

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or about what action to take, you are recommended to seek your own independent professional advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

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 New 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 New Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the New Shares by 8.00 a.m. on 31 December 2020, subject to certain conditions being satisfied, including the passing of the 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.

---

## **Block Energy plc**

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

**Placing of, and subscription for, 176,000,000 new Ordinary Shares to  
raise approximately £5.28 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 30 December 2020 at Lansdowne House, 57 Berkeley Square, London W1J 6ER. 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.

**Please note that arrangements for this General Meeting are different from previous general meetings given that we expect significant restrictions on personal movement to still be in place due to COVID-19. The Board requests that no Shareholders attend the meeting. Any Shareholders that do attend will be refused entry. Only those who are required to form the quorum will attend in person and those Shareholders will constitute the minimum quorum for the meeting to take place. Shareholders are asked to complete the Form of Proxy in accordance with the instructions printed on it. 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 24 December 2020.**

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 24 December 2020 (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, however, you should be aware that, in light of the public health advice in response to the COVID-19 outbreak, you should not attend the General Meeting as travel to it is not necessary for business purposes. In light of the public health advice in response to the COVID-19 outbreak, including to limit travel and public gatherings, the Company strongly encourages all Shareholders to submit their form of proxy, appointing the chairman of the General Meeting as proxy, rather than attend the General Meeting in person.

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

### **Important information**

None of the New Shares, the Form of Proxy or this document nor any other document connected with the New 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 New 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 New 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 New Shares in any jurisdiction, including in the United States, Canada, the Republic of Ireland, 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, 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 7 December 2020.

## TABLE OF CONTENTS

<b>Section</b>	<b>Page</b>
KEY STATISTICS	5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	5
DIRECTORS AND ADVISERS	6
LETTER FROM THE CHAIRMAN OF BLOCK ENERGY PLC	7
DEFINITIONS	13
NOTICE OF GENERAL MEETING	16

## KEY STATISTICS

Number of Existing Ordinary Shares as at the date of this document	438,542,093
Number of Placing Shares	144,840,000
Number of Subscription Shares	31,160,000
Aggregate number of New Shares	176,000,000
Issue Price	3 pence
Percentage of the Enlarged Share Capital represented by the New Shares	28.64
Gross Proceeds of the Fundraising	£5.28 million
Number of Ordinary Shares in issue on Admission	614,542,093

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the results of the Fundraising	on 3 December 2020
Posting of the Circular and the Form of Proxy	on 7 December 2020
Latest time and date for receipt of Forms of Proxy for the General Meeting	10.00 a.m. on 24 December 2020
General Meeting	10.00 a.m. on 30 December 2020
Announcement of the result of the General Meeting	on 30 December 2020
<b>Admission of the New Shares to trading on AIM</b>	8.00 a.m. on 31 December 2020
New 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 31 December 2020
Expected date of despatch of definitive share certificates for the New Shares in certificated form (certificated holders only)	on 14 January 2021

\*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> ) William McAvoek ( <i>Chief Financial Officer</i> ) Christopher Brown ( <i>Non-executive Director</i> )
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  
William McAvock  
Christopher Brown

*Registered Office:*

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

7 December 2020

Dear Shareholder,

**Placing of, and Subscription for, 176,000,000 new Ordinary Shares at a price of 3 pence  
per share  
and  
Notice of General Meeting**

## 1 INTRODUCTION

Your Board announced on 3 December 2020 that the Group intends to raise approximately £5.28 million before fees and expenses by a placing of, and subscription for, 176,000,000 new Ordinary Shares with existing and new investors at an issue price of 3 pence per New Share.

The Issue Price represents a discount of approximately 19.1 per cent. to the 5-day volume weighted average price per Ordinary Share at close of business on 2 December 2020, being the last practicable date prior to the announcement of the result of the Fundraising. The New Shares will represent approximately 28.64 per cent. of the Company's Enlarged Share Capital on Admission.

The Fundraising is conditional, inter alia, upon Admission (which is expected to become effective with dealings in the New Shares to commence on 31 December 2020). **The Fundraising has not been underwritten.**

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

I am therefore writing to provide you with details of the Fundraising and to give you notice of the General Meeting at which the resolutions to approve the Fundraising will be put to Shareholders. The General Meeting is to be held at Lansdowne House, 57 Berkeley Square, London W1J 6ER at 10.00 a.m. on 30 December 2020. 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 focussed 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 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 ("IPO").

The Company is the holding company of the Group. Until 23 November 2020, the Group held interests in three oil and gas licence blocks with existing oil production in 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 100% working interest. The owner of the balance of the working interests in the Satskhenisi PSA, Georgia Oil & Gas Limited ("**GOG**"), is one of Georgia's largest oil and gas asset holders, an established operator, and one of the Company's service providers.



On 25 March 2020, the Company entered into a conditional share purchase agreement with Schlumberger B.V. ("**Schlumberger**") pursuant to which the Company agreed to acquire the entire issued share capital of Schlumberger Rustaveli Company Limited ("**SRCL**"). As announced by the Company on 24 November 2020, that acquisition was completed on 23 November 2020. SRCL holds a 100% working interest in the Block XI<sup>B</sup> PSA, which is located adjacent to the West Rustavi PSA, as well as the Block IX PSA. Following the acquisition of SRCL, the Group now holds interests in five oil and gas licences.

### **3 BACKGROUND TO, AND REASONS FOR, THE FUNDRAISING**

The Company is undertaking the Fundraising in order to fund the implementation of the first phase of a new, two-phase development strategy, following its acquisition of SRCL.

Pursuant to the first phase of the development strategy ("**First Phase**"), which is to be undertaken during the course of the next 12 months, the Group intends to:

- Restart the two existing wells at West Rustavi, WR-38Z and WR-16aZ, to resume oil production and commence gas sales from the newly commissioned early production facility.
- Continue base production from existing wells in Block XI<sup>B</sup>, Norio and Satskhenisi.
- Drill one new well under the West Rustavi PSA ("WR-BA").
- Re-enter an existing well under the Block XI<sup>B</sup> PSA ("JKT-1") and drill a new horizontal sidetrack.
- target an initial production rate of 550 bopd at each of WR-BA and JKT-1.
- Workover of existing well WR-16aZ at West Rustavi, including the installation of an electrical submersible pump, to target increased production of oil and gas.

The two wells proposed to be drilled in the First Phase are intended to further increase production and cashflow from West Rustavi and Block XI<sup>B</sup> in order to target in excess of US\$40 million net present value of future cash flows.

Following completion of the First Phase, the Group intends to undertake the following works as the second phase of the development strategy ("**Second Phase**"):

- Drill a further four wells commencing at the end of 2021 and during the course of 2022.
- One of these four wells will be under the West Rustavi PSA ("WR-BB") and the other three will be under the Block XI<sup>B</sup> PSA - "RUS-BA" in the Rustavi oil field and "PAT-BA" and "PAT-BB" in the Patardzeuli oil field.

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 Fundraising are expected to be approximately £5.28 million. The Company intends to use the proceeds together with its existing cash resources to implement the First Phase of its development strategy referred to in paragraph 3 above.

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

The Company's interim results for the six months ended 30 June 2020 were released on 30 September 2020. 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 financial periods ended 31 December 2019, 30 June 2018 and 30 June 2017 are available on the Company's website at [www.blockenergy.co.uk](http://www.blockenergy.co.uk).

## 7 DETAILS OF THE FUNDRAISING

### 7.1 *Details of the Fundraising*

The Fundraising has raised approximately £5.28 million (before expenses) for the Company (by way of an accelerated bookbuild), comprising the issue of 144,840,000 Placing Shares pursuant to the Placing which has raised gross funds of £4.35 million, and the issue of 31,160,000 Subscription Shares pursuant to the Subscription which has raised gross funds of £0.93 million, with all New Shares being issued at the Issue Price.

All of the New Shares are being placed or subscribed for (as applicable) conditional, *inter alia*, on the passing of the Resolutions at the General Meeting. It is expected that all the New Shares will be admitted to trading on AIM at 8.00 a.m. on 31 December 2020.

The Issue Price represents a discount of approximately 19.1 per cent. to the 5-day volume weighted average price per Ordinary Share at close of business on 2 December 2020, being the last practicable date prior to the announcement of the result of the Fundraising.

The Company, SPARK and Mirabaud have entered into the Placing Agreement, pursuant to which Mirabaud has agreed to use its reasonable endeavours to procure places pursuant to the Placing. The Company has agreed to pay all costs and expenses relating to the Placing and the application 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.

In connection with the Placing and the Subscription, and conditional upon Admission, the Company will issue 8,750,167 warrants exercisable at the Issue Price at any time in the five years following Admission.

### 7.2 *Conditions of the Fundraising*

The Fundraising is conditional, *inter alia*, upon:

- (a) the admission of the New Shares to trading on AIM;
- (b) the passing of the Resolutions at the General Meeting;
- (c) the Placing Agreement becoming unconditional in all respects (save for Admission occurring) and not having been terminated in accordance with its terms; and
- (d) admission of the New Shares to trading on AIM becoming effective by no later than 8.00 a.m. on 31 December 2020 (or such later time and/or date as the Company, SPARK and Mirabaud may agree (being not later than 8.00 a.m. on 8 January 2021)).

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

**The Fundraising is not underwritten by Mirabaud or any other person.**

The Fundraising will result in the issue of 176,000,000 new Ordinary Shares representing approximately 28.64 per cent. of the Enlarged Share Capital. The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares on Admission.

## 8 SETTLEMENT AND DEALINGS

The New 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 Admission.

Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Shares will commence on 8.00 a.m. on 31 December 2020, subject, *inter alia*, to the passing of the 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 Lansdowne House, 57 Berkeley Square, London W1J 6ER at 10.00 a.m. on 30 December 2020, at which the following Resolutions will be proposed for the purposes of the Fundraising:

- **Resolution 1** – an ordinary resolution to grant the Directors authority to allot the New Shares pursuant to the Fundraising.
- **Resolution 2** – to disapply statutory pre-emption rights in respect of the allotment of the New Shares pursuant to the Fundraising (such Resolution being conditional upon the passing of Resolution 1)

Resolutions 1 is being proposed as an ordinary resolution and requires approval by a simple majority of those votes cast (by persons present in person or by proxy) at the General Meeting for the resolution to be passed. Resolution 2 is being proposed as a special resolution and requires 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 resolution 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 24 December 2020 (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 24 December 2020 (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).

**Please note that arrangements for this General Meeting are different from previous general meetings given that we expect significant restrictions on personal movement to still be in place due to COVID-19. The Board requests that no Shareholders attend the meeting. Any Shareholders that do attend will be refused entry. Only those who are required to form the quorum will attend in person and those Shareholders will constitute the minimum quorum for the meeting to take place. Shareholders are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Share Registrars Limited, as soon as possible but in any event not later than 10.00 a.m. on 24 December 2020.**

## 11 RECOMMENDATION

The Directors unanimously consider that the Fundraising 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 4,523,929 Ordinary Shares in total, representing approximately 1.03 per cent. of the Existing Ordinary Shares (as at the date of this document).

Yours faithfully

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

## DEFINITIONS

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

<b>Admission</b>	the admission of the New Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules.
<b>AIM</b>	the AIM 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>Block IX PSA</b>	the Production Sharing Agreement between (1) SRCL (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 & Gas Corporation, for the distribution of hydrocarbons amongst the parties from production in Block IX of Georgia.
<b>Block XI<sup>B</sup> PSA</b>	the Production Sharing Agreement between (1) SRCL (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 & Gas Corporation, for the distribution of hydrocarbons amongst the parties from production in Block XI <sup>B</sup> of Georgia.
<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>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 Admission comprising the Existing Ordinary Shares and the New 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>	As at the date of this document, 438,542,093 Ordinary Shares.
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom.

<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>Fundraising</b>	the Placing and the Subscription.
<b>General Meeting</b>	the general meeting of the Company convened pursuant to the Notice and to be held at Lansdowne House, 57 Berkeley Square, London W1J 6ER at 10.00 a.m. on 30 December 2020.
<b>GOG</b>	Georgia Oil & Gas Limited.
<b>Group</b>	the Company and its subsidiary undertakings.
<b>Issue Price</b>	3 pence per New Share.
<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>New Shares</b>	the Placing Shares and the Subscription Shares.
<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) Block Norioskhevi Limited (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 & Gas Corporation, for the distribution of hydrocarbons amongst the parties from production in Norio Block 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 placing of the Placing Shares by Mirabaud at the Issue Price pursuant to the Placing Agreement.
<b>Placing Agreement</b>	the placing agreement dated 2 December 2020 between SPARK, Mirabaud and the Company.
<b>Placing Shares</b>	the 144,840,000 Ordinary Shares to be allotted and issued pursuant to the Placing.
<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 to authorise the Company to allot and issue the New Shares.
<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 & Gas Corporation, for the distribution of hydrocarbons amongst the parties from production in Satskhenisi Block of Georgia.
<b>Schlumberger</b>	Schlumberger B.V., a company registered in the Netherlands under company registration number 27093931 and having its registered office at Parkstaat 83, The Hague, Zuid-Holland, the Netherlands.

<b>SRCL</b>	Schlumberger Rustaveli Company Limited, a company registered in the British Virgin Islands under company registration number 1938255 and having its registered office at Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.
<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>Subscribers</b>	means the persons subscribing for Subscription Shares at the Issue Price pursuant to the Subscription;
<b>Subscription</b>	the subscription for New Shares at the Issue Price by the Subscribers pursuant to the Subscription.
<b>Subscription Shares</b>	the 31,160,000 Ordinary Shares to be allotted and issued pursuant to the Subscription.
<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 & Gas Corporation, for the distribution of hydrocarbons amongst the parties from production in West Rustavi Block (licence block XI <sup>F</sup> ) 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 Lansdowne House, 57 Berkeley Square, London W1J 6ER at 10.00 a.m. on 30 December 2020, to consider, and if thought fit, pass the following resolutions of which the resolution numbered 1 will be proposed as an ordinary resolution and the resolution numbered 2 will be proposed as a special resolution, and in each of which resolutions the terms defined in the circular to the Company's shareholders dated 7 December 2020 shall have the same meaning in this notice:

#### Ordinary resolution

##### 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 £440,000 (176,000,000 new ordinary shares of £0.0025 each ("**Ordinary Shares**")) in connection with the Fundraising (as defined in the circular dated 7 December 2020 of which this notice forms part). The authority conferred by this resolution shall expire on 31 January 2021, 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 Resolution

##### THAT

- 2 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 £440,000 (176,000,000 Ordinary Shares) pursuant to the Fundraising and shall expire on 31 January 2021 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 24 December 2020; 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.