

Black Rock Oil & Gas Plc

(“Black Rock” or the “Company”)

Conditional agreement to subscribe for new equity

Circular posted to Shareholders

On 17 December 2008 the Board of Black Rock (the “Board”) announced that negotiations had been concluded for the recapitalisation of the Company. The Company is today posting the circular to shareholders containing full details of the proposed subscription by Cetus Investment Resources Inc (“Cetus Investment”) and containing a Notice of an Extraordinary General Meeting (the “EGM”) to be held on Thursday 15 January 2009 (the “Document”). The Board hopes that all necessary approvals will be in place and that the proposed subscription by Cetus Investment will become unconditional by 31 January 2009.

1. INTRODUCTION

Agreement has been reached with Cetus Investment to subscribe conditionally for 200,000,000 new Ordinary Shares (the “First Subscription Shares”) at the Subscription Price (being 1 pence per new Ordinary Share) representing 86.147 per cent. of the enlarged issued share capital of Black Rock.

On completion of the First Subscription, all the existing directors of Black Rock will continue as directors of the Company other than Peter Kitson and Christopher Moore who will resign from the Board. Arif Kemal, Hasan Ali Hashwani, Rustom Bejon Kanga and Kamran Ahmed will join the Board as non-executive directors. The new Board intends to build Black Rock as a diversified oil exploration and production company and will, subject to technical and commercial evaluation, continue to develop the Company’s Colombian assets.

Cetus Investment has conditionally committed to fund, subject to commercial and technical evaluation, the next stage of the Company’s exploration, appraisal and well development programme in Colombia (the “Development Funding”). Subject to the technical and commercial evaluation by Cetus Investment’s management team, Cetus Investment has agreed to provide a minimum of £5,000,000 and a maximum of £10,000,000 either by arranging third party debt for Black Rock or itself providing the funding either by additional equity or a shareholder loan. On the assumption that Cetus Investment subscribes for the maximum number of new Ordinary Shares on completion of the Second Subscription, it will hold a maximum of 1,200,000,000 new Ordinary Shares in aggregate, representing approximately 97.39 per cent. of the Second Enlarged Issued Share Capital.

Cetus Investment is a newly-formed company established specifically to make the investment in Black Rock and is a wholly-owned subsidiary of Zaver Petroleum International Inc. (“Zaver Petroleum”). Zaver Petroleum’s principal asset is its 55 per cent. interest in Orient Petroleum International Inc. (“OPII”), an established oil and gas development and production company with operations in Pakistan. Arif Kemal, Hasan Hashwani and Rustom Kanga, Proposed Directors of the Company, are all directors of OPII.

The Directors believe that the new funds provided by the First Subscription will stabilise the Company’s financial position and with the support and experience of Cetus Investment, the Board believes that the Company should be well positioned to take advantage of new opportunities as they arise. **Should the Proposals not be approved by the Shareholders at the EGM then the Company would urgently need to recommence previous discussions with parties who had expressed an interest in providing finance to the Company or purchasing its assets. There could be no assurance that these parties will have any continuing interest nor that an investment or asset sale could be agreed in a timely manner or on acceptable terms. In such circumstances the Company may have no future and could become insolvent by virtue of its financial position and the Directors may have no choice but to appoint a liquidator.**

The issue of the Subscription Shares to the Concert Party would normally give rise to an obligation on the Concert Party to make a mandatory cash offer for the Company pursuant to Rule 9 of the City Code. The Panel has agreed, however, to waive this obligation to make a general offer to all Shareholders that would otherwise arise as a result of the Proposals subject to the passing on a poll by Independent Shareholders of Resolution 1 set out in the Notice of EGM. All shareholders will be entitled to vote at the EGM.

2. BACKGROUND

Earlier this year the Company completed its financing arrangements with Prospero which substantially relieved the Company of its share of the exploration and appraisal expenditures in Colombia in 2008. Following the completion of these financing arrangements with Prospero, the Board of Black Rock implemented wide-ranging operational cost reductions substantially to reduce the working capital required by the Company to finance its ongoing central costs for the remainder of 2008. As part of these arrangements, the Directors agreed substantially to reduce their remuneration.

As announced at the Annual General Meeting held in April 2008, against a background of challenging stock-market and credit market conditions for smaller exploration companies such as Black Rock, the Board reviewed the options to raise the additional working capital required by the Company while maximising the value of the Company and its Colombian interests for all its shareholders. The Board embarked on an active process of identifying potential merger opportunities and seeking additional business partners or providers of funding. The Board has been active throughout this period in identifying potential opportunities and undertaking discussions with a wide number of potential business partners regarding the Company and its assets.

As announced on 13 June 2008, the Company sold its 15 per cent interest in the R3 retention lease in offshore Western Australia operated by Tap Oil Limited which contains the currently non-commercial Cyrano Field to Oil Basins for A\$40,000 in cash and 500,000 new ordinary shares in Oil Basins. Oil Basins is an ASX-listed oil and gas development company based in Australia. Following this disposal, the Company's principal remaining assets comprise its interest in the Las Quinchas Association Contract and the Alhucema E&P Contract in Colombia. In addition, the Company continues to hold a 15% interest in Block 49/8c within the UK Southern North Sea, which is operated by Wintershall Noordzee.

3. THE INVESTMENT

As announced on 17 December 2008, the Company has entered into the Subscription Agreement with Cetus Investment. Under the terms of the Subscription Agreement, Cetus Investment has undertaken to invest, by way of cash from its own resources, £2,000,000 in return for the First Subscription Shares.

In addition and conditional on completion of the First Subscription, Cetus Investment has conditionally committed to fund the next stage of the Company's exploration, appraisal and well development programme in Colombia. Subject to technical and commercial evaluation by Cetus Investment's management team of the Company's Colombian assets and work programme proposed by the field operator, Cetus Investment has agreed to provide a minimum of £5,000,000 and a maximum of £10,000,000 either by arranging third party debt for Black Rock or itself providing the funding either by additional equity or a shareholder loan. If the Development Funding is provided by way of a shareholder loan, Cetus Investment has agreed that such loan will be unsecured and bear an interest rate per annum equal to the greater of the London Interbank Offer Rate ("Libor") plus 300 basis points or 7.5 per cent..

If the Development Funding is provided by way of a further subscription for new Ordinary Shares (the "Second Subscription Shares"), Cetus Investment has agreed that such Second Subscription Shares will be offered to Black Rock's shareholders on a pre-emptive basis pro rata to their shareholding in the Company at such time (the "Rights Offer"). Cetus Investment has agreed to subscribe for its full entitlement for Second Subscription Shares and for any other Second Subscription Shares not subscribed for by Black Rock's other Shareholders. The subscription price of any Second Subscription Shares will be 1.0p per Second Subscription Share.

The First Subscription is conditional on, *inter alia*, the following matters:

- (a) the passing of the Resolutions, including *inter alia* the approval of the waiver of Rule 9 of the City Code;
- (b) the confirmation from the Panel that the waiver of Rule 9 of the City Code will be approved;
- (c) there being no material breach of any of the Company's warranties contained in the Subscription Agreement prior to Completion; and
- (d) the First Subscription Shares being admitted to trading on AIM.

The Investment does not amount to a Reverse Takeover as defined in the AIM Rules. Shareholders will have the opportunity to vote on the Proposals at the EGM being convened for this purpose which will be held on 15 January 2009 at 10.30 am. If the Resolutions at the EGM are passed by Shareholders completion of the First Subscription will take place immediately on Admission.

Cetus Investment has also entered into the Relationship Agreement pursuant to which the Company, Cetus Investment and OPII have agreed certain arrangements in order to regulate their relationship and to avoid potential conflicts of interest. Pursuant to the Relationship Agreement, Cetus Investment, OPII and the Company have agreed, *inter alia*, that:

- (a) Cetus Investment will be entitled to appoint four directors to serve on the Board of the Company;
- (b) Any purchase or sale of assets, any farm-in agreement or other transaction (other than the transactions described in this paragraph 3) between any connected company of Cetus Investment (including OPII) and the Company which exceeds 5 per cent. in any of the class tests as determined pursuant to Rule 13 of the AIM Rules, shall be subject to the preparation of a competent person's report, the approval of the independent directors from time to time (one of whom will be suitably qualified to appraise oil and gas projects) and the approval of the Company's shareholders (excluding Cetus Investment who will abstain); and
- (c) Unless otherwise agreed, Cetus Investment (and any connected company) will be precluded from participating directly or indirectly in any oil or gas exploration or production activity in Central America, South America, Europe or Australia and the Company will be precluded from participating directly or indirectly in any oil or gas exploration or production activity in North America, Africa, the Middle East or Asia.

Cetus Investment, which will on Completion be interested in 200,000,000 Ordinary Shares, representing 86.147 per cent. of the Enlarged Issued Share Capital, has undertaken to the Company and Beaumont Cornish that (and subject to the exceptions permitted under Rule 7 of the AIM Rules) they will not dispose of any interest in Ordinary Shares for a period of twelve months from Admission without the prior written consent of Beaumont Cornish.

4. REASONS FOR THE INVESTMENT

The Directors believe that the new funds provided by the First Subscription will stabilise the Company's financial position and will enable the New Board to consider potential opportunities for the future development of the Group.

On completion of the First Subscription, the New Board intends, subject to technical and commercial evaluation, to continue to develop the Company's Colombian assets. Kappa, the operator of the Las Quinchas Association Contract and the Alhucema E&P Contract in Colombia, was acquired earlier this year by Pacific Rubiales which has indicated that it intends to proceed with the development of these Colombian assets. The Directors believe that the Development Funding will enable the Company to continue to participate in the development programme should it choose to do so and thereby maximise the value of the Company's interest in these Colombian assets.

In relation to the Company's interest in Block 49/8c within the UK Southern North Sea, as previously announced the Board intends to continue to seek to find a buyer for the Company's interest or to farm out to a

party who will carry the Company through any future work obligations required to take this asset into development.

The New Board, with the backing and leadership of Cetus Investment, also intends to source and introduce new oil and gas opportunities for the Company and to grow the Company by acquisition with a diversified production and exploration portfolio. The New Board intends to seek opportunities to acquire other exploration or production oil and gas assets which may be achieved through acquisitions, partnerships or joint venture arrangements. Such investments may result in Black Rock acquiring the whole or part of a company or project. Black Rock's investments may take the form of equity, joint venture debt, convertible instruments, licence rights, or other financial instruments as the New Board deem appropriate.

The Company has entered into the Relationship Agreement with Cetus Investment, further details of which are set out in paragraph 3 above. The Directors believe that the current state of the credit and equity markets should create opportunities for the Company to invest on attractive terms.

The New Board intends to relocate the Company's office to London as soon as practicable following Completion. The Company will enter into a licence to occupy with Orient Petroleum, a wholly-owned subsidiary of OPII, to share Orient Petroleum's London office being 16 Upper Woburn Place, at an annual rent of £58,750 (exclusive of VAT, rates and service charges). The current Company employee will relocate to this new office.

5. INFORMATION ON THE INVESTOR

Cetus Investment is a newly-formed company established specifically to make the investment in Black Rock and is a wholly-owned subsidiary of Zaver Petroleum.

In addition to its interest in Cetus Investment, Zaver Petroleum has a 55 per cent. interest in OPII, an established oil and gas development and production company. OPII is the successor corporate entity to Orient Petroleum Inc. (formerly Occidental of Pakistan Inc., a US based company) which commenced oil and gas exploration in Pakistan in 1979. OPII currently either operates or has an equity interest in oil and gas fields in Pakistan and has participated in joint ventures with local and foreign companies and also the Government of Pakistan.

Arif Kemal, Hasan Hashwani and Rustom Kanga, Proposed Directors of the Company, are directors of OPII.

6. DIRECTORS AND CHANGES IN BOARD STRUCTURE

Following Completion, Peter Kitson and Christopher Moore will resign as Directors. At the same time the Proposed Directors will be appointed.

Following the aforesaid appointments and resignations the Board will comprise the following Directors, further details of whom are set out below.

Arif Kemal Non-Executive Chairman (aged 67), BSc Hons MSc

Mr Arif Kemal has over 46 years' experience in exploration, production and management of oil and gas resources. He was awarded a B.Sc. Hons in Geology and an M.Sc. (Petroleum Geology) from the University of Karachi. Mr Kemal completed a post-graduate training course in Petroleum Engineering at the Ecole Nationale Supérieure de Pétrole et des Moteurs, Institut Français du Pétrole, France. Mr Kemal commenced work as a geologist and senior oil explorer with the Oil and Gas Development Company Limited of Pakistan in 1962 with whom he held a number of senior positions over the next 25 years being appointed the Executive Director Exploration and Production in 1988. In 1994 Mr Kemal was appointed the General Manager and Deputy Chief Executive Officer of Pakistan Oilfields Ltd, becoming the Chief Executive Officer in 1997, a position he held until 2002. In 2003 Mr Kemal became a director and advisor to the board of OPII and in 2005 became President of OPII's US associate, Osprey Petroleum Company Inc (based in Houston, Texas).

Mr Kemal has held a number of other positions including being a member of the Board of Governors of

the Hydrocarbon Development Institute of Pakistan (1999 to 2002), Chairman of the Pakistan Petroleum Exploration and Production Companies Association (1999 to 2002), Chairman of the Pakistan Society of Petroleum Engineers (1992 to 1993) and Chairman of the Pakistan Association of Petroleum Geoscientists (1996 - 1997 and 2001 to 2002).

Mr Kemal is a member of the Society of Petroleum Engineers, the American Association of Petroleum Geologists and the Houston Geological Society.

Tony Brian Baldry, MP, Non-Executive Deputy Chairman of the Board (aged 58), MA, LLB, FChI Arbitrators

Tony Baldry is the Conservative Member of Parliament for Banbury (North Oxfordshire) and has been an MP for over 20 years. He held various ministerial posts between 1990 and 1997, including Parliamentary Under Secretary of State, Department of Energy, where alongside John Wakeham he oversaw the privatisation of the UK electricity industry. A practising barrister, Tony is also a director of a number of public and private companies. Tony has a wealth of experience of giving strategic and financial advice to growing companies across a range of sectors, including natural resources.

Dr John Malcolm Cubitt, Managing Director (aged 59), BSc (Hons), PhD, CGeol

John Cubitt has more than 28 years' commercial experience in the exploration and production industry, following a period in academic research and graduate/post-graduate education in the UK and USA. He is a registered Chartered Geologist (CGeol) and has a BSc and PhD in geology. His experience has included asset evaluation and project management, as well as Board level strategic and operational direction.

Hasan Ali Hashwani, Non-Executive Director (aged 31)

Mr Hashwani was educated in the UK and Pakistan. In 1996 Mr Hashwani moved to the United States and attended various executive business courses at Rice University, Houston, Texas between 1997 and 1999. In 1999 he attended the Young Managers Programme at INSEAD, France. He partially completed an undergraduate programme in Business Administration at the University of Phoenix, United States between 1999 and 2003.

In January 1998 Mr Hashwani first became involved in the oil and gas sector and since January 1998 held various management positions within OPII and its associate company, Osprey Petroleum Company Inc. which is based in Houston, Texas, United States. OPII and Osprey Petroleum Company Inc. were then both part of the Hashoo group of companies which are ultimately wholly-owned by Mr Hashwani's father, Sadruddin Hashwani, a leading Pakistan-based businessman who has interests in a number of businesses including oil and gas assets, real estate and hospitality (including the Marriott and Pearl Continental Hotels in Pakistan).

In November 2001 Mr Hashwani was appointed as the President of Osprey Petroleum Company Inc. with responsibility for overseeing the day-to-day operations of a number of producing oil and gas fields prior to their sale in 2004. In December 2004 Mr Hashwani became a director and president of OPII and has been responsible since then for the development of its oil and gas interests in Pakistan. Mr Hashwani oversees the operations of the oil and gas exploration activities of OPII and is also responsible for the conception, acquisition, and development of international hospitality and real estate projects for other Hashoo group companies.

Mr Hashwani established Zaver Petroleum to develop a broadly based portfolio of international oil and gas exploration and production assets. In September 2008 Zaver Petroleum acquired a direct 55 per cent. interest in OPII. Mr Hashwani is the President of Zaver Petroleum.

Rustom Bejon Kanga, Non-Executive Director (aged 54), FCA

Mr Kanga graduated with a B.Sc. in Commerce and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was admitted to membership of the Institute in 1982. Following qualification Mr Kanga was engaged in public practice as a chartered accountant in London and in 1996 he relocated to Houston. Mr Kanga has been a director of Rushlake Hotels (USA) Inc. since 1991 and is currently Vice President. Mr Kanga has extensive experience in the oil and gas sector internationally. Since 2001 he has been a director of Osprey

Petroleum Company Inc. and is currently a Senior Vice President. In addition, Mr Kanga is on the board of a number of other private companies including OPII, Zaver Petroleum and Hashoo Group Ltd.

Kamran Ahmed, Non-Executive Director (aged 46)

Mr Ahmed graduated with a Bachelor of Science in Finance & Management from Ithaca College, Cornell University and a Post Graduate diploma in Islamic Banking & Economics from The International Institute of Islamic Banking & Economics. In 1983 Mr Ahmed commenced working at Dar Al Maal Al Islami, S.A, a banks and investment companies holding group based in Geneva, Switzerland operating in the field of Islamic banking and finance. In 1986 Mr Ahmed joined Shell Pakistan (formerly Pakistan Burmah Shell) and worked in a variety of management roles in Shell's downstream oil division. In 1992 Mr Ahmed joined Bankers Equity Limited as Vice President in the merchant banking division providing international multi-lateral institutional credit lines and financing of large industrial projects including oil terminals, refineries and drilling companies. Over the next 9 years Mr Ahmed was involved in a number of oil and gas debt and equity financing for a large number of international oil companies. In 2002 Mr Ahmed joined OPII as Senior Vice President Finance and Business Development. In 2005 Mr Ahmed established OPII's London representative office and is a director of Orient Petroleum UK Limited, a wholly-owned subsidiary of OPII.

In addition, the Company will employ the following senior employee:

Peter John Kitson, Chief Finance Officer (aged 56), FCCA

Peter Kitson was admitted as a member of the Chartered Association of Certified Accountants in 1975 and he has some 15 years experience in the oil and gas sector in both upstream and downstream operations having held finance positions with BP Africa, BP Oil International, BP Exploration and Elf. In addition to his background in finance, Peter has worked in financial services with Merrill Lynch and in general management roles with, amongst others, The Commonwealth Development Corporation.

The Company has adopted and will continue to operate a share dealing code for Directors and senior executives on the same terms as Rule 21 of the AIM Rules.

7. NEW ARTICLES

It is proposed that the Company adopt new Articles of Association in order to take advantage and account of the provisions of the 2006 Act relating to electronic communications, retirement of directors, directors' duties, shareholder meetings and proxies.

Copies of the New Articles are available for inspection during normal business hours at the registered office of the Company until the date of the EGM or upon request of the company secretary. Copies will also be available at the EGM from 10.30 a.m. until its conclusion.

8. CHANGE OF NAME

The New Board proposes that the name of the Company be changed to Woburn Energy Plc. A special resolution to this effect will be proposed at the EGM.

9. CURRENT TRADING AND PROSPECTS

As announced on 27 August 2008 the Board of Black Rock implemented wide-ranging operational cost reductions to reduce substantially the working capital required by the Company to finance its ongoing central costs for the remainder of 2008. The Company has now almost exhausted its cash resources and therefore as described in Section 4 above, should the Proposals not be approved by the Shareholders at the EGM then the Company would urgently need to recommence previous discussions with parties who had expressed an interest in providing finance to the Company or purchasing its assets. There could be no assurance that these parties will have an interest nor that an investment or asset sale could be agreed in a timely manner or on acceptable terms. In such circumstances the Company may have no future and could become insolvent by virtue of its financial position and the Directors may have no choice but to appoint a liquidator.

Within the UK Southern North Sea, Black Rock has a 15% interest in Block 49/8c, operated by Wintershall Noordzee. This contains the Monterey tight gas field reservoir in Carboniferous and Permian sands. As announced at the Annual General Meeting on 25 April 2008, given the length of time now needed to realise value in Monterey, the Board decided to seek a buyer or farm-in partner for the Company's interest in the UK Southern North Sea.

Earlier this year the Company completed its financing arrangements with Prospero which substantially relieved the Company of its share of the exploration and appraisal expenditures in Colombia in 2008. On 29 April 2008 the Company announced that following a short drilling program, the Arrinconada 1 exploration well in the Alhucema E&P Contract in Colombia reached basement and no significant hydrocarbon shows were recorded whilst drilling the objective formations and the well was abandoned on 26 April 2008. The cost of the Arrinconada well was covered under the Prospero financing arrangements.

Kappa, the operator of the Las Quinchas Association Contract and the Alhucema E&P Contract in Colombia, was acquired in September 2008 by Pacific Rubiales which has indicated that it intends to continue with the development of these Colombian assets. The Directors believe that the Development Funding will enable the Company to continue to participate in the development programme subject to further technical and commercial evaluation of the Colombian assets and the work programme.

10. EXTRAORDINARY GENERAL MEETING

A notice convening the EGM and proposing the resolutions set out below is set out in the Document. The EGM will be held at the offices of Field Fisher Waterhouse LLP at 35 Vine Street, London, EC3N 2AA at 10.30 am on 15 January 2009 and resolutions will be proposed as follows:

- (i) Resolution 1, an ordinary resolution to approve the waiver of the obligations on the Concert Party (or any member of it) to make a general offer to Shareholders pursuant to Rule 9 of the City Code in the event of the issue of new Ordinary Shares to the Concert Party on completion of the Investment (subject to Independent Shareholders approval by voting on a poll);
- (ii) Resolution 2, conditional upon Resolution 1, an ordinary resolution to increase the share capital of the Company by the creation of a further 1,150,000,000 Ordinary Shares of 1p each;
- (iii) Resolution 3 an ordinary resolution to renew the authority of the Directors to issue new Ordinary Shares in the capital of the Company pursuant to section 80 of the 1985 Act;
- (iv) Resolution 4, a special resolution to disapply the statutory pre-emption rights contained in section 89(1) of the 1985 Act in the circumstances specified in the resolution;
- (v) Resolution 5, a special resolution to change the name of the Company to Woburn Energy Plc; and
- (vi) Resolution 6, a special resolution to adopt the New Articles.

Enquiries:

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