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

This document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA. The issue of the Placing Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA. This document does not constitute a prospectus for the purpose of the Prospectus Rules or an admission document for the purpose of the AIM Rules for Companies. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA pursuant to sections 85 and 87 of FSMA or by the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.

The Existing Ordinary Shares are admitted to trading on AIM. Applications will be made for the Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings will commence in the Firm Placing Shares by 8.00 a.m. on 22 May 2019 and Second Admission will become effective and that dealings will commence in the Conditional Placing Shares by 8.00 a.m. on 5 June 2019, subject to certain conditions being satisfied, including the passing of the Placing Resolutions at the General Meeting.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. AIM securities are not admitted to the Official List.**

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of the Company which contains the unanimous recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.

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## **Block Energy plc**

*(Incorporated and registered in England and Wales with registered number 05356303)*

**Placing of 109,090,000 new Ordinary Shares to raise approximately £12 million**

**and**

**Notice of General Meeting**

*Financial and Nominated Adviser*

*Broker to the Placing*



*SPARK Advisory Partners Limited*  
Authorised and regulated by  
the Financial Conduct Authority



*Mirabaud Securities Limited*  
Authorised and regulated by  
the Financial Conduct Authority

SPARK, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company in connection with the matters disclosed herein and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of SPARK or for advising any other person in respect of the proposed Placing or any transaction, matter or arrangement referred to in this document. SPARK's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by SPARK, for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible. Apart from the responsibilities and liabilities, if any, which may be imposed on SPARK by the FSMA or the regulatory regime established thereunder, SPARK does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing. SPARK accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Mirabaud, which is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company in connection with the matters disclosed herein and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of Mirabaud or for advising any other person in respect of the proposed Placing or any transaction, matter or arrangement referred to in this document. No representation or warranty, express or implied, is made by Mirabaud, for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible. A General Meeting will be held at 10.00 a.m. on 4 June 2019 at the offices of Hill Dickinson LLP at 8<sup>th</sup> Floor, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW. The notice convening the General Meeting is set out at the end of this document and a Form of Proxy for use at the General Meeting is enclosed. The action to be taken in respect of the General Meeting is set out in the letter from the Chairman of the Company contained in this document.

**Shareholders are requested to complete, sign and return the Form of Proxy whether or not they intend to be present at the General Meeting. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR by hand or sent by post, or by fax to +44 (0)1252 719232 so as to be received by not later than 10.00 a.m. on 31 May 2019.**

Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the Company's agent (ID 7RA36) by no later than 10.00 a.m. on 31 May 2019 (or if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares when issued and fully paid.

### **Important information**

None of the Placing Shares, the Form of Proxy or this document nor any other document connected with the Placing Shares have been or will be approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing or the accuracy or adequacy of this document, the Form of Proxy or any other document connected with the Placing. Any representation to the contrary is a criminal offence in the United States.

The Placing Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under any securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Any offering of the Placing Shares to be made in the United States will be made only to a limited number of “qualified institutional buyers” as defined in Rule 144A under the Securities Act pursuant to an exemption from the registration requirements of the Securities Act in a transaction not involving any public offering and outside the United States in offshore transactions in accordance with Regulation S under the Securities Act. There will be no public offer of the Placing Shares in any jurisdiction, including in the United States, Canada, Japan or South Africa.

This document does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation, offer or recommendation to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, including Australia and Hong Kong, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company. References to the “**Company**” will also be deemed to include its subsidiaries, both directly and indirectly held (including through nominees), all wholly owned. Investing in the Company may expose an individual to a significant risk of losing all of the property or other assets invested. The information in this document is being supplied for information purposes only.

No reliance may be placed for any purpose whatsoever on the information or opinions contained in this document or on its completeness. No representation or warranty, express or implied, is given by the Company as to the accuracy or completeness of the information or opinions contained in this document, and the information in this document is subject to updating, completion, revision, amendment and verification, which may result in material changes. The information contained in this document has not been independently verified. Any recipient of this document who is in any doubt about the Placing or other matters to which this document relates (including whether such recipient qualifies as an International Relevant Person or a US accredited investor) should consult an authorised person specialising in advising on investments of this kind. This document does not constitute a recommendation regarding the shares of the Company, and should not be construed as legal, business, tax or investment advice.

This document is not for release, publication or distribution, directly or indirectly, in or into Canada, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations. The distribution of this document and the Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document and/or accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

This document contains forward-looking statements. These statements relate to the future prospects, developments and business strategies of the Company. Forward-looking statements are identified by the use of such terms as “believe”, “could”, “envisage”, “estimate”, “potential”, “intend”, “may”, “plan”, “will” or variations or similar expressions, or the negative thereof. The forward-looking statements contained in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialise, or if underlying assumptions prove incorrect, the Company’s actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, certain of which are beyond the Company’s control, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of this document. Except as required by law, the Company undertakes no obligation to publicly release any update or revisions to the forward-looking statements contained in this document to reflect any change in events, conditions or circumstances on which any such statements are based after the time they are made. Certain figures and percentages contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given. In accordance with the AIM Rules for Companies, this document will be made available on the Company’s website: [www.blockenergy.co.uk](http://www.blockenergy.co.uk).

This document is dated 16 May 2019.

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## KEY STATISTICS

Number of Existing Ordinary Shares	276,131,218
Number of First Tranche Firm Placing Shares	13,636,000
Number of Second Tranche Firm Placing Shares	29,184,000
Issued share capital of the Company on First Admission	318,951,218
Number of Conditional Placing Shares	66,270,000
Issue Price	11p
Percentage of the Enlarged Share Capital represented by the Placing Shares	28.32%
Gross Proceeds of the Placing	£11,999,900
Number of Ordinary Shares in issue on Second Admission	385,221,218

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing	on 15 May 2019
Posting of the Circular and the Form of Proxy	on 16 May 2019
First Tranche Firm Placing Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	As soon as practicable after 8.00 a.m. on 22 May 2019
Second Tranche Firm Placing Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	As soon as practicable after 8.00 a.m. on 22 May 2019
<b>Admission of the Firm Placing Shares to trading on AIM</b>	<b>8.00 a.m. on 22 May 2019</b>
Expected date of despatch of definitive share certificates for the Firm Placing Shares in certificated form (certificated holders only)	on 29 May 2019
Latest time and date for receipt of Forms of Proxy for the General Meeting	10.00 a.m. on 31 May 2019
General Meeting	10.00 a.m. on 4 June 2019
Announcement of the result of the General Meeting	on 4 June 2019
<b>Second Admission of the Conditional Placing Shares to trading on AIM</b>	<b>8.00 a.m. on 5 June 2019</b>
Conditional Placing Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	As soon as practicable after 8.00 a.m. on 5 June 2019
Expected date of despatch of definitive share certificates for the Conditional Placing Shares in certificated form (certificated holders only)	on 12 June 2019

\*Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service.

References to time in this document are to London time. The timetable above assumes that the Resolutions are passed at the General Meeting without adjournment.

## DIRECTORS AND ADVISERS

Directors	Philip Dimmock ( <i>Non-executive Chairman</i> ) Paul Haywood ( <i>Chief Executive Officer</i> ) Roger McMechan (Technical Director) Niall Tomlinson (Executive Director) Christopher Brown (Non-executive Director)
Company Secretary	Ben Harber
Registered Office	6th Floor 60 Gracechurch Street London EC3V 0HR
Company website	<a href="http://www.blockenergy.co.uk">www.blockenergy.co.uk</a>
Nominated Adviser	SPARK Advisory Partners Limited 5 St John's Lane London EC1M 4BH
Broker	Mirabaud Securities Limited 10 Bressenden Place London SW1E 5DH
Legal advisers to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Legal Advisers to the Nominated Adviser and the Broker	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Registrar	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR

# LETTER FROM THE CHAIRMAN OF BLOCK ENERGY PLC

*Directors:*

Philip Dimmock  
Paul Haywood  
Roger McMechan  
Niall Tomlinson  
Christopher Brown

*Registered Office:*

6<sup>th</sup> Floor, 60 Gracechurch Street  
London, EC3V 0HR

16 May 2019

Dear Shareholder,

**Placing of 109,090,000 new Ordinary Shares at a price of 11 pence per share  
and  
Notice of General Meeting**

## 1 INTRODUCTION

Your Board announced on 15 May 2019 that the Group intends to raise approximately £12 million before fees and expenses by a placing of 109,090,000 new Ordinary Shares with existing and new institutional investors at a placing price of 11 pence per Placing Share.

The Placing Price represents a discount of approximately 15.71 per cent. to the Closing Price of 13.05 pence per Ordinary Share on 15 May 2019, being the last practical date prior to the announcement of the opening of the Placing. The Placing Shares will represent approximately 28.32 per cent. of the Company's Enlarged Share Capital on Admission.

The Firm Placing Shares are being placed pursuant to existing authorities granted to the Directors at the Company's annual general meeting held on 20 December 2018 and the Conditional Placing Shares are being placed conditional, *inter alia*, on the passing of the Placing Resolutions being proposed at the General Meeting. The First Tranche Firm Placing is unconditional and the issue and allotment of the First Tranche Firm Placing Shares shall take place by no later than 4.00 p.m. on the day prior to First Admission. The Second Tranche Firm Placing is conditional, *inter alia*, upon First Admission (which is expected to become effective with dealings in all of the Firm Placing Shares to commence on 22 May 2019); and the Conditional Placing is conditional, *inter alia*, upon Second Admission (which is expected to become effective with dealings in the Conditional Placing Shares to commence on 5 June 2019). **The Placing has not been underwritten.**

For the Conditional Placing to proceed, the Company requires Shareholders' approval to authorise the Directors to allot the Conditional Placing Shares and disapply statutory pre-emption rights in relation to the issue of the Conditional Placing Shares.

I am therefore writing to provide you with details of the Placing and to give you notice of the General Meeting at which the resolutions to approve the Conditional Placing will be put to Shareholders. The General Meeting is to be held at the offices of Hill Dickinson LLP at 8<sup>th</sup> Floor, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 10.00 a.m. on 4 June 2019. The formal notice of General Meeting is set out at the end of this document.

## 2 INFORMATION ON BLOCK ENERGY

The Company was until April 2017 a gold and copper focused exploration company with interests in projects primarily in Ghana and Mauritania, and had the name Goldcrest Resources plc. In April 2017, the Company amended its strategy to focus on oil and gas projects in the Republic of Georgia. It changed its name to Block Energy plc in May 2017, and its shares were admitted to trading on AIM on 11 June 2018.

The Company is the holding company of the Group, which holds three oil and gas assets with existing oil production in the Republic of Georgia. These are the Norio PSA, in which the Company has a 100% Working Interest, the Satskhenisi PSA, in which it has a 90% Working Interest and the West Rustavi PSA, in which the Company has a 71.5% Working Interest (with an agreement in place to take the Company's Working Interest to 100% by 31 August 2019). The owner of the balance of the Working Interests in the Satskhenisi PSA and the West Rustavi PSA, GOG, is a 10.12% shareholder in the Company's issued ordinary share capital and is one of Georgia's largest oil and gas asset holders. GOG is an established operator, and is one of the Company's service providers.

### 3 BACKGROUND TO, AND REASONS FOR, THE PLACING

#### 3.1 *Background*

Since the Company's shares were admitted to trading on AIM, excellent progress has been made. Highlights include:

- Entry into an agreement with GOG to acquire a 100% participating interest in the West Rustavi PSA, giving the Company full strategic control over the asset with company-making potential including gross contingent 2C resources of 38 million barrels of oil and 608 BCF of gas (Source: CPR dated 1 January 2018)
- Successful completion of the first of two wells (WR 16aZ) projected for horizontal sidetracking at West Rustavi field, with significant hydrocarbon shows in the targeted Upper and Middle Eocene formations. Initial testing flowed the well at a rate of approximately 1,100 bbl/d
- At US \$65/bbl Brent, sustained production of 700 bopd, a West Rustavi well would:
  - Generate net free cash flow of US \$9.2 million per annum
  - Pay back estimated well costs in less than three months
  - Confirm possibilities for further sidetracking operations at West Rustavi and exploration of the field's legacy gas discoveries
- Offtake agreement secured with established Georgian gas trader with capacity to support the Company's gas development ambitions for West Rustavi
- Agreement for exclusive use throughout the Former Soviet Union region of a specialist microdrilling perforating tool currently being deployed for operations at the Norio field
- Increase in the Company's production rate at Norio field through ongoing multi-well workover programme:
  - Closing in on corporate breakeven target of around 100 bopd (at US \$65/bbl Brent)
  - Anticipated pay back of Norio workover programme approximately one year

The Company raised £5 million (gross) at the time of its admission to AIM in June 2018. Since then, the Company has invested those funds in order to make the advancements referred to above.

The Directors have delivered on their stated strategy on listing and continue to make progress towards realising the objective of transforming the Company into Georgia's leading independent oil and gas producer: consolidating assets, increasing production and developing infrastructure.

#### 3.2 *Reasons for the Placing*

The Company is undertaking the Placing in order to fund the acceleration of its defined development strategy in relation to its rights under the West Rustavi PSA. Over the next 18 months, the Company intends to carry out the following works in West Rustavi:

- Drill up to four horizontal sidetracks to scale up production and fund future capital programmes.
- Expand production facilities to increase capacity to 4-5 Mbb/d.
- Acquire 3D seismic to provide critical understanding of subsurface.
- Appraise two existing gas discoveries.
- Drill one new well targeting gross contingent 2C gas resources 608 BCF.

Within the next 24 months the Company aims to bring West Rustavi gas reserves into production, to continue oil development and to secure additional licences in Georgia and the wider region.

The Directors believe that the Company is excellently placed to create asset value and cash by implementing the defined development strategy set out above,

#### **4 USE OF PROCEEDS**

The gross proceeds receivable by the Company pursuant to the Placing are expected to be approximately £12 million. The Company intends to use the proceeds together with its existing cash resources to implement its development strategy referred to in paragraph 3.2 above.

#### **5 CURRENT TRADING AND PROSPECTS**

The Company's results for the six months ended 31 December 2018 were released on 28 March 2019. A copy of these results can be found at [www.blockenergy.co.uk](http://www.blockenergy.co.uk).

#### **6 FINANCIAL INFORMATION**

Audited accounts for the Company for each of the three years ended 30 June 2018, 30 June 2017 and 30 June 2016 are available on the Company's website at [www.blockenergy.co.uk](http://www.blockenergy.co.uk).

#### **7 DETAILS OF THE PLACING**

##### **7.1 *Details of the Placing***

The Placing has raised approximately £12 million (before expenses) for the Company (by way of an accelerated bookbuild) of 109,090,000 Placing Shares at the Placing Price with institutional shareholders.

All of the Firm Placing Shares are being placed pursuant to existing authorities granted to the Directors at the Company's annual general meeting held on 20 December 2018 while the Conditional Placing Shares are being placed conditional, *inter alia*, on the passing of the Placing Resolutions at the General Meeting. The First Tranche Firm Placing is unconditional and the First Tranche Firm Placing Shares shall be issued and allotted by no later than 4.00 p.m. on the day prior to First Admission. The First Tranche Placing Shares have been placed with Amati Global Investors. The Second Tranche Firm Placing is conditional, *inter alia*, upon First Admission. It is expected that all of the Firm Placing Shares will be admitted to trading on AIM at 8.00 a.m. on 22 May 2019 whilst it is expected that the Conditional Placing Shares will be admitted to trading on AIM at 8.00 a.m. on 5 June 2019.

The Placing Price represents a discount of approximately 15.71 per cent. to the Closing Price of 13.05 pence per Ordinary Share on 15 May 2019, being the last practical date prior to the announcement of the Placing and the publication of this document.

The Company, SPARK and Mirabaud have entered into the Placing Agreement, pursuant to which Mirabaud has agreed to use its reasonable endeavours to procure placees pursuant to the Placing. The Company has agreed to pay all costs and expenses relating to the Placing and the applications for Admission including commission payable to Mirabaud.

The Placing Agreement contains certain warranties and indemnities by the Company in favour of SPARK and Mirabaud. It also contains provisions entitling SPARK and Mirabaud to terminate the Placing Agreement if, amongst other things, a breach of any of the warranties occurs or an event occurs which is material in the context of the Placing.

Conditional upon First Admission the Company will issue 2,141,000 warrants to brokers ("broker warrants") exercisable at the Placing Price at any time in the three years following First Admission; and conditional upon Second Admission will issue 3,313,500 broker warrants to brokers exercisable at the Placing Price at any time in the three years following Second Admission.

## 7.2 **Conditions of the Placing**

The First Tranche Firm Placing is unconditional and the First Tranche Firm Placing Shares shall be issued and allotted by no later than 4.00 p.m. on the day prior to First Admission. The Second Tranche Firm Placing (which is not being underwritten) is conditional, *inter alia*, upon Admission of all of the Firm Placing Shares becoming effective on or before 8.00 a.m. on 22 May 2019 or such later date as the Company, Mirabaud and SPARK may agree, being no later than 8.00 a.m. on 29 May 2019.

The Conditional Placing is conditional, *inter alia*, upon:

- (a) the admission of the Firm Placing Shares to trading on AIM;
- (b) the passing of the Placing Resolutions at the General Meeting;
- (c) the Placing Agreement becoming unconditional in all respects (save for Second Admission occurring) and not having been terminated in accordance with its terms; and
- (d) admission of the Conditional Placing Shares to trading on AIM becoming effective by no later than 8.00 a.m. on 5 June 2019 (or such later time and/or date as the Company, SPARK and Mirabaud may agree (being not later than 8.00 a.m. on 12 June 2019)).

If such conditions are not satisfied or, if applicable, waived, by the date(s) and time(s) referred to above the Conditional Placing will not proceed.

The Placing is not underwritten by Mirabaud or any other person.

The Placing will result in the issue of 109,090,000 new Ordinary Shares representing approximately 28.32 per cent. of the Enlarged Share Capital. The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares on Admission.

## 7.3 **Related Party Transaction**

Amati Global Investors have agreed to participate in the Firm Placing for amounts of £3,000,000, representing 27,272,000 Ordinary Shares. Amati Global Investors holds (prior to the Placing) 13.58% of the issued share capital of the Company and they therefore constitute a substantial shareholder pursuant to the AIM Rules. Accordingly, their participation in the Firm Placing is a related party transaction under Rule 13 of the AIM Rules.

Following First Admission, Amati Global Investors' shall hold 17.34% of the issued share capital of the Company. Following Second Admission, they shall hold 16.81% of the issued share capital of the Company.

In relation to this related party transaction, all of the Directors are independent for the purposes of AIM Rule 13 and, having consulted with SPARK, the Company's Nominated Adviser, consider that the terms of Amati Global Investors' participation in the Firm Placing are fair and reasonable insofar as Shareholders are concerned, particularly noting that Amati Global Investors are subscribing for Placing Shares on the same terms and conditions as all other participants in the Placing.

## 8 **SETTLEMENT AND DEALINGS**

The Placing Shares will be issued credited as fully paid and will rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of Ordinary Shares after each Admission.

Application will be made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings in the Firm Placing Shares will commence on 8.00 a.m. on 22 May 2019.

Application will be made to the London Stock Exchange for the Conditional Placing Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings in the Conditional Placing Shares will commence on 8.00 a.m. on 5 June 2019, subject, *inter alia*, to the passing of the Placing Resolutions at the General Meeting.

## 9 GENERAL MEETING

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of Hill Dickinson LLP at 8<sup>th</sup> Floor, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 10.00 a.m. on 4 June 2019, at which the following Resolutions will be proposed for the purposes of the Conditional Placing:

- **Resolution 1** – an ordinary resolution to grant the Directors authority to allot the Conditional Placing Shares pursuant to the Conditional Placing
- **Resolution 2** – an ordinary resolution to grant the Directors authority to allot up to 128,394,000 new Ordinary Shares. As the Firm Placing will utilise in full the authority to allot shares that was granted at the Company's AGM held on 20 December 2018, the purpose of this resolution is to renew that authority in order to give the Directors the flexibility to take advantage of specific investment and funding opportunities as they arise, without the need to revert to Shareholders for further approval
- **Resolution 3** – a special resolution to disapply statutory pre-emption rights in respect of the allotment of the Conditional Placing Shares pursuant to the Conditional Placing (such Resolution being conditional upon the passing of Resolution 1)
- **Resolution 4** – a special resolution to dis-apply statutory pre-emption rights in respect of the allotment of up to 77,044,000 new Ordinary Shares in accordance with Resolution 2 above (such Resolution being conditional upon the passing of Resolution 2)

Resolutions 1 and 2 are being proposed as ordinary resolutions and require approval by a simple majority of those votes cast (by persons present in person or by proxy) at the General Meeting for the resolutions to be passed. Resolutions 3 and 4 are being proposed as special resolutions and require approval by not less than three-quarters of the votes cast (by persons present in person or by proxy) at the General Meeting for the resolutions to be passed.

## 10 ACTION TO BE TAKEN

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy and return it to the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR so as to be received not less than 48 hours (excluding any part of a day that is not a Business Day) before the time and date fixed for the holding of the meeting or any adjournment thereof (as the case may be). For the avoidance of doubt, the last possible date for the submission of forms of proxy will be 10.00 a.m. on 31 May 2019 (or in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the Company's agent (ID 7RA36) by no later than 10.00 a.m. on 31 May 2019 (or if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned meeting).

The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

## 11 RECOMMENDATION

The Directors unanimously consider that the Placing is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions, as the Directors intend to do in relation to their own and associated holdings of 3,701,954 Ordinary Shares in total, representing approximately 1.34 per cent. of the Existing Ordinary Shares.

Yours faithfully

**Philip Dimmock**  
*Non-Executive Chairman*

## DEFINITIONS

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

<b>Admission</b>	First Admission and/or Second Admission, as the context requires.
<b>AIM</b>	the market of that name operated by the London Stock Exchange.
<b>AIM Rules for Companies</b>	the AIM Rules for Companies published by the London Stock Exchange for the time being.
<b>Board</b>	the board of directors of the Company for the time being.
<b>Business Day</b>	any day on which banks are open for business in London other than a Saturday, Sunday or statutory holiday.
<b>CA 2006</b>	the Companies Act 2006, as amended.
<b>Closing Price</b>	the closing mid-market price of an Ordinary Share on AIM as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange.
<b>Company</b>	Block Energy plc, a public limited liability company incorporated and registered in England and Wales (with registration number 05356303) whose registered office is at 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR.
<b>Conditional Placing</b>	the placing of the Conditional Placing Shares pursuant to the Placing.
<b>Conditional Placing Shares</b>	66,270,000 Ordinary Shares to be allotted and issued pursuant to the Conditional Placing.
<b>CREST</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the holding and transfer of title to shares in uncertificated form.
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended.
<b>Directors</b>	the directors of the Company as at the date of this document whose names are listed on page 7 of this document.
<b>Enlarged Share Capital</b>	the issued ordinary share capital of the Company immediately following the Second Admission comprising the Existing Ordinary Shares and the Placing Shares.
<b>Euroclear</b>	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST.
<b>Existing Ordinary Shares</b>	the 276,131,218 Ordinary Shares in issue as at the date of this document and <b>Existing Share Capital</b> shall have the same meaning.
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom.
<b>Firm Placing</b>	the placing of the Firm Placing Shares pursuant to the Placing;
<b>Firm Placing Shares</b>	the First Tranche Firm Placing Shares and the Second Tranche Firm Placing Shares.

<b>First Admission</b>	the admission of the Firm Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules.
<b>First Tranche Firm Placing</b>	the placing of First Tranche Firm Placing Shares pursuant to the Placing.
<b>First Tranche Firm Placing Shares</b>	13,636,000 Ordinary Shares to be allotted and issued pursuant to the First Tranche Firm Placing.
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended.
<b>Form of Proxy</b>	the form of proxy for use at the General Meeting.
<b>General Meeting</b>	the general meeting of the Company convened pursuant to the Notice and to be held at the offices of Hill Dickinson LLP at 8 <sup>th</sup> Floor, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 10.00 a.m. on 4 June 2019.
<b>GOG</b>	Georgia Oil & Gas Ltd.
<b>Group</b>	the Company and its subsidiary undertakings.
<b>London Stock Exchange</b>	London Stock Exchange plc.
<b>Mirabaud</b>	Mirabaud Securities Limited, the Company's broker in respect of the Placing.
<b>Notice</b>	the notice of General Meeting which is set out at the end of this document.
<b>Norio PSA</b>	the Production Sharing Agreement between (1) Norioskhevi (a wholly-owned subsidiary of the Company), and (2) the State Agency for Regulation of Oil and Gas Resources in Georgia and the National Oil Company of Georgia–Georgian Oil, for the distribution of hydrocarbons amongst the parties from production in Norio Block of the Republic of Georgia.
<b>Official List</b>	the official list of the UK Listing Authority.
<b>Ordinary Shares</b>	the ordinary shares of £0.0025 each in the capital of the Company.
<b>Placing</b>	the Firm Placing and/or the Conditional Placing, as the context requires, in each case by Mirabaud at the Placing Price pursuant to the Placing Agreement.
<b>Placing Agreement</b>	the placing agreement dated 16 May 2019 between SPARK, Mirabaud and the Company.
<b>Placing Price</b>	11 pence per Placing Share.
<b>Placing Resolutions</b>	Resolutions 1 and 3 as set out in the Notice to authorise the Company to allot and issue the Placing Shares.
<b>Placing Shares</b>	the 109,090,000 Ordinary Shares to be allotted and issued pursuant to the Placing, consisting of the Firm Placing Shares and/or the Conditional Placing Shares, as the context requires.
<b>Prospectus Rules</b>	the Prospectus Rules (in accordance with section 73A(3) of FSMA) of the FCA.
<b>Resolutions</b>	the resolutions set out in the Notice which are to be proposed at the General Meeting.

<b>Satskhenisi PSA</b>	the Production Sharing Agreement between (1) Satskhenisi Limited (a wholly owned subsidiary of the Company) and GOG, and (2) the State Agency for Regulation of Oil and Gas Resources in Georgia and the National Oil Company of Georgia–Georgian Oil, for the distribution of hydrocarbons amongst the parties from production in Satskhenisi Block of the Republic of Georgia.
<b>Second Admission</b>	the admission of the Conditional Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules.
<b>Second Tranche Firm Placing</b>	the placing of First Tranche Firm Placing Shares pursuant to the Placing.
<b>Second Tranche Firm Placing Shares</b>	29,184,000 Ordinary Shares to be allotted and issued pursuant to the Second Tranche Firm Placing.
<b>Securities Act</b>	the US Securities Act of 1933, as amended.
<b>Shareholders</b>	the registered holders of Ordinary Shares.
<b>SPARK</b>	SPARK Advisory Partners Limited, the Company’s nominated adviser.
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>uncertificated</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations may be transferred by means of CREST.
<b>West Rustavi PSA</b>	the Production Sharing Agreement between (1) Georgia New Ventures Inc (a wholly owned subsidiary of the Company) and GOG, and (2) the State Agency for Regulation of Oil and Gas Resources in Georgia and the National Oil Company of Georgia–Georgian Oil, for the distribution of hydrocarbons amongst the parties from production in West Rustavi Block (Permit XI (f)) of the Republic of Georgia.

Unless otherwise indicated, all references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

# NOTICE OF GENERAL MEETING

## BLOCK ENERGY PLC

(Registered in England and Wales with number 05356303)

(the "Company")

### NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the Company will be held at 10.00 a.m. on 4 June 2019 at the offices of Hill Dickinson LLP at 8<sup>th</sup> Floor, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, to consider, and if thought fit, pass the following resolutions of which the resolutions numbered 1 and 2 will be proposed as ordinary resolutions and the resolutions numbered 3 and 4 will be proposed as special resolutions and in each of which resolutions terms defined in the circular to the Company's shareholders dated 16 May 2019:

#### Ordinary resolutions

##### THAT:

- 1 In accordance with the requirements of section 551 of the Companies Act 2006 ("**CA 2006**"), and in addition to any existing authority, the directors of the Company be and they are hereby authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £165,675 (66,270,000 new ordinary shares of £0.0025 each ("**Ordinary Shares**")) in connection with the Conditional Placing (as defined in the circular dated 16 May 2019 of which this notice forms part). The authority conferred by this resolution shall expire on 12 June 2019, unless such authority is renewed varied or revoked by the Company by ordinary resolution prior to or on that date and provided also that the Company may, before such expiry, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after such expiry and the directors of the Company may allot shares in the Company or grant rights pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.
- 2 In accordance with the requirements of section 551 of the CA 2006 and in addition to the authority granted in Resolution 1, the directors of the Company be and they are hereby authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £320,985 (128,394,000 new Ordinary Shares). The authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2019, unless such authority is renewed varied or revoked by the Company by ordinary resolution prior to or on that date and provided also that the Company may, before such expiry, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after such expiry and the directors of the Company may allot shares in the Company or grant rights pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired..

#### Special Resolutions

##### THAT

- 3 Subject to Resolution 1 being passed, in accordance with section 570(1) of CA 2006, the directors of the Company be and they are hereby empowered to allot equity securities (within the meaning of section 560 of CA 2006) for cash pursuant to the authority conferred by Resolution 1 as if section 561 of CA 2006 did not apply to such allotment, provided that this power shall be limited to the allotment and issue of new Ordinary Shares with a maximum aggregate nominal amount of £165,675 (66,270,000 Ordinary Shares) pursuant to the Conditional Placing and shall expire on 12 June 2019 and provided also that any such power may be revoked or varied by special resolution and that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to any such offer or agreement as if such powers had not expired.

- 4 Subject to Resolution 2 being passed, in accordance with section 570(1) of CA 2006, the directors of the Company be and they are hereby empowered to allot equity securities (within the meaning of section 560 of CA 2006) for cash pursuant to the authority conferred by Resolution 2 as if section 561 of CA 2006 did not apply to such allotment, provided that this power shall be limited to the allotment and issue of new Ordinary Shares with a maximum aggregate nominal amount of £192,610 (77,044,000 new Ordinary Shares) pursuant to the authority granted in Resolution 2 and shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2019 and provided also that any such power may be revoked or varied by special resolution and that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to any such offer or agreement as if such powers had not expired.

*By order of the Board*  
Philip Dimmock  
Non-Executive Chairman

*Registered office:*  
6<sup>th</sup> Floor  
60 Gracechurch Street  
London EC3V 0HR

**Notes:**

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at:
  - 10.00 a.m. on 31 May 2019; or
  - if this meeting is adjourned, at 6.00 p.m. on the day two Business Days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting.

**Appointment of proxies**

2. A member is entitled to attend, speak and vote at the above meeting and is entitled to appoint one or more proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to him/her.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, each different proxy appointment form must be received by the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR not less than 48 hours before the time appointed for the meeting (excluding any part of a day that is not a Business Day).
4. A vote withheld is not a vote in law which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
5. A form of proxy is enclosed. To be valid any form of proxy and power of attorney or other authority under which it is signed or a notarially certified or office copy of such power or authority must be lodged with the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR Y so as to be received not less than 48 hours before the time appointed for the meeting or any adjourned meeting (excluding any part of a day that is not a Business Day). The return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (Euroclear) specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID 7RA36 ) not less than 48 hours before the time appointed for the meeting (excluding any part of a day that is not a Business Day). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

**Changing proxy instructions**

11. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

## BLOCK ENERGY PLC FORM OF PROXY

I/We .....  
of .....  
being a member of the Company, hereby appoint .....

or failing him, the Chairman of the Meeting, as my/our proxy to attend, speak and vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10.00am on Tuesday 4th June 2019 and at any adjournment thereof. I/We direct my/our vote as indicated below in respect of the resolutions which are referred to in the Notice convening the Meeting (see note 1 below).

	Ordinary Resolutions	FOR	AGAINST	WITHHELD
Resolution 1	To authorise the directors to allot relevant securities in relation to the Conditional Placing Shares pursuant to the Conditional Placing.			
Resolution 2	To generally authorise the directors to allot relevant securities pursuant to Section 551 of the Companies Act 2006.			
	<b>Special Resolutions</b>			
Resolution 3	To authorise the directors to allot equity securities pursuant to Section 570 of the Companies Act 2006.			
Resolution 4	To generally authorise the directors to allot equity securities in relation to the Conditional Placing Shares pursuant to the Conditional Placing.			

Date ..... Signature .....

Please tick here if you are appointing more than one proxy.

### Notes

- Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Should you wish to appoint more than one proxy please return this form and attach to it a schedule detailing the names of the proxies you wish to appoint, the number of shares each proxy will represent and the way in which you wish them to vote on the resolutions that are to be proposed. **To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR by hand or sent by post, or by fax to +44 (0)1252 719232 so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be) excluding any part of a day which is not a working day.**
- The completion and return of a form of proxy will not preclude a member from attending in person at the meeting and voting should he wish to do so.
- In the case of a corporation, the form of proxy must be executed under its common seal or the hand of an officer or attorney duly authorised.
- A member may appoint a proxy of its own choice. If the name of the member's choice is not entered in the space provided on the form of proxy, the return of the form of proxy duly signed will authorise the Chairman of the meeting to act as that member's proxy.
- To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- The Company has specified that only those members entered on the register of members at 10:00 am on 31st May 2019 shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of £0.0025 each in the capital of the Company held in their name at that time. Changes to the register after the 10.00 am on 31st May 2019 shall be disregarded in determining the rights of any person to attend and vote at the meeting.