breached following the global financial market response to the Covid-19 pandemic.

As at 31 December 2019 and the execution date of these financial statements the Group had no ability to draw down on the above convertible loan facilities and there can be no certainty that the facilities will be or remain available for drawdown in the future.

Financial liabilities

The Group's financial liabilities comprise its trade and other payables and lease liabilities. Trade and other payables all fall due within 1 year and it is the Group's payment policy to settle amounts in accordance with agreed terms which is typically 30 days.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

Contractual maturities of financial liabilities at 31 December 2019	Less than 6 months USD	Between 6 to 12 months USD	Between 1 and 2 years USD	Between 2 and 5 years USD	Total contractual cash outflows USD	Carrying amount USD
Trade and other payables	593,385	–	–	–	593,385	593,385
Lease liabilities	125,223	50,287	36,832	12,956	225,298	205,404
Total	718,608	50,287	36,832	12,956	818,683	798,789

As at 31 December 2018, the Group's financial liabilities comprised trade and other payables only, all of which fell due within one year.

Notes to the Consolidated Financial Statements
(continued)

3 Financial risk management in respect of financial instruments continued

3.1 Financial risk factors continued

(ii) Market risk

Foreign exchange risk

The Group operates internationally and therefore is exposed to foreign exchange risk arising from currency exposures, primarily with regard to UK Sterling. The exposure to foreign exchange risk is managed by ensuring that the majority of the Group's assets, liabilities and expenditures are held or incurred in US Dollars, the functional currency of all entities in the Group. At 31 December 2019, the Group held $588,000 of cash in UK Sterling (31 December 2018: $298,541) and had an insignificant amount of trade and other payables and lease liabilities denominated in UK Sterling.

At 31 December 2019, if the US Dollar currency had weakened/strengthened by 10% against UK Sterling with all other variables held constant, post-tax losses for the year and total equity would have been reduced/increased by approximately $59,000 (31 December 2018: reduced/increased by $30,000), mainly as a result of foreign exchange gains/losses on translation of UK Sterling denominated bank balances.

The Group also has operations denominated in the Bahamian Dollar. As the Bahamian Dollar is pegged to the US Dollar on a one for one basis these operations do not give rise to any currency exchange exposures.

Interest rate risk

The Group's exposure to interest rate risk relates to the Group's cash deposits which are linked to short-term deposit rates and therefore affected by changes in bank base rates. At 31 December 2019 short-term deposit rates were in the range of 0% to 2.38% (31 December 2018: 0% to 1.65%) and therefore the interest rate risk is not considered significant to the Group. An increase in interest rate of 0.25% in the year would have had an insignificant effect on the Group's loss for the year and the prior year.

(iii) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and restricted cash. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. In order to mitigate credit risk arising from cash balances the Group holds cash reserves with more than one counterparty.

3.2 Capital risk management

Capital is defined by the Group as all equity reserves, including share capital and share premium. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to support the Group's business operations and maximise shareholder value. The Group is not subject to any externally imposed capital requirements.

4 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. The areas that involved a higher degree of judgment or complexity, as well as the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operation for the foreseeable future.

On 21 February 2019 the Group was notified by the Government of The Bahamas that the term of its four southern licences had been extended to 31 December 2020. Included in this notification was the requirement that the Government and the Group work together to determine the level of licence fees payable over the extended term, if any, following consideration of fees prepaid to date.

On 27 February 2020, the Company advised that, consequent on the granting of Environmental Authorisation for the Perseverance #1 well, the Company and the Government of The Bahamas had agreed a process seeking a final agreement on the amount of licence fees payable for the period to 2018 and the two years to December 2020 (if any, and subject to any reconciliations of prior amounts paid by the Company that may be required). At the time, the parties had acknowledged that they would work collaboratively with a view to finalising this outstanding matter within the next 60 days. Subsequently, the Company and the Government reached agreement in principle in relation to this matter within the agreed timetable, with final documentation (and thereafter payment) pending confirmation from the Bahamian Treasury of receipt of past payments made by the Company to the Ministry. This confirmation process has been delayed owing to the State of Emergency declared and ongoing business disruption caused by the national response to the Covid-19 outbreak in The Bahamas. However, subject to said confirmation, the Company expects that an appropriate side-letter agreement will be finalised in due course, and the outstanding amount paid.

As at the reporting date, the Group had $11.2 million in unrestricted cash funding, and following the balance sheet date the Group entered into a convertible loan facility for up to £16 million (approx. $21 million) in additional funding, of which £4.7 million (approx. $6.1 million), before costs, was drawn down in the months of February and March (see note 3.1(i) for more details). As a consequence, the Directors are satisfied that the Company has more than sufficient funding to meet its overhead expenditure needs beyond the next 12 months.

However, the Group's ability to meet all of its obligations beyond the next 12 months is dependent on the level of exploration and appraisal activities undertaken. The next step in the Group's asset development programme requires the drilling of an exploration well on its prospects before the end of the licence term. Whilst the current licence term ends on 31 December 2020, the Group has notified the Government of The Bahamas that, due to the impacts of the global response to the Covid-19 pandemic, it is claiming force majeure under the terms of its exploration licences, such that the term of the licences shall be extended beyond 31 December 2020 commensurate with the as yet unknown duration of the force majeure event.

The Group has undertaken substantial efforts to finalise the design and cost estimates of the Perseverance #1 well, with current estimates being in the range of $21 million to $25 million, with approx. $5 million of potential contingent costs that may be utilised should the financial resources be available. The ability of the Group to discharge this obligation is therefore contingent on securing the balance of funding required to execute the well. To this end, the Group has implemented a variety of funding options, including the conditional convertible loan facility entered into with Australian investors in October 2019 and the unconditional convertible loan facility entered into with Bahamian investors after the reporting date. When considered alongside a variety of other potential funding options available to the Group, including concluding a farm-out arrangement or equity funding raise, the Directors are satisfied that the Group will be able to raise the additional funding required to execute the exploration well in satisfaction of all licence requirements.

Following the outbreak of the Covid-19 global pandemic, the Group has implemented remote working procedures across all of its teams and operations to ensure the ongoing safety of its staff and consultants. Other than as outlined above regarding the declaration of force majeure on the Company licences and the necessary delay to the planned operational window for the execution of Perseverance #1, the Group does not consider the Covid-19 pandemic to have any material impact on its operations or status as a going concern.

(b) Carrying value of exploration expenditure

Expenditure of $50,569,263 relating to the cost of exploration licences, geological and geophysical consultancy and seismic data acquisition and interpretation has been capitalised as at 31 December 2019 (2018: $48,515,200). The Group's exploration activities are subject to a number of significant and potential risks including:

- licence obligations;
- requirement for further funding;
- geological and development risks; and
- political risk.

The recoverability of these intangible assets is dependent on the discovery and successful development of economic reserves, including the ability to raise finance to develop future projects or alternatively, sale of the respective licence areas. The carrying value of the Group's exploration and evaluation expenditure is reviewed at each balance sheet date and, if there is any indication that it is impaired, its recoverable amount is estimated. Estimates of impairment are limited to an assessment by the Directors of any events or changes in circumstances that would indicate that the carrying value of the asset may not be fully recoverable. Any impairment loss arising is charged to the statement of comprehensive income.

On 21 February 2019, the Group received notification from the Bahamian Government of the extension of the term of its four southern licences to 31 December 2020, with the requirement that the Company commence an exploration well before the end of the extended term. On 23 March 2020 the Group notified the Government of The Bahamas that, due to the impacts of the global response to the Covid-19 pandemic, it is claiming force majeure under the terms of its exploration licences, such that the term of the licences shall be extended beyond 31 December 2020 commensurate with the as yet unknown duration of the force majeure event.

On 27 February 2020, the Government of The Bahamas granted the Company its Environmental Authorisation (EA) for the Perseverance #1 well. The granting of the EA represents the final regulatory prerequisite now in place for the Company to proceed with commencement of drilling activity and follows a considerable body of work that had taken place over several years and involving a number of external consultants and advisors to both the Company and the Government.

4 Critical accounting estimates and judgements continued

(b) Carrying value of exploration expenditure continued

The ability of the Group to discharge its obligation to commence a well prior to the end of the current licence period is contingent on securing the balance of funding required to execute the well. To this end, the Group has implemented a variety of funding options such that the Directors are satisfied that the Group will be able to raise the additional funding required to execute the exploration well in satisfaction of all licence requirements. See note 4(a) above for more details. In performing an assessment of the carrying value of the exploration and evaluation assets at the reporting date, the Directors concluded that it was not appropriate to book an impairment given the remaining term of the licences, geological probability of success of the structures and the continued plans to explore and develop the block.

Renewal of the Miami licence remains under review as at the balance sheet date.

5 Segment information

The Company is incorporated in the Isle of Man. The total of non-current assets other than financial instruments located in the Isle of Man as at 31 December 2019 is $42,887 (31 December 2018: $21,816), and the total of such non-current assets located in The Bahamas is $50,755,688 (31 December 2018: $48,539,076).

6 Finance income and other income

	2019 Group $	2018 Group $
Finance income – interest income on short-term bank deposits	**39,411**	5,308
Other income	**1,268**	1,000,000

Other income in 2018 arose from consideration received from a potential farm-out partner for the provision of a four month period of exclusivity from 1 May 2018 to 31 August 2018 during which the Company agreed to cease partnership discussions with other third parties.

Finance income arises from deposit interest on cash reserves held in the year and the prior year.

7 Finance costs

	2019 Group $	2018 Group $
Share-based payments	**45,404**	–
Interest payable on lease liabilities	**23,537**	–
	68,941	–

The share-based payments costs arising from the valuation of options granted during the year to convertible loan note subscribers have been classified as finance costs. See note 20 for details.

8 Employee benefit expense

	2019 Group $	2018 Group $
Directors and employees salaries and fees	**1,008,746**	1,091,718
Directors and employees salaries and fees – writebacks*	**–**	(1,012,500)
Social security costs	**64,474**	60,583
Pension costs – defined contribution	**38,833**	74,089
Pension costs – defined contribution – writebacks*	**–**	(225,000)
Share-based payments (see note 20)	**194,704**	363,677
Other staff costs	**125,499**	106,356
	1,432,256	458,923

Effective 1 October 2014, the Directors agreed to forgo 20% of their remuneration which becomes repayable in shares only once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).

Effective 1 April 2016, the Directors agreed to increase the above fee deferral to 50% of their remuneration which becomes repayable in shares only once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof). In the case of Mr Potter, CEO, this deferral is 90% of salary and is to be repaid in equal proportions of shares and cash once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).

Effective 1 January 2018, the Directors agreed to increase the above fee deferral to 90% of their remuneration which becomes repayable only once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof), and is to be repaid in equal proportions of shares and cash.

* Effective 1 July 2018 the Group entered into a revised remuneration package with the CEO resulting in the cessation of ongoing salary deferrals and the write back of provisions arising from accrued salary and pension entitlements that were forgone by the CEO under the terms of the revised remuneration agreement. As a result, $1,012,500 of accrued salary entitlements were written back against the “Directors and employees salaries and fees” expense category and $225,000 of accrued pension entitlements were written back against the “Pension costs – defined contribution” expense category during the year. See note 23 for further details.

9 Other expenses

		2019 Group $		2018 Group $
Travel and accommodation		**317,595**		202,524
Operating lease payments		**–**		239,646
Expenses relating to short-term leases		**26,250**		–
Legal and professional – cash		**1,499,549**		869,585
Legal and professional – IFRS 2		**808,016**		74,521
Net foreign exchange (gain)/loss		**(19,393)**		29,437
Loss on disposal of fixed assets		**1,479**		–
Other		**223,258**		314,001
Fees payable to the Company’s auditor for the audit of the company and consolidated financial statements	**74,983**		87,947	
Fees payable to the Company’s auditor for other services:				
– Tax advisory services	**1,093**		5,381	
Total auditor remuneration		**76,076**		93,328
Total other expenses		**2,932,830**		1,823,042

10 Taxation

The Company is incorporated and resident in the Isle of Man and subject to Isle of Man income tax at a rate of zero per cent (2018: zero per cent).

All other group companies are within the tax free jurisdiction of the Commonwealth of The Bahamas. Under current Bahamian law, the Bahamian group companies are not required to pay taxes in The Bahamas on income or capital gains.

Notes to the Consolidated Financial Statements
(continued)

11 Basic and diluted loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2019 Group	2018 Group
Loss attributable to equity holders of the Company ($)	**(4,631,674)**	(1,307,455)
Weighted average number of ordinary shares in issue (number)	**1,725,431,811**	1,546,600,082
Basic loss per share (US cents per share)	**(0.27)**	(0.08)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had one category of dilutive potential ordinary shares: share options/warrants. For these share options/warrants, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options/warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options/warrants. Share options/warrants outstanding at the reporting date were as follows:

	2019 Group	2018 Group
Total share options and warrants in issue (number) (see note 20)	**200,357,073**	68,850,000

The effect of the above share options/warrants at 31 December 2019 and 2018 is anti-dilutive; as a result they have been omitted from the calculation of diluted loss per share.

12 Restricted cash

	2019 Group $	2018 Group $
Current assets		
Bank deposits	**26,363**	25,480
Total current restricted cash	**26,363**	25,480

Bank deposits consist of funds held as security for Company credit card facilities. Amounts held at the year end have been classified as current as they may be recovered at any point following cancellation of the associated corporate credit card facilities.

13 Property, plant & equipment

Group	Leasehold improvements $	Furniture, fittings and equipment $	Motor vehicles $	Total $
At 1 January 2018				
Cost	56,417	274,282	97,689	428,388
Accumulated depreciation	(56,417)	(250,576)	(80,117)	(387,110)
Net book amount	**–**	**23,706**	**17,572**	**41,278**
Year ended 31 December 2018				
Opening net book amount	–	23,706	17,572	41,278
Additions	–	35,212	–	35,212
Depreciation charge	–	(16,949)	(13,849)	(30,798)
Closing net book amount	**–**	**41,969**	**3,723**	**45,692**
At 31 December 2018				
Cost	56,417	309,494	97,689	463,600
Accumulated depreciation	(56,417)	(267,525)	(93,966)	(417,908)
Net book amount	**–**	**41,969**	**3,723**	**45,692**
Year ended 31 December 2019				
Opening net book amount	–	41,969	3,723	45,692
Additions	–	7,438	–	7,438
Disposals – cost	–	–	(21,250)	(21,250)
Depreciation charge	–	(18,430)	(1,245)	(19,675)
Disposals – Accumulated depreciation	–	–	18,772	18,772
Closing net book amount	**–**	**30,977**	**–**	**30,977**
At 31 December 2019				
Cost	56,417	316,932	76,439	449,788
Accumulated depreciation	(56,417)	(285,955)	(76,439)	(418,811)
Net book amount	**–**	**30,977**	**–**	**30,977**

14 Right-of-use assets

Group	Leased Property $	Motor Vehicles $	Total $
Year ended 31 December 2019			
Initial recognition – 1 January 2019	352,383	32,414	384,797
Additions	2,385	29,804	32,189
Depreciation	(205,668)	(12,983)	(218,651)
Closing cost/net book amount	**149,100**	**49,235**	**198,335**
As at 31 December 2019			
Cost	354,768	62,218	416,986
Accumulated depreciation	(205,668)	(12,983)	(218,651)
Net book amount	**149,100**	**49,235**	**198,335**

Notes to the Consolidated Financial Statements
(continued)

15 Intangible exploration and evaluation assets

Group	Licence costs $	Geological, geophysical and technical analysis $	Total $
Year ended 31 December 2018			
Opening cost/net book amount	2,851,250	45,466,829	48,318,079
Additions (note 22(iii))	–	197,121	197,121
Closing cost/net book amount	**2,851,250**	**45,663,950**	**48,515,200**
Year ended 31 December 2019			
Opening cost/net book amount	2,851,250	45,663,950	48,515,200
Additions (note 22(iii))	–	2,054,063	2,054,063
Closing cost/net book amount	**2,851,250**	**47,718,013**	**50,569,263**

Ultimate recoupment of intangible exploration and evaluation assets capitalised is dependent on successful development and commercial exploitation, or alternatively, sale of the respective licence areas (note 4(b)).

These assets are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At present, the Directors do not believe any such impairment indicators are present (note 4(b)).

16 Cash and cash equivalents

	2019 Group $	2018 Group $
Cash at bank	**11,151,614**	2,220,765

The 2019 balance includes interest bearing accounts at rates between 0% and 2.38% (2018: 0% to 1.65%).

Reconciliation of total cash balances	2019 Group $	2018 Group $
Cash at bank	**11,151,614**	2,220,765
Restricted cash (see note 12)	**26,363**	25,480
Total cash	**11,177,977**	2,246,245

17 Other receivables

	2019 Group $	2018 Group $
Other receivables (note (a))	**128,411**	43,932
Prepayments (note (b))	**729,933**	661,703
	858,344	705,635

(a) Other receivables
As at 31 December 2019 and 2018, these amounts predominantly consist of VAT recoverable.

(b) Prepayments
As at 31 December 2019, prepayments include $500,000 (2018: $500,000) in application fees paid to The Government of The Bahamas for five additional exploration licences. During 2015, two of these licence applications were withdrawn, consequently receipt of $200,000 against these applications is expected to be credited against future licence rental payments (see note 22(iii)). The three retained applications remain pending award, in the event that the Group's applications are unsuccessful, 50% of the remaining $300,000 in application fees is refundable to the Group. No provision has been made in the consolidated financial statements to write down the carrying value of these prepayments.

18 Trade and other payables

	2019 Group $	2018 Group $
Exploration and evaluation liabilities	**1,068,636**	–
Accruals	**791,493**	334,984
Trade payables	**91,336**	19,438
	1,951,465	354,422

The fair value of trade and other payables approximates to their carrying value as at 31 December 2019 and 2018.

19 Share capital, share premium reserve, merger reserve and reverse acquisition reserve

Group	Number of shares issued	Issue price $	Share capital $	Share premium reserve $	Merger reserve $	Reverse acquisition reserve $
At 1 January 2018	**1,510,479,096**	**–**	**44,481**	**81,398,084**	**77,130,684**	**(53,846,526)**
Shares issued	15,600,000	0.013	416	207,343	–	–
Shares issued	46,640,000	0.033	1,241	1,462,880	–	–
At 31 December 2018	**1,572,719,096**		**46,138**	**83,068,307**	**77,130,684**	**(53,846,526)**
Shares issued	120,000,000	0.021	3,156	2,355,989	–	–
Shares issued	442,043,690	0.026	11,344	10,732,738	–	–
As at 31 December 2019	**2,134,762,786**		**60,638**	**96,157,034**	**77,130,684**	**(53,846,526)**

During the prior year the Company issued 44,000,000 new ordinary shares on 29 May 2018 for 2.5 pence each raising gross proceeds of $1,464,967. Fees associated with the issuance totalling $87,898 were deducted from the Share Premium reserve.

During the prior year the Company issued 15,600,000 new ordinary shares on 5 June 2018 and 2,640,000 new ordinary shares on 25 July 2018 for 1 pence and 2.5 pence each respectively in settlement of the exercise of warrants held by the Company brokers, raising gross proceeds of $207,759 and $87,052 respectively.

During the year the Company issued 120,000,000 new ordinary shares on 22 March 2019 for 1.6 pence each and 442,043,690 new ordinary shares on 12 November 2019 for 2.0 pence each raising gross proceeds of $2,523,994 and $11,342,399 respectively. Fees associated with the issuances totalling $164,849 and $598,317 respectively have been deducted from the Share Premium Reserve.

In 2008, BPC Jersey Limited acquired Falkland Gold and Minerals Limited (‘FGML’) via a reverse acquisition, giving rise to the reverse acquisition reserve. BPC Jersey Limited was the acquirer of FGML although FGML became the legal parent of the Group on the acquisition date. FGML subsequently changed its name to BPC Limited.

The merger reserve arose in 2010 as a result of the Group undergoing a Scheme of Arrangement which saw the shares in the then parent company BPC Limited replaced with shares in Bahamas Petroleum Company plc.

The total authorised number of ordinary shares at 31 December 2019 and 2018 was 5,000,000,000 shares with a par value of 0.002 pence per share. All issued shares of 0.002 pence are fully paid.

20 Share-based payments

(a) Options and warrants

Share options have been granted to Directors, selected employees and consultants to the Company.

The Group had no legal or constructive obligation to repurchase or settle any options in cash. Movements in the number of share options and warrants outstanding during the year are as follows:

	2019 Group		2018 Group	
	Average exercise price per share	**No. options and warrants**	Average exercise price per share	No. options and warrants
At beginning of year	**2.22p**	**68,850,000**	1.99p	84,450,000
Exercised	**–**	**–**	1.22p	18,240,000
Cancelled	**2.22p**	**68,850,000**	–	–
Granted	**2.34p**	**200,357,073**	2.50p	2,640,000
At end of year	**2.34p**	**200,357,073**	2.22p	68,850,000
Exercisable at end of year	**2.08p**	**100,357,073**	-	-

On 31 October 2019, all options in issue were cancelled by mutual consent with the option holders and new options issued as detailed below.

The weighted average remaining contractual life of the options and warrants in issue at 31 December 2019 is 4.32 years (31 December 2018: 2.25 years) and the weighted average exercise price of these instruments is 2.34 pence per share (31 December 2018: 2.22 pence).

The expected price volatility used in calculating the fair value of options and warrants granted by the Company is determined based on the historical volatility of the Company share price (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

On 22 May 2018, the Company issued 2,640,000 warrants to Shore Capital Stockbrokers in consideration of services rendered during the fund raise in May 2018. The terms of the warrants granted are as follows:

- The warrants are exercisable from the date of grant.
- The warrants expire on 21 May 2020.
- The warrants have an exercise price of 2.5 pence per share.

All warrants granted to Shore Capital Stockbrokers on 22 May 2018 were exercised on 25 July 2018.

The fair value of the warrants granted was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Warrants Granted on 22 May 2018
Number of warrants granted	2,640,000
Share price at date of grant	3.55p
Exercise price	2.50p
Expected volatility	58%
Expected life	0.17 years
Risk free return	0.83%
Dividend yield	Nil
Fair value per option	1.44 cents

On 22 March 2019, the Company issued 7,200,000 warrants to Shore Capital Stockbrokers in consideration of services rendered during the fund raise in March 2019, with exercisability of these warrants being conditional on approval of the Company's shareholders at its AGM, which was received on 17 September 2019. The terms of the warrants granted are as follows:

- The warrants became exercisable on 17 September 2019.
- The warrants expire on 17 September 2021.
- The warrants have an exercise price of 1.6 pence per share.

The fair value of the warrants granted in the year was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Warrants Granted on 17 September 2019
Number of warrants granted	7,200,000
Share price at date of grant	1.72p
Exercise price	1.60p
Expected volatility	72%
Expected life	1.27 years
Risk free return	0.66%
Dividend yield	Nil
Fair value per option	0.77 cents

On 31 October 2019, the Company issued 50,000,000 options to Directors, staff and certain consultants. The terms of the options granted are as follows:

- The options are exercisable from the date of grant.
- The options expire on 31 October 2024.
- The options have an exercise price of 2.22 pence per share.

The fair value of the options granted in the year was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Options Granted on 31 October 2019 (Tranche 1)
Number of options granted	50,000,000
Share price at date of grant	2.00p
Exercise price	2.22p
Expected volatility	21%
Expected life	0.67 years
Risk free return	0.51%
Dividend yield	Nil
Fair value per option	0.08 cents

On 31 October 2019, the Company issued 50,000,000 options to Directors, staff and certain consultants. The terms of the options granted are as follows:

- The options are exercisable at such point in time as the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- The options expire on 31 October 2024.

The options have an exercise price of 2.4 pence per share.

The fair value of the options granted in the year was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Options Granted on 31 October 2019 (Tranche 2)
Number of options granted	50,000,000
Share price at date of grant	2.00p
Exercise price	2.40p
Expected volatility	21%
Expected life	0.67 years
Risk free return	0.51%
Dividend yield	Nil
Fair value per option	0.04 cents

Notes to the Consolidated Financial Statements
(continued)

20 Share-based payments continued

(a) Options and warrants continued

On 31 October 2019, the Company issued 50,000,000 options to Directors, staff and certain consultants. The terms of the options granted are as follows:

- The options are exercisable once the Company's drilling of initial exploration well commences (defined as once a rig is mobilised, that being when the contracted drilling rig, following inspection by BPC and any necessary customs authorisations, leaves the port of origination by a distance of 1 nautical mile).
- The options expire on 31 October 2024.
- The options have an exercise price of 2.8 pence per share.

The fair value of the options granted in the year was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Options Granted on 31 October 2019 (Tranche 3)
Number of options granted	50,000,000
Share price at date of grant	2.00p
Exercise price	2.80p
Expected volatility	21%
Expected life	0.67 years
Risk free return	0.51%
Dividend yield	Nil
Fair value per option	0.01 cents

On 31 October 2019, the Company issued 25,000,000 options to the potential subscribers for conditional convertible loan notes. The terms of the options granted are as follows:

- The options are exercisable on grant.
- The options expire on 31 October 2023.
- The options have an exercise price of 2.0 pence per share.

The fair value of the options granted in the year was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Options Granted on 31 October 2019
Number of options granted	25,000,000
Share price at date of grant	2.00p
Exercise price	2.00p
Expected volatility	21%
Expected life	0.67 years
Risk free return	0.51%
Dividend yield	Nil
Fair value per option	0.18 cents

On 5 November 2019, the Company issued 5,000,000 warrants to Strand Hanson Limited in consideration of services rendered during the open offer fund raise in November 2019. The terms of the warrants granted are as follows:

- The warrants became exercisable on grant.
- The warrants expire on 5 November 2021.
- The warrants have an exercise price of 2.0 pence per share.

The fair value of the warrants granted in the year was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Warrants Granted on 5 November 2019
Number of warrants granted	5,000,000
Share price at date of grant	2.00p
Exercise price	2.00p
Expected volatility	18%
Expected life	0.65 years
Risk free return	0.59%
Dividend yield	Nil
Fair value per option	0.15 cents

On 11 November 2019, the Company issued 13,157,073 warrants to Shore Capital Stockbrokers in consideration of services rendered during the fund raise in November 2019. The terms of the warrants granted are as follows:

- The warrants became exercisable on grant.
- The warrants expire on 11 November 2021.
- The warrants have an exercise price of 2.0 pence per share.

The fair value of the warrants granted in the year was estimated using the Black Scholes model. The inputs and assumptions used in calculating the fair value of options granted in the year were as follows:

	Warrants Granted on 11 November 2019
Number of warrants granted	13,157,073
Share price at date of grant	2.10p
Exercise price	2.00p
Expected volatility	17%
Expected life	0.64 years
Risk free return	0.57%
Dividend yield	Nil
Fair value per option	0.22 cents

(b) Salary and fee deferrals

On 17 December 2014, the Directors entered into an agreement for the deferral of 20% of their salary and fees on the following terms:

- 20% of all Directors' fees and the CEO's salary were forgone until the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- The value of fees/salary forgone accrued at the end of each month as an entitlement to ordinary shares in the Company.
- The number of ordinary shares accrued was calculated as the value of fees/salary forgone divided by the volume weighted average closing price of the Company shares over each month.
- The "accrued shares" shall only be issued to the Directors once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- The agreement is effective for all parties from 1 October 2014.

20 Share-based payments continued

(b) Salary and fee deferrals continued

On 1 April 2016, the Directors entered into a further agreement for the deferral of 50% of their fees and the CEO entered into an agreement for the deferral of 90% of his salary on the following terms:

- 50% of all Directors' fees and 90% of the CEO's salary are to be forgone until the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- The value of Directors' fees forgone shall accrue at the end of each month as an entitlement to ordinary shares in the Company.
- 50% of the value of the CEO's salary forgone shall accrue at the end of each month as an entitlement to ordinary shares in the Company.
- 50% of the value of the CEO's salary forgone shall be repayable in cash once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- Receipt of the CEO's forgone salary is conditional on his continued employment by the Group up to the completion of a farm-out or other well financing arrangement as detailed above.
- All of the CEO share entitlements accrued under the agreement entered into on 1 October 2014 were forgone.
- The number of ordinary shares accruing shall be calculated as the value of fees/salary forgone divided by the volume weighted average closing price of the Company shares over each month.
- The "accrued shares" shall only be issued to the Directors once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- The agreement is effective for all parties from 1 April 2016 and, in the case of the CEO, supersedes the agreement entered into on 17 December 2014.

On 1 January 2018 the Directors (excluding the CEO) entered into a further agreement for the deferral of 90% of their fees on the following terms:

- 90% of all Directors' fees are to be forgone until the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- 50% of the value of the Directors' fees forgone shall accrue at the end of each month as an entitlement to ordinary shares in the Company.
- 50% of the value of the Directors' fees forgone shall be repayable in cash once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).
- The number of ordinary shares accruing shall be calculated as the value of fees/salary forgone divided by the volume weighted average closing price of the Company shares over each month.
- The "accrued shares" shall only be issued to the Directors once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).

From 1 July 2018 the ongoing deferral of the CEO's salary into conditional share entitlements ceased, resulting in no further share-based payment charges arising as regards the CEO salary from that date. See note 23 for further details.

Under IFRS 2, entitlements to ordinary shares under the above agreements constitute the issuance of equity settled share-based payment instruments with the following terms:

- Each month of deferred fee entitlements is treated as a separate grant of options with the date of grant being the first day of the month.
- The fair value of the options at grant is estimated as the share price on the date of grant.
- Options awarded each month vest at the end of that month.

The value of the instruments has been estimated and is being charged to the statement of total comprehensive income in monthly tranches as each month's award of options vest.

Following approval by the Company shareholders at the AGM held on 17 September 2019, conditional entitlements to 21,300,000 shares in the Company were granted to consultants in the year in lieu of fees. All conditions associated with these entitlements are identical to those granted to the Directors in the year. The fair value of these instruments has been estimated by reference to the agreed value of services received by the Group.

(c) Expense arising from share based payment transactions

Total expense arising from equity-settled share-based payment transactions:

	2019 Group $	2018 Group $
Options and warrants	**189,732**	74,521
Salary deferrals	**858,392**	363,677
Expense in relation to share-based payment transactions	**1,048,124**	438,198

The above charges in relation to share-based payments include $166,393 relating to Directors (2018: $387,902), $744,311 related to staff and consultants (2018: $nil), $92,016 relating to warrants granted to the Company's advisors (2018: $74,521) and $45,404 (2018: $nil) relating to options granted to potential providers of conditional convertible note finance.

In 2017, in addition to the above total charge to profits, $24,225 in share-based payments charges were capitalised into intangibles. During 2018, these consultants' fees were settled in cash. Accordingly, these amounts were written back and accordingly reduced the total salary deferral share-based payment charge for that year.

The below table discloses the total share-based payment charges for the year by expense category.

	2019 Group $	2018 Group $
Employee benefit expense	**194,704**	363,677
Legal & professional expense	**808,016**	74,521
Finance costs	**45,404**	–
	1,048,124	438,198

Notes to the Consolidated Financial Statements
(continued)

21 Cash flow information
(a) Cash used in operations

	2019 Group $	2018 Group $
Loss after income tax	**(4,631,674)**	(1,307,455)
Adjustments for:		
– Depreciation (notes 13 & 14)	**238,326**	30,798
– Loss on disposal of property, plant and equipment (note 9)	**1,479**	–
– Share-based payment (note 20)	**1,002,720**	438,198
– Finance income (note 6)	**(39,411)**	(5,308)
– Other income received (note 6)	**(1,268)**	(1,000,000)
– Finance costs (note 7)	**68,941**	–
– Foreign exchange (gain)/loss on operating activities (note 9)	**(19,393)**	29,437
Changes in working capital:		
– Other receivables	**(151,575)**	18,110
– Trade and other payables	**514,660**	(745,890)
Cash used in operations	**(3,017,195)**	(2,542,110)

(b) Net funds reconciliation

	Group Leases $	Group Cash $	Group Total $
Net funds as at 1 January 2018	**–**	**1,838,527**	**1,838,527**
Cash flows	–	402,745	402,745
Foreign exchange adjustments	–	(20,507)	(20,507)
Net funds as at 31 December 2018	**–**	**2,220,765**	**2,220,765**
Recognised on adoption of IFRS 16 (see note 2.1(c))	(384,797)	–	(384,797)
Net funds as at 1 January 2019	**(384,797)**	**2,220,765**	**1,835,968**
Cash flows	211,582	8,899,674	9,111,256
Acquisition – leases	(29,804)	–	(29,804)
Foreign exchange adjustments	–	31,175	31,175
Other changes	(2,385)	–	(2,385)
Net funds as at 31 December 2019	**(205,404)**	**11,151,614**	**10,946,210**

22 Contingencies and commitments
(i) Contingencies
As at 31 December 2019 and 2018, the Group had no contingent liabilities that require disclosure in these financial statements.

(ii) Expenditure commitments
On 21 February 2019, the Group received notification from the Bahamian Government of the extension of the term of its four southern licences to 31 December 2020, with the requirement that the Group commence an exploration well before the end of the extended term.

The Group has undertaken substantial efforts to finalise the design and cost estimates of the Perseverance #1 well, with current estimates being in the range of $21 million to $25 million, with approx. $5 million of potential contingent costs that may be utilised should the financial resources be available. The ability of the Group to discharge this obligation is therefore contingent on securing the balance of funding required to execute the well. To this end, the Group has implemented a variety of funding options, including the conditional convertible loan facility entered into with Australian investors in October 2019 and the unconditional convertible loan facility entered into with Bahamian investors after the reporting date. When considered alongside a variety of other potential funding options available to the Group, including concluding a farm-out arrangement or equity funding raise, the Directors are satisfied that the Group will be able to raise the additional funding required to execute the exploration well in satisfaction of all licence requirements.

(iii) Annual rental commitments
The Group is required under the exploration licences to remit annual rentals in advance to the Government in respect of the licenced areas.

On 21 February 2019 the Group was notified by the Government of The Bahamas that the term of its four southern licences had been extended to 31 December 2020.

On 27 February 2020, the Company advised that, consequent on the granting of Environmental Authorisation for the Perseverance #1 well, the Company and the Government of The Bahamas had agreed a process seeking a final agreement on the amount of licence fees payable for the period to 2018 and the two years to December 2020 (if any, and subject to any reconciliations of prior amounts paid by the Company that may be required). At the time, the parties had acknowledged that they would work collaboratively with a view to finalising this outstanding matter within the next 60 days. Subsequently, the Company and the Government reached agreement in principle in relation to this matter within the agreed timetable, with final documentation (and thereafter payment) pending confirmation from the Bahamian Treasury of receipt of past payments made by the Company to the Ministry. This confirmation process has been delayed owing to the State of Emergency declared and ongoing business disruption caused by the national response to the Covid-19 outbreak in The Bahamas. However, subject to said confirmation, the Company expects that an appropriate side-letter agreement will be finalised in due course, and the outstanding amount, totalling less than $900,000, will be paid. As prepaid rental payments made in prior years exceed the total rental payment obligation for the year to 31 December 2019, no accrual for further rental payments has been recorded as at the balance sheet date.

Renewal of the Group's Miami licence remains under review pending negotiations with the Government regarding the terms of renewal.

(iv) Non-cancellable operating leases

The Group leases various premises and vehicles under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2019 Group $	2018 Group $
No later than 1 year	**–**	107,952
Between 2 and 5 years	**–**	23,150
	–	131,102

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 2.1(c) and note 14 for further information.

23 Related party transactions

Key management personnel

Details of key management personnel during the current and prior year are as follows:

William Schrader	Non–Executive Chairman
James Smith	Non–Executive Deputy Chairman
Simon Potter	Director and Chief Executive Officer
Adrian Collins	Non–Executive Director
Ross McDonald	Non–Executive Director
Edward Shallcross	Non–Executive Director

Key management compensation

	2019 Group $	2018 Group $
Short-term employee benefits – paid	**405,845**	270,580
Short-term employee benefits – accrued and contingent*	**138,801**	(813,642)
Share-based payments (see note 20)	**166,393**	387,902
	711,039	(155,160)

* Short-term employee benefits – accrued and contingent consist of the 50% of Directors' deferred fees which are repayable in cash, rather than shares, contingent on the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof). Included in this figure in the prior year is the write back of deferred CEO remuneration which was forgone on 1 July 2018 following agreed changes to the CEO remuneration arrangements (see below) which resulted in a negative charge for that year.

Notes to the Consolidated Financial Statements
(continued)

23 Related party transactions continued

Directors' remuneration

		2019 Group $		2018 Group $
Simon Potter				
Cash remuneration				
– Salary (10% of contractual entitlement from 1 January 2017)		**–**		50,000
– Salary (revised basis from 1 July 2018)		**375,000**		187,500
Total cash remuneration		**375,000**		237,500
Non-cash remuneration				
– Salary (45% deferred and contingent)	**–**		225,000	
– Share-based payments	**19,941**		225,000	
– Write back of forgone deferred salary	**–**		(1,012,500)	
– Accrued pension liability	**–**		50,000	
– Write back of forgone pension entitlements	**–**		(225,000)	
Total non-cash remuneration		**19,941**		737,500
Total		**394,941**		(500,000)
William Schrader				
– Cash remuneration	**8,299**		8,649	
– Deferred remuneration – cash	**37,347**		38,922	
– Share-based payments	**38,743**		42,646	
– Total Remuneration		**84,389**		90,217
James Smith				
– Cash remuneration	**5,428**		5,622	
– Deferred remuneration – cash	**24,426**		25,296	
– Share-based payments	**25,118**		28,104	
– Total Remuneration		**54,972**		59,022
Adrian Collins				
– Cash remuneration	**6,390**		6,499	
– Deferred remuneration – cash	**28,755**		29,245	
– Share-based payments	**32,921**		30,342	
– Total Remuneration		**68,066**		66,086
Ross McDonald				
– Cash remuneration	**5,429**		5,618	
– Deferred remuneration – cash	**24,430**		25,283	
– Share-based payments	**25,248**		27,974	
– Total Remuneration		**55,107**		58,875
Edward Shallcross				
– Cash remuneration	**5,299**		6,692	
– Deferred remuneration – cash	**23,843**		30,112	
– Share-based payments	**24,422**		33,836	
– Total Remuneration		**53,564**		70,640
Total		**711,039**		(155,160)

Effective 1 October 2014, the Directors agreed to forgo 20% of their remuneration which becomes repayable in shares only once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof). Effective 1 April 2016 the Directors agreed to increase this fee deferral to 50% for Board members and 90% for the CEO. See note 20 for further details. From 1 January 2018, the Directors agreed to increase their fee deferral terms to match those of the CEO, being a 90% deferral with 50% of deferred fees recoverable in cash and 50% in shares, once the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of $25 million, or any combination thereof).

On 3 August 2018 the Company entered into an agreement with the CEO to effect the following changes to his remuneration arrangements:

- The agreement became effective from 1 July 2018.
- From the effective date the CEO remuneration became $375,000 per annum.
- Cessation of all salary deferrals from the effective date.
- All salary that was deferred to 30 June 2018 into conditional share entitlements was retained.
- All salary that was deferred to 30 June 2018 to be recovered in cash was forgone.
- All accrued pension entitlements to 30 June 2018 was forgone.
- No ongoing entitlement to pension contributions
- Term of the contract remains unchanged and expired on 31 March 2019.

As a result of the above, accrued cash salary entitlements totalling $1,012,500 and accrued pension entitlements totalling $225,000 were written off in the prior year to the Employee benefit expense line of the statement of comprehensive income.

On 28 March 2019 the Company and the CEO agreed to extend the term of the CEO contract for a further 12 months. On expiry of the extended contract on 31 March 2020 the contract becomes cancellable by either party on a rolling 3 month notice period basis.

On 31 October 2019, share options were granted to key management personnel as follows.

	Tranche 1 Options	Tranche 2 Options	Tranche 3 Options	Total
Simon Potter	20,000,000	15,000,000	25,000,000	60,000,000
William Schrader	1,500,000	750,000	750,000	3,000,000
James Smith	750,000	375,000	375,000	1,500,000
Adrian Collins	750,000	375,000	375,000	1,500,000
Ross McDonald	750,000	375,000	375,000	1,500,000
Total	**23,750,000**	**16,875,000**	**26,875,000**	**67,500,000**

On 31 October 2019, all share options previously granted to key management personnel were cancelled by mutual consent, see note 20 for further details.

There were no share options granted to key management personnel in the prior year.

Other related party transactions

During the year the Group operated banking facilities with RBC Royal Bank (Bahamas) Limited in Nassau, The Bahamas. Ross McDonald, a director of the Company, is also a director of RBC Royal Bank (Bahamas) Limited. As at 31 December 2019, $51,935 was held on deposit with RBC Royal Bank (Bahamas) Limited (31 December 2018: $39,448).

24 Events after the reporting period

On 6 January 2020, the Company in conjunction with Leno Corporate Services Limited of The Bahamas, launched a Bahamian domiciled mutual fund for the purposes of providing Bahamian investors with an opportunity to participate in ownership of the project. In order to ensure all incoming Bahamian investors were provided with an equal investment opportunity to UK based shareholders, the Company agreed to offer the fund new ordinary shares at the same price as the November 2019 open offer, namely 2 pence per share, at the end of the initial subscription period. The initial subscription period of the Fund commenced on 6 January 2020 and terminated on 12 February 2020, with subscriptions totalling $914,000 giving rise to subscriptions by the fund for 35,337,328 new ordinary shares in the Company. The fund is yet to complete certain necessary administrative processes in The Bahamas, which have been significantly hampered and thus delayed by the State of Emergency declared and ongoing business disruption caused by the national response to the Covid-19 outbreak. The expected admission date for the Fund Shares will be announced once timing for completion of the necessary administrative processes is known with certainty. The Company notes that, notwithstanding the delay in allotment, the subscription funds, amounting to approximately $0.9 million in respect of the Fund Shares, resides in the Mutual Fund Account.

On 20 February 2020 the Group announced that it had entered into an unconditional convertible loan facility for up to £8 million (approx. $10.4 million) in funding, with £2.7 million (approx. $3.5 million) (net £2.43 million (approx. $3.2 million)) being immediately drawn down on entry into the facility and the remainder being available in equal instalments in the months of April, May, June and July 2020. On 17 March 2020 the Company expanded the facility to provide an additional £8 million (approx. $10.4 million) in available funding, bringing the total facility to £16 million (approx. $21 million), with a further immediate drawdown of £2 million (approx. $2.6 million) (net £1.8 million ($2.2 million)) and the remainder being available in equal instalments in the months of May, June and July 2020. On 25 March 2020, the timing of the availability of future tranches for draw down was amended by agreement with the facility provider to November 2020, December 2020, January 2021 and February 2021, commensurate with the delay of the target window for commencing the Perseverance #1 well announced on the same date in response to uncertainty surrounding the global impact of the Covid-19 pandemic.

On 27 February 2020, the Government of The Bahamas granted the Group its Environmental Authorisation (EA) for the Perseverance #1 well. The granting of the EA represents the final regulatory prerequisite now in place for the Group to proceed with commencement of drilling activity and follows a considerable body of work that had taken place over several years and involving a number of external consultants and advisors to both the Group and the Government.

On 27 February 2020, the Company advised that, consequent on the granting of Environmental Authorisation for the Perseverance #1 well, the Company and the Government of The Bahamas had agreed a process seeking a final agreement on the amount of licence fees payable for the period to 2018 and the two years to December 2020 (if any, and subject to any reconciliations of prior amounts paid by the Company that may be required). At the time, the parties had acknowledged that they would work collaboratively with a view to finalising this outstanding matter within the next 60 days. Subsequently, the Company and the Government reached agreement in principle in relation to this matter within the agreed timetable, with final documentation (and thereafter payment) pending confirmation from the Bahamian Treasury of receipt of past payments made by the Company to the Ministry. This confirmation process has been delayed owing to the State of Emergency declared and ongoing business disruption caused by the national response to the Covid-19 outbreak in The Bahamas. However, subject to said confirmation, the Company expects that an appropriate side-letter agreement will be finalised in due course, and the outstanding amount paid.

On 25 March 2020, the Group announced that, due to the impacts of the Covid-19 outbreak, it could no longer guarantee safe and continuous drilling operations could be undertaken during its target window of operations for H1 2020. As a consequence, the commencement of the well was delayed until after the peak period of the 2020 hurricane season, notionally mid October 2020. The Group has notified the Government of The Bahamas that it has declared force majeure under its licences such that an extension to the term and obligations therein will be due commensurate with the period of force majeure, once ended. Commensurate with this revised window for operations, the deadline for the meeting of the conditions precedent under the conditional convertible loan facility entered into on 10 October 2019 was extended by agreement with the note subscribers to 15 October 2020.

Following the above announced delays to the timing of the drilling programme arising from the global impact of Covid-19, the Group has implemented a number of cost saving initiatives to ensure the wellbeing of all Group personnel, to protect the Group's financial position, and preserve the ability to proceed to drilling as soon as operationally possible. Specifically, the Group has:

- Moved to remote working arrangements for the time being, closed the temporary Houston office opened to support drilling activity, stood down contractors and consultants, and warehoused a range of critical path and long-lead equipment that had already been purchased to be ready for immediate redeployment when possible;

- Notified the Government of The Bahamas that a Force Majeure event had occurred (the Group's licences and Bahamian regulations specifically define epidemic to be a force majeure) – such that to the extent additional time into 2021 is required to complete well operations the Group is confident it will remain in compliance with its licence requirements; and
- Reached agreement with its finance providers to defer all potential funding arrangements until later in 2020, to a time when the Group expects operations can resume. The date for satisfaction of conditions precedent under the Conditional Convertible Note Agreement was reset to Q4 2020, and at the same time the Group secured the right, should it elect to do so, to scale back this facility by up to 50%, at no cost or penalty. The months during which tranches under the zero coupon facility with the Bahamian family office investor can be drawn were likewise reset to November 2020 – February 2021, to better match when drilling activities are likely to occur.

On 26 May 2020, the Company announced that it had entered into a fully termed, binding and unconditional rig contract with Stena DrillMax Ice Limited for delivery of a sixth-generation drilling rig to location within a firm time slot between 15 December 2020 to 1 February 2021. The rig contract provides for significantly improved terms (notably, an all-in rig cost, including managed pressure drilling system, substantially lower than that previously anticipated) to the extent that on a like-for-like basis, the total cost of Perseverance #1 has been estimated to be up to $30 million in total, representing an approximate reduction of 15% to the previously advised well cost estimate.

Company Balance Sheet
As at 31 December 2019

	Note	2019 Company $	2018 Company $
ASSETS			
Non-current assets			
Investment in subsidiaries	9	**29,560,465**	29,560,465
Other receivables	10	**66,721,081**	63,034,852
Property, plant and equipment	7	**15,955**	21,816
Right-of-use assets	8	**26,932**	–
Total non-current assets		**96,324,433**	92,617,133
Current assets			
Restricted cash	6	**26,363**	25,480
Other receivables	10	**224,086**	154,809
Cash and cash equivalents	11	**11,099,680**	2,181,331
Total current assets		**11,350,129**	2,361,620
Total assets		**107,674,562**	94,978,753
LIABILITIES			
Current liabilities			
Trade and other payables	12	**1,946,335**	264,813
Lease liabilities		**14,754**	–
Total current liabilities		**1,961,089**	264,813
Non current liabilities			
Lease liabilities		**13,084**	–
Total liabilities		**1,974,173**	264,813
EQUITY			
Share capital	13	**60,638**	46,138
Share premium reserve	13	**96,157,034**	83,068,307
Other reserve	13	**29,535,159**	29,535,159
Share-based payment reserve	14	**4,497,923**	3,449,799
Retained deficit		**(24,550,365)**	(21,385,463)
Total equity		**105,700,389**	94,713,940
Total equity and liabilities		**107,674,562**	94,978,753

The Company financial statements on pages 50 to 58 were approved and authorised for issue by the Board of Directors on 29 May and signed on its behalf by:

William Schrader
Director

Simon Potter
Director

Company Statement of Changes in Equity

For the year ended 31 December 2019

	Note	Share capital $	Share premium $	Other reserve $	Share-based payment reserve $	Retained deficit $	Total equity $
Balance at 1 January 2018		**44,481**	**81,398,084**	**29,535,159**	**3,011,601**	**(20,700,259)**	**93,289,066**
Comprehensive income:							
Total comprehensive expense for the year	5	–	–	–	–	(685,204)	(685,204)
Total Comprehensive Expense		–	–	–	–	(685,204)	(685,204)
Transactions with owners							
Issue of ordinary shares	13	1,657	1,670,223	–	–	–	1,671,880
Share options – value of service	14	–	–	–	438,198	–	438,198
Total transactions with owners		1,657	1,670,223	–	438,198	–	2,110,078
Balance at 31 December 2018		**46,138**	**83,068,307**	**29,535,159**	**3,449,799**	**(21,385,463)**	**94,713,940**
Balance at 1 January 2019		**46,138**	**83,068,307**	**29,535,159**	**3,449,799**	**(21,385,463)**	**94,713,940**
Comprehensive income:							
Total comprehensive expense for the year	5	–	–	–	–	(3,164,902)	(3,164,902)
Total Comprehensive Expense		–	–	–	–	(3,164,902)	(3,164,902)
Transactions with owners							
Issue of ordinary shares	13	14,500	13,088,727	–	–	–	13,103,227
Share options – value of service	14	–	–	–	1,048,124	–	1,048,124
Total transactions with owners		14,500	13,088,727	–	1,048,124	–	14,151,351
Balance at 31 December 2019		**60,638**	**96,157,034**	**29,535,159**	**4,497,923**	**(24,550,365)**	**105,700,389**

The accompanying notes on pages 53 to 58 form part of these Company financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 Company $	2018 Company $
Cash flows from operating activities			
Cash used in operations	15	**(549,501)**	(2,150,706)
Net cash used in operating activities		**(549,501)**	(2,150,706)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	**(3,487)**	(23,146)
Other income		**–**	1,000,000
Interest received		**39,411**	5,308
(Increase)/decrease in restricted cash		**(52)**	500,000
Advances to and payments on behalf of group companies		**(3,686,229)**	(577,320)
Net cash (used in)/generated from investing activities		**(3,650,357)**	904,842
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**13,103,227**	1,671,880
Principle elements of lease payments		**(13,786)**	–
Interest payable on lease liabilities		**(2,409)**	–
Net cash flows from financing activities		**13,087,032**	1,671,880
Net increase in cash and cash equivalents		**8,887,174**	426,016
Cash and cash equivalents at the beginning of the year		**2,181,331**	1,775,822
Effects of exchange rate changes on cash and cash equivalents		**31,175**	(20,507)
Cash and cash equivalents at the end of the year		**11,099,680**	2,181,331

The accompanying notes on pages 53 to 58 form part of these Company financial statements.

Notes to the Company Financial Statements

1 General information

Bahamas Petroleum Company plc ("the Company") and its subsidiaries (together "the Group") are the holders of several oil & gas exploration licences issued by the Government of The Bahamas ("the Government").

The Company is a limited liability company incorporated and domiciled in the Isle of Man. The address of its registered office is IOMA House, Hope Street, Douglas, Isle of Man. The Company's review of operations and principal activities is set out in the Directors' Report. See note 1 to the consolidated financial statements for details of the Company's principal subsidiaries.

The accounting reference date of the Company is 31 December.

2 Accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC ("International Financial Reporting Interpretations Committee") interpretations as adopted by the European Union ("EU"). The financial statements have been prepared under the historical cost convention and the requirements of the Isle of Man Companies Acts 1931 to 2004.

The Company's accounting policies and information regarding changes in accounting policies and disclosures are in line with those of the Group, as detailed in note 2 of the consolidated financial statements, in addition to those set out below.

Going concern

The Directors have, at the time of approving the financial statements, determined that the Company has adequate financial resources and therefore these financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operations for the foreseeable future. See note 4 in the consolidated financial statements for further details.

Adoption of IFRS 16 Leases

The Company has adopted IFRS 16 'Leases' from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.03%

i) Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on previous assessments as to whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- Excluding initial direct costs for the measurement of the right of use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made in applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

Notes to the Company Financial Statements
(continued)

2 Accounting policies continued
2.1 Basis of preparation continued
Adoption of IFRS 16 Leases continued
ii) Measurement of lease liabilities

	2019 Company $
Operating lease commitments as at 31 December 2018	**14,810**
Less short-term leases not recognised as a liability	**(2,160)**
Add adjustment as a result of a different treatment of extension and termination options	**32,852**
	45,502
Discounted using the lessee's incremental borrowing rate at the date of initial application	**(3,878)**
Lease liability recognised as at 1 January 2019	**41,624**
Of which are:	
Current lease liabilities	**13,786**
Non current lease liabilities	**27,838**
Total	**41,624**

iii) Measurement of right-of-use assets
Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

iv) Adjustments recognised in the balance sheet as at 1 January 2019
The change in accounting policy affected the following items on the balance sheet on 1 January 2019:

- Right-of-use asset – increase by $41,624
- Lease liabilities – increase by $41,624

The net impact on the retained deficit on 1 January 2019 was nil.

2.2 Investment in subsidiaries
Investments in subsidiaries are included in the Company balance sheet at cost, less any provision for impairment.

2.3 Other receivables
The Company classifies its other receivables (excluding prepayments) as financial assets held at amortised cost. See note 2.8 of the Group financial statements for the accounting policy followed.

3 Financial risk management in respect of financial instruments
The Company's activities expose it to a variety of financial risks: liquidity, market and credit risk. The Company's overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Company.

The Company holds, and is responsible for managing, all material financial instruments of the Group, including cash balances, receivables, trade and other payables and any undrawn financing facilities. As a consequence, the financial risks posed to the Company by these financial instruments, and the measures implemented to manage and mitigate these risks, do not differ materially from those of the Group as a whole.

For further information on financial risk management in respect of financial instruments please see note 3 of the Group financial statements and note 4 below in respect of the credit risk relating to amounts owed by subsidiary undertakings.

4 Critical accounting estimates and judgements

Investment in subsidiary and amounts owed by subsidiary undertakings.

The investment in the Company's direct subsidiaries and amounts owed by subsidiary undertakings at 31 December 2019 stood at $29,560,465 (2018: $29,560,465) and $66,721,081 (2018: $63,034,852) respectively.

Ultimate recoverability of investments in subsidiaries and amounts owed by subsidiary undertakings is dependent on successful development and commercial exploitation, or alternatively, sale of the respective licence areas. The carrying value of the Company's investments in subsidiaries is reviewed at each balance sheet date and, if there is any indication of impairment, the recoverable amount is estimated. Estimates of impairments are limited to an assessment by the Directors of any events or changes in circumstances that would indicate that the carrying values of the assets may not be fully recoverable. Similarly, the expected credit losses on the amounts owed by subsidiary undertakings are intrinsically linked to the recoverable amount of the underlying assets. Any impairment losses arising are charged to the statement of comprehensive income.

See note 4(b) of the Group financial statements for more details.

5 Loss attributable to members of the Company

The loss dealt with in the financial statements of the Company for the year to 31 December 2019 is $3,164,902 (2018: $685,204). As permitted by part 1 section 3(5) of the Isle of Man Companies Act 1982, the Company has elected not to present its own statement of comprehensive income for the year.

6 Restricted cash

Restricted cash balances for the Company are the same as those for the Group. Please see note 12 to the consolidated financial statements for more details.

7 Property, plant and equipment

Company	Furniture, fittings and equipment $
As at 1 January 2018	
Cost	73,983
Accumulated depreciation	(66,099)
Net book amount	**7,884**
Year ended 31 December 2018	
Opening net book amount	7,884
Additions	23,146
Depreciation charge	(9,214)
Closing net book amount	**21,816**
As at 31 December 2018	
Cost	97,129
Accumulated depreciation	(75,313)
Net book amount	**21,816**
Year ended 31 December 2019	
Opening net book amount	21,816
Additions	3,487
Depreciation charge	(9,348)
Closing net book amount	**15,955**
As at 31 December 2019	
Cost	100,616
Accumulated depreciation	(84,661)
Net book amount	**15,955**

Notes to the Company Financial Statements
(continued)

8 Right-of-use assets

Company	Leased Property $
Year ended 31 December 2019	
Initial recognition – 1 January 2019	41,624
Depreciation	(14,692)
Closing cost/net book amount	**26,932**
As at 31 December 2019	
Cost	41,624
Accumulated depreciation	(14,692)
Net book amount	**26,932**

9 Investment in subsidiaries

	2019 Company $	2018 Company $
BPC (A) Limited	**29,560,456**	29,560,456
BPC (B) Limited	**3**	3
BPC (C) Limited	**3**	3
BPC (D) Limited	**3**	3
	29,560,465	29,560,465

See note 1 of the Group financial statements for details of the subsidiary undertakings.

10 Other receivables

	2019 Company $	2018 Company $
Non-current assets		
Amount owed by subsidiary undertakings	**66,721,081**	63,034,852
Current assets		
Prepayments	**97,173**	112,377
Other receivables	**126,913**	42,432
	224,086	154,809

Amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand. The Directors have agreed that repayment of these amounts will not be called on within 12 months of the reporting date.

Other receivables predominantly consist of VAT recoverable.

The Company has no financial assets that are subject to more than immaterial credit losses where the expected credit loss model has been applied. The fair value of other receivables approximates to their carrying value as at 31 December 2019 and 2018.

11 Cash and cash equivalents

	2019 Company $	2018 Company $
Cash at bank	**11,099,680**	2,181,331

The 2019 balances include interest bearing accounts at rates between 0% and 2.38% (2018: 0% to 1.65%).

12 Trade and other payables

	2019 Company $	2018 Company $
Exploration and evaluation liabilities	**1,068,636**	–
Accruals	**786,037**	250,503
Trade payables	**85,238**	8,767
Other payables	**6,424**	5,543
	1,946,335	264,813

The fair value of trade and other payables approximates their carrying value as at 31 December 2019 and 2018.

13 Share capital, share premium and other reserve

Company	Number of shares issued	Ordinary shares $	Share premium reserve $	Other reserve $	Total $
At 1 January 2018	**1,510,479,096**	**44,481**	**81,398,084**	**29,535,159**	**110,977,724**
Issue of Ordinary Shares	62,240,000	1,657	1,670,223	–	1,671,880
At 31 December 2018	**1,572,719,096**	**46,138**	**83,068,307**	**29,535,159**	**112,649,604**
At 1 January 2019	1,572,719,096	46,138	83,068,307	29,535,159	112,649,604
Issue of Ordinary Shares	562,043,690	14,500	13,088,727	–	13,103,227
At 31 December 2019	**2,134,762,786**	**60,638**	**96,157,034**	**29,535,159**	**125,752,831**

All issued shares are fully paid. The authorised share capital of the Company is 5,000,000,000 ordinary shares of 0.002 pence each.

During the prior year the Company issued 44,000,000 new Ordinary Shares on 29 May 2018 for 2.5 pence each raising gross proceeds of $1,464,967. Fees associated with the issuance totalling $87,898 have been deducted from the Share Premium reserve.

During the prior year the Company issued 15,600,000 new ordinary shares on 5 June 2018 and 2,640,000 new Ordinary Shares on 25 July 2018 for 1 pence and 2.5 pence each respectively in settlement of the exercise of warrants held by the Company brokers, raising gross proceeds of $207,759 and $87,052 respectively.

During the year the Company issued 120,000,000 new Ordinary Shares on 22 March 2019 for 1.6 pence each and 442,043,690 new Ordinary Shares on 12 November 2019 for 2.0 pence each raising gross proceeds of $2,523,994 and $11,342,399 respectively. Fees associated with the issuances totalling $164,849 and $598,317 respectively have been deducted from the share premium reserve.

The Other reserve balance arises from the issue of shares in the Company as part of the Scheme of Arrangement undertaken in 2010, which saw the shares in the then parent company BPC Limited replaced with shares in Bahamas Petroleum Company plc (then BPC plc), which became the new parent company of the Group.

14 Share-based payments

Share-based payments for the Company are the same as those for the Group. For further details please see note 20 to the Group financial statements.

Notes to the Company Financial Statements
(continued)

15 Cash flows
(a) Cash used in operations

	2019 Company $	2018 Company $
Loss before income tax	**(3,164,902)**	(685,204)
Adjustments for:		
– Depreciation (note 7 and 8)	**24,040**	9,214
– Finance income	**(39,411)**	(5,308)
– Finance costs	**47,813**	–
– Other income	**–**	(1,111,721)
– Foreign exchange (gain)/loss on operating activities	**(19,393)**	29,437
– Share-based payments (Group financial statements note 20)	**1,002,720**	438,198
Changes in working capital:		
– Other receivables	**(68,143)**	5,050
– Trade and other payables	**1,667,775**	(830,372)
Cash used in operations	**(549,501)**	(2,150,706)

(b) Net funds reconciliation

	Company Leases $	Company Cash $	Company Total $
Net funds as at 1 January 2018	**–**	**1,775,822**	**1,775,822**
Cash flows	–	426,016	426,016
Foreign exchange adjustments	–	(20,507)	(20,507)
Net funds as at 31 December 2018	**–**	**2,181,331**	**2,181,331**
Recognised on adoption of IFRS 16 (see note 2.1)	(41,624)	–	(41,624)
Net funds as at 1 January 2019	**(41,624)**	**2,181,331**	**2,139,707**
Cash flows	13,786	8,887,174	8,900,960
Foreign exchange adjustments	–	31,175	31,175
Net funds as at 31 December 2019	**(27,838)**	**11,099,680**	**11,071,842**

16 Related party transactions
During the year, goods and services totalling $3,686,229 (2018: $689,041) were charged by the Company to BPC Limited, the 100% indirectly owned subsidiary of the Company. See note 10 for details of the amounts outstanding at the balance sheet date.

All other related party transactions of the Company are the same as those for the Group. For further details see note 23 to the Group financial statements.

17 Events after the balance sheet date
Events after the balance sheet date of the Company are the same as those for the Group. For further details see note 24 to the Group financial statements.

Corporate Directory

Company Number	Registered in the Isle of Man with registered number 123863C	
Directors	**William Schrader** Non-Executive Chairman **James Smith** Non-Executive Deputy Chairman **Simon Potter** Chief Executive Officer	**Adrian Collins** Non-Executive **Ross McDonald** Non-Executive
Secretary	**Benjamin Proffitt**	
Registered Office and Corporate Headquarters	IOMA House Hope Street Douglas Isle of Man IM1 1AP	
Bahamas Headquarters	Building 5, Caves Village West Bay Street Nassau, Bahamas PO Box SP-64135	
Registrar	**Link Market Services (IOM) Limited** Clinch's House Lord Street Douglas Isle of Man IM99 1RZ	
Auditor	**PricewaterhouseCoopers LLC** Sixty Circular Road Douglas Isle of Man IM1 1SA	
Legal Advisors	**Graham Thompson & Co** Sassoon House Shirley Street & Victoria Avenue PO Box N-272, Nassau Bahamas **Delaney Partners** Commercial Lawyers Lyford Manor, (West Bldg) Western Road Lyford Cay PO Box CB-13007 Nassau, Bahamas	**Clyde & Co** St Botolph Building 138 Houndsditch London EC3A 7AR United Kingdom
Nominated Advisor	**Strand Hanson Limited** 26 Mount Row London W1K 3SQ United Kingdom	
Broker	**Shore Capital Stockbrokers Limited** Bond Street House 14 Clifford Street London W1S 4JU United Kingdom	

Notes

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