

**26 November 2010**

Bowleven plc ("Bowleven" or the "Company")

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**Bowleven announces a placing of up to 22,000,000 new ordinary shares**

Bowleven announces today a placing of up to 22,000,000 new ordinary shares (the "Placing Shares"), representing approximately 11 per cent. of the Company's existing issued share capital (the "Placing"). The Placing Shares are expected to be placed with new and existing institutional investors.

The Placing is being conducted, subject to satisfaction of certain conditions, through an accelerated book-building process to be carried out by Merrill Lynch International ("BofA Merrill Lynch") and RBS Hoare Govett Limited ("RBS Hoare Govett"), who are acting as joint bookrunners (the "Joint Bookrunners").

The timing of the closing of the book, pricing and allocations are at the discretion of Bowleven and the Joint Bookrunners. The number of Placing Shares and the price at which the Placing Shares are to be placed (the "Placing Price") are subject to agreement between Bowleven and the Joint Bookrunners at the close of the book-building process. Details of the number of Placing Shares and the Placing Price will be announced as soon as practicable after the close of the book-building process.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of 10 pence each in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after the date of issue of the Placing Shares. The Placing will be made on a non-pre-emptive basis.

The Company will apply for admission of the Placing Shares to trading on the AIM market operated by the London Stock Exchange ("Admission"). It is expected that Admission will take place and that trading will commence on 1 December 2010.

The Placing is conditional upon, among other things, Admission becoming effective. The Placing is also conditional on the Placing Agreement between the Company and the Joint Bookrunners not being terminated. It is anticipated that the settlement date will be 1 December 2010.

The Appendix to this announcement (which forms part of this announcement) sets out the terms and conditions of the Placing.

**Background to and Reasons for the Placing**

*Drilling Operations on Sapele-1*

On 9 November 2010, Bowleven announced that the Sapele-1 exploration well drilling in the Douala Basin in block MLHP-5 of the Etinde Permit offshore Cameroon, had made two potentially significant hydrocarbon discoveries in Miocene reservoirs, based on the results of drilling and initial wireline logs and pressure data.

As stated in that announcement, the revised preliminary in-place volumetrics on a P90 to P10 range were estimated to be 40 to 290 mmbbls for the Lower Omicron discovery or, in the event that the hydrocarbons at that interval are determined to be gas condensate, 75 to 595 bcf, and for the Deep Omicron discovery 55 to 380 mmbbls.

On 25 November 2010, Bowleven announced that the Sapele-1 well had encountered further log evaluated hydrocarbon pay in the Miocene reservoir objective, taking the estimated range of net pay across the Omicron discoveries to 31 to 43 metres.

Copies of both announcements are available on the Company's website [www.bowleven.com](http://www.bowleven.com).

The deeper targets of the well, including the cross-cut event and Cretaceous Epsilon Complex, are still to be drilled once casing has been set in the current hole section (expected within the next few days). Drilling activity on the vertical well is expected to take a further 20 to 30 days (excluding testing). In the meantime planning for testing and appraisal drilling/sidetracking activities on the Omicron discoveries is underway. The forward plan will be reviewed by the joint venture on reaching target depth ("TD") of the well.

#### *Future Work Programme*

In addition to the planned further operations on Sapele-1, Bowleven has reviewed its work programme in light of the early success of the well and the potential it has already demonstrated in the Douala Basin. Although Bowleven has no mandatory operational commitments on any of its acreage in 2011, it believes that the optimal strategy for the Group and its shareholders is to pursue an extensive discretionary exploration and appraisal drilling campaign focussed on the Group's stated objectives of (1) transferring resources to reserves and (2) further investigating the potential of the Group's acreage through high impact exploration wells.

Recent activity has concentrated on the second of these objectives and, in particular, on exploring the potential of the Douala Basin, a major emerging hydrocarbon bearing province relatively underexplored in Cameroon in comparison to neighbouring West African countries. A significant proportion of Bowleven's portfolio in Cameroon is within the Douala Basin, including the entire onshore Bomono Permit and blocks MLHP-5 and MLHP-6 in the offshore Etinde Permit. As stated above, the current Sapele-1 exploration well in block MLHP-5 has already made potentially significant discoveries at the Miocene reservoir interval, and these discoveries are at the same stratigraphic level as other existing discoveries and developments within the Basin. Initial indications are that the Miocene discoveries may contain commercial volumes of hydrocarbons, although further appraisal, including where appropriate sidetracking operations, will be required to confirm this. Bowleven has also identified a number of other Miocene prospects on the acreage, and the results of the Sapele-1 well will be used to calibrate and potentially reduce the geological risks associated with these and other prospects and leads within the Douala Basin.

The deeper targets of Sapele-1, including the cross-cut event and Cretaceous Epsilon Complex, are still to be drilled once casing has been set in the current hole section (expected within the next few days). The Cretaceous stratigraphy represents a new play untested within this part of the Douala Basin and, if successful, could materially transform the prospectivity of the acreage. Bowleven has identified several other Cretaceous exploration targets within block MLHP-5.

In addition to the Sapele-1 well, in 2010 Bowleven acquired new seismic over the onshore Bomono Permit and blocks MLHP-5 and MLHP-6 on the Etinde Permit. The new MLHP-5 and MLHP-6 seismic has the potential to identify further prospectivity within the Douala Basin and exploration drilling may be required to test this prospectivity. The Bomono 2D seismic survey is being undertaken over a

two phase programme, the second phase of which is underway, and drilling activity is being planned for the second half of 2011.

Although the Group's exploration of the Douala Basin is still at an early stage, initial results have been very encouraging and the Board believes that the Basin has the potential to become a major hydrocarbon producing area. To fully evaluate and test the prospectivity of the Basin it is clear that extensive further exploration and appraisal activity is required.

The Group's other primary objective is to move resources to reserves. Work towards this objective in 2011 will be focussed on block MLHP-7, Etinde Permit, with planned appraisal activity on the IE and IF fields. In particular, Bowleven currently anticipates drilling an appraisal well on the IF oil field during 2011 and may also identify a further appraisal well on the IE field, following completion of the analysis and integration of data from the recent IE-3 well. Vitol has an option to acquire a further 10% of block MLHP-7 only, in consideration for funding a gross work programme of US\$50 million. The option is exercisable on or before the earlier of (a) 31 March 2011 and (b) spud date of the next appraisal well on block MLHP-7.

#### *Current Cash Position*

As at the date of this announcement, the Group has net cash of approximately US\$95 million and no debt. The US\$100 million (gross) carry provided by Vitol in return for acquiring a 25% interest in the Etinde Permit, Cameroon is expected to be fully utilised by the time TD is reached on the Sapele-1 well, and at that point Bowleven forecasts that the Group will have net cash of approximately US\$80 million. In addition, proceeds of approximately US\$35 million are anticipated from the disposal of the Group's subsidiary that holds a 100% participating interest in the EOV Permit, offshore Gabon.

#### *Additional Funding Sought*

The Board believes that, in order to position Bowleven to undertake this optimal exploration and appraisal programme across its acreage in 2011, it requires some additional funding. Having reviewed all available options for the timing and structure of finance, the Board has concluded that it is in the interests of shareholders to seek to raise the required finance by means of the Placing.

Further details of the intended use of the proceeds of the placing, together with Bowleven's net cash balances, are set out below under "Use of Proceeds".

#### **Use of Proceeds**

As stated above under "Background to and Reasons for the Placing", the Group's existing cash balances and the anticipated Placing proceeds are expected to be used primarily to fund an extensive exploration and appraisal drilling programme across its Cameroon acreage.

The Group already has one rig operating on the Etinde Permit and the existing contract allows for a further two wells after the Sapele-1 well, in addition to any sidetracking activity proposed on that well. In order to accelerate the evaluation of the acreage, Bowleven is considering contracting a further rig so that a continuous dual string drilling operation can be undertaken on Etinde for a substantial part of 2011. This programme is expected to comprise up to five appraisal/exploration wells with focus expected to be on blocks MLHP-5 and MLHP-6.

Bowleven intends to retain flexibility in the 2011 work programme to undertake further appraisal of the existing discoveries in block MLHP-7, including an appraisal well on the IF oil field. Vitol has an option to acquire a further 10% of block MLHP-7 only, in consideration for funding a gross work programme of US\$50 million.

On the onshore Bomono Permit, Bowleven expects to complete the second phase of the 2D seismic acquisition in early 2011 and then undertake civil works and other preparations ahead of the planned drilling of at least one exploration well in the second half of 2011.

A well is planned by the operator, Addax, on the onshore Epaemeno Permit in Gabon in early 2012. Bowleven has a 50% participating interest in this Permit. There is also preparatory work for drilling planned on the Permit in 2011.

The Board estimates that the total funding required by Bowleven for its net share of the proposed 2011 work programme described above, focussing on unlocking the potential of the Douala Basin in Cameroon, will be between US\$180 million and US\$200 million.

Any funds raised pursuant to the placing and not applied in the manner outlined above will be used for further evaluation activities on the Group's portfolio of assets and for working capital purposes.

Following the Placing the Group will continue to review all available future funding options, including debt finance and the potential farm-out(s) of its oil and gas assets.

**Kevin Hart, Chief Executive of Bowleven plc, commented:**

"The results of the Sapele-1 exploration well so far have underlined the significant prospectivity of our acreage in Cameroon, and in the Douala Basin in particular. Further exploration and appraisal drilling is required to evaluate the exciting potential of the Basin and today's equity placing will position us to do that by providing financial flexibility for an optimal work programme across the Group's portfolio in 2011. We are looking forward to delivering material value for shareholders through this programme."

**ENQUIRIES**

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**NOTES TO THE EDITOR**

Bowleven is a West Africa focused oil and gas exploration group, based in Edinburgh and traded on AIM since December 2004.

On 12 August 2009, Bowleven entered into a farm-out agreement with Vitol E&P Limited (Vitol) in respect of the Etinde Permit, comprising three shallow water blocks in offshore Cameroon, West Africa; namely blocks MLHP-5, MLHP-6 and MLHP-7.

As a consequence, Vitol acquired an initial 25% participating interest in Etinde, in return for funding a US\$100 million gross work programme and Bowleven retained its 75% operated participating interest in the Etinde Permit. Bowleven holds its interest in Etinde through its wholly owned subsidiary EurOil Limited. The original agreement also included an option for Vitol to acquire a further participating interest. On 30 September 2010, a revised option arrangement was agreed with Vitol. Under this agreement, Vitol have an option to acquire a 10% participating interest in block MLHP-7, Etinde, in return for funding an agreed US\$50 million gross appraisal work programme. The option expires on the earlier of (i) the spud date of the next appraisal well on block MLHP-7 and (ii) 31 March 2011. The option arrangement excludes blocks MLHP-5 and MLHP-6, Etinde, where the Sapele-1 exploration well is currently being drilled. Bowleven will retain operatorship of all three blocks.

Under the production sharing contract (PSC), the state of Cameroon has the right to elect to take a 20% participating interest in development activity on the acreage. In the event that this back-in right is exercised, Bowleven and Vitol have agreed that they shall correspondingly reduce their participating interests in any future development on a pro rata basis.

The Etinde Permit comprises approximately 2,316 km<sup>2</sup> of exploration acreage located across the Rio del Rey and Douala Basins in the Etinde Permit. The exploration period for the Etinde Permit expires at the end of 2011. There is explicit provision in the PSC for a one year extension to complete appraisal activity. Since 2007, the Bowleven group has drilled five wells on the Permit, all of which have been successful. Drilling operations are ongoing on a multi well drilling programme on the Etinde Permit. The IE-3 appraisal well, the first well in the campaign, was drilled to a final depth of 3,048 metres and a testing programme of five DSTs (drill stem tests) was successfully completed. As announced on 15 September 2010, drilling operations have commenced on the high potential exploration well, Sapele-1, on block MLHP-5, Etinde Permit, Cameroon. The Sapele-1 well has so far been drilled to a depth of 3,483 metres. The well is to be drilled to an estimated target depth of approximately 4,450 metres and drilling activity is expected to take a further 20 to 30 days (excluding testing). Based on the results of drilling and initial wireline logs and pressure data, Bowleven has made two potentially significant hydrocarbon discoveries in Miocene reservoirs. An initial announcement was made on these discoveries on 9 November 2010. A further announcement made on 25 November 2010 highlights that additional pay has been encountered. The plan is now to drill on to the deeper objectives of the well, including the cross-cut event and Cretaceous Epsilon Complex.

EurOil Limited also has a 100% equity interest in the Bomono Permit, onshore Cameroon, extending to approximately 2,328 km<sup>2</sup> in the Douala Basin. Bowleven holds, through its wholly owned subsidiary FirstAfrica Oil Limited, a 100% equity interest in the EOV Permit offshore Gabon, which contains an existing oil discovery that is awaiting development. A sale and purchase agreement has been initialled for the disposal of the Group's entire interest in EOV. Government acknowledgement

of the transaction has been requested (although not a legal requirement). Bowleven also has a 50% non-operated equity interest in the Epaemeno Permit, which is approximately 1,340 km<sup>2</sup> of exploration acreage onshore Gabon. Addax is operator of the Epaemeno Permit. An 18 month extension to the second exploration term has been agreed with the Gabonese authorities, running from the expiry of the original exploration phase through to February 2012.

### **IMPORTANT NOTICES**

This announcement contains (or may contain) certain forward-looking statements with respect to certain of Bowleven's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Bowleven cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding or which make assumptions in respect of the future performance of the Company's principal subsidiary undertakings (EurOil and FirstAfrica Oil Limited), the on-going exploration and appraisal of the Group's portfolio of West African assets, the timing of the commencement of any development of and future production (if any) from those assets, the ability of the Bowleven group to discover new reserves, the prices achievable by the Bowleven group in respect of any future production, the costs of exploration, development or production, future foreign exchange rates, interest rates and currency controls, the future political and fiscal regimes in the overseas markets in which the Bowleven group operates, the Group's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of oil or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future explorations, acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond Bowleven's control. As a result, Bowleven's actual future results may differ materially from the plans, goals, and expectations set forth in Bowleven's forward-looking statements. Any forward-looking statements made in this announcement by or on behalf of Bowleven speak only as of the date they are made. Except as required by the Financial Services Authority (the "FSA"), the London Stock Exchange, the AIM Rules or applicable law, Bowleven expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in Bowleven's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

This announcement is for information purposes only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This announcement has been issued by and is the sole responsibility of Bowleven.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Merrill Lynch International, RBS Hoare Govett or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Merrill Lynch International, which is authorised and regulated in the United Kingdom by the FSA, is acting for Bowleven and for no-one else in connection with the Placing, and will not be responsible to anyone other than Bowleven for providing the protections afforded to customers of Merrill Lynch International or for providing advice to any other person in relation to the Placing or any other matter referred to herein.

RBS Hoare Govett, which is authorised and regulated in the United Kingdom by the FSA, is acting for Bowleven and for no-one else in connection with the Placing, and will not be responsible to anyone other than Bowleven for providing the protections afforded to customers of RBS Hoare Govett nor for providing advice to any other person in relation to the Placing or any other matter referred to herein.

The distribution of this announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by Bowleven or the Joint Bookrunners that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by Bowleven and the Joint Bookrunners to inform themselves about, and to observe such restrictions.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHO ARE: (A) (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), OR (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER, OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; AND (B) (I) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS (AS DEFINED IN ARTICLE 2(1)(E) OF EU DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE")), AND/OR (II) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN BOWLEVEN PLC.

Persons (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given ("Placees") will be deemed to have read and understood this announcement, including the Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and

undertakings contained in the Appendix. In particular, each such Placee represents, warrants and acknowledges that it is: (i) a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; (ii) not within the United States; (iii) not within Australia, Canada, South Africa, Japan or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares; and (iv) not acquiring the Placing Shares for the account of any person who is located in the United States, unless the instruction to acquire was received from a person outside the United States and the person giving such instruction has confirmed that it has the authority to give such instruction, and that either (a) it has investment discretion over such account or (b) it is an investment manager or investment company and, in the case of each of (a) and (b), that it is acquiring the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")); and (v) it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States or any other jurisdiction referred to in (iii) above.

This announcement, including the Appendix, is not for distribution directly or indirectly in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, South Africa or Japan or any jurisdiction into which the same would be unlawful. This announcement does not constitute or form part of an offer or solicitation to purchase or subscribe for shares in the capital of Bowleven in the United States, Canada, Australia, South Africa or Japan or any jurisdiction in which such an offer or solicitation is unlawful. In particular, the Placing Shares referred to in this announcement have not been, and will not be, registered under the Securities Act or under the securities legislation of any state of the United States, and may not be offered or sold in the United States absent registration or pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. The Placing Shares referred to in this announcement are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act. No public offering of securities of Bowleven will be made in connection with the Placing in the United Kingdom, the United States or elsewhere.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus or admission document has been lodged with, or registered by, the Australian Securities and Investments Commission, the South African Financial Services Board or the Japanese Ministry of Finance; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, South Africa or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia, South Africa or Japan or any other jurisdiction outside the United Kingdom.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is unlawful.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendix or this announcement should seek appropriate advice before taking any action.

This announcement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This announcement is intended for distribution only

to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this announcement nor taken steps to verify the information set forth herein and has no responsibility for this announcement.

The Placing Shares to which this announcement relates may be illiquid and / or subject to restrictions on their resale. Prospective purchasers of the Placing Shares offered should conduct their own due diligence on the Placing Shares. If you do not understand the contents of this announcement you should consult an authorised financial advisor.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market operated by the London Stock Exchange. Neither the content of Bowleven's website nor any website accessible by hyperlinks on Bowleven's website is incorporated in, or forms part of, this announcement.

## **APPENDIX**

### **TERMS AND CONDITIONS**

#### **IMPORTANT INFORMATION FOR PLACEEES ONLY REGARDING THE PLACING**

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

The Joint Bookrunners have entered into an agreement with Bowleven (the "Placing Agreement") under which, subject to the conditions set out in that agreement, the Joint Bookrunners have agreed to use reasonable endeavours to procure subscribers for Placing Shares at a price determined following completion of the bookbuilding process in respect of the Placing (the "Bookbuild"), described in this announcement and set out in the Placing Agreement.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of Bowleven including the right to receive all dividends and other distributions declared in respect of such ordinary shares after the date of issue of the Placing Shares.

As part of the Placing, Bowleven has agreed that it will not issue or sell any ordinary shares for a period of 180 days after Admission, without the prior consent of Merrill Lynch International and RBS Hoare Govett. This agreement does not however prevent Bowleven from granting or satisfying exercises of options granted pursuant to existing employee share schemes of Bowleven as disclosed in publicly available information.

##### **Application for admission to trading**

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM. It is expected that Admission will become effective on or around 1 December 2010 and that dealings in the Placing Shares will commence at that time.

##### **Bookbuild**

The Joint Bookrunners will today commence the Bookbuild to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Joint Bookrunners and Bowleven shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

##### **Participation in, and principal terms of, the Placing**

1. Merrill Lynch International and RBS Hoare Govett are acting as joint bookrunners and agents of Bowleven.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Joint Bookrunners. The Joint Bookrunners and their affiliates are each entitled to enter bids in the Bookbuild as principal.
3. The Bookbuild will establish a single price payable to the Joint Bookrunners by all Placees whose bids are successful (the "Placing Price"). The Placing Price and the number of Placing Shares to be issued will be agreed between the Joint Bookrunners and Bowleven following completion of

the Bookbuild. The Placing Price and the number of Placing Shares will be announced on a Regulatory Information Service following the completion of the Bookbuild.

4. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at either of the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at either the Placing Price, which is ultimately established by Bowleven and the Joint Bookrunners, or at prices up to a price limit specified in its bid. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 9 below.

5. The Bookbuild is expected to close no later than 4.35 p.m. (London time) on 26 November 2010, but may be closed earlier or later at the discretion of the Joint Bookrunners. The Joint Bookrunners may, in agreement with Bowleven, accept bids that are received after the Bookbuild has closed. Bowleven reserves the right (upon the agreement of the Joint Bookrunners) to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion.

6. Each prospective Placee's allocation will be agreed between the Joint Bookrunners and Bowleven and will be confirmed orally by one of the Joint Bookrunners as agent of Bowleven following the close of the Bookbuild. That oral confirmation will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) in favour of the Joint Bookrunners and Bowleven to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with Bowleven's memorandum and articles of association.

7. Each prospective Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by one of the Joint Bookrunners. The terms of this Appendix will be deemed incorporated in that contract note.

8. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner as agent of Bowleven, to pay the relevant Joint Bookrunner (or as it may direct) in cleared funds, an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe and Bowleven has agreed to allot and issue to that Placee.

9. The Joint Bookrunners may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with Bowleven and may scale down any bids for this purpose on such basis as they may determine. The Joint Bookrunners may also, notwithstanding paragraphs 4 and 5 above, subject to the prior consent of Bowleven (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time.

10. A bid in the Bookbuild will be made on the terms and subject to the conditions in this announcement and will be legally binding on the Placee on behalf of which it is made and except with the consent of either of the Joint Bookrunners will not be capable of variation or revocation after the time at which it is submitted.

11. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

12. All obligations under the Bookbuild and Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement".

13. By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

14. To the fullest extent permissible by law, neither of the Joint Bookrunners nor any of their affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither of the Joint Bookrunners nor any of their affiliates shall have any liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunner's conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners and Bowleven may agree.

### **Conditions of the Placing**

The obligations of the Joint Bookrunners under the Placing Agreement are conditional on, amongst other things:

(a) agreement being reached between Bowleven and the Joint Bookrunners on the Placing Price and the number of Placing Shares;

(b) none of the representations and warranties contained in the Placing Agreement not being, or ceasing to be, true and accurate on the date of the Placing Agreement or at any time down to and including Admission (by reference to the facts and circumstances then existing);

(c) Bowleven complying with its obligations under the Placing Agreement to the extent the same fall to be performed or satisfied prior to Admission;

(d) Admission taking place by 8.00 a.m. (London time) on 1 December 2010 (or such later date as Bowleven and the Joint Bookrunners may otherwise agree); and

(e) in the good faith opinion of the Joint Bookrunners, there not having been a material adverse change in, or any development reasonably likely to involve a prospective material adverse change in the condition (financial, operational, legal or otherwise), or in the earnings, business affairs, trading position or business prospects of Bowleven and its subsidiaries, whether or not arising in the ordinary course of business since the date of the Placing Agreement.

If any of the conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or waived by the Joint Bookrunners, by the respective time or date where specified (or such later time and/or date as Bowleven and the Joint Bookrunners may agree), the Placing will not proceed and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Joint Bookrunners may, at their discretion and upon such terms as they think fit, waive compliance by Bowleven with the whole or any part of any of Bowleven's obligations in relation to the conditions in the Placing Agreement save that the condition in the Placing Agreement relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this announcement.

None of the Joint Bookrunners, Bowleven or any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and / or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

### **Termination of the Placing Agreement**

The Joint Bookrunners are entitled, at any time before Admission, to terminate the Placing Agreement in relation to their obligations in respect of the Placing Shares by giving notice to Bowleven if, amongst other things:

- (a) (i) any of Bowleven's warranties, representations or undertakings contained in the Placing Agreement are not or cease to be true and accurate or (ii) there is a failure by Bowleven to comply with its obligations under the Placing Agreement; or
- (b) it shall come to the notice of the Joint Bookrunners that any statement contained in this announcement, or any other document or announcement issued or published by or on behalf of Bowleven in connection with the Placing (together the "Placing Documents"), is or has become untrue, incorrect or misleading, or any matter has arisen, which would, if the Placing were made at that time, constitute a material omission from the Placing Documents, or any of them, in each case in a manner which, in the good faith opinion of the Joint Bookrunners, is material in the context of the Placing; or
- (c) in the good faith opinion of the Joint Bookrunners, there has been a material adverse change in, or any development reasonably likely to involve a prospective material adverse change in the condition (financial, operational, legal or otherwise), or in the earnings, business affairs, trading position or business prospects of Bowleven and its subsidiaries, whether or not arising in the ordinary course of business since the date of the Placing Agreement; or
- (d) there has occurred (i) any material adverse change in the financial markets in the United States, the United Kingdom, a member state of the European Union or in the international financial markets, (ii) any outbreak or escalation of hostilities or other calamity or crisis or (iii) any change or development involving a prospective change in national or international political, financial or economic conditions, or currency exchange rates, in each case the effect of which is such as to make it, in the opinion of the Joint Bookrunners (arrived at after such consultation with Bowleven as shall be reasonably practicable in the circumstances), impracticable or inadvisable to market the Placing Shares or to proceed with the Placing in the manner contemplated in the Placing Documents or which may adversely affect the success of the Placing or dealings in the Placing Shares following Admission; or
- (e) trading in Ordinary Shares on AIM is cancelled, suspended or limited or there are certain other disruptions, limitations or suspensions in respect of the operations of certain stock exchanges or a banking moratorium is declared by certain authorities.

Upon such termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners and that they need not make any reference to Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

### **No prospectus**

No offering document, prospectus or admission document has been or will be submitted to be approved by the FSA or submitted to the London Stock Exchange in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this announcement (including this Appendix) released by Bowleven today, and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) is exclusively the responsibility of Bowleven and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of Bowleven or the Joint Bookrunners or any other person and none of the Joint Bookrunners or Bowleven nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of Bowleven in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Registration and settlement**

Settlement of transactions in the Placing Shares following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("CREST"), subject to certain exceptions. Bowleven reserves the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if, in the Joint Bookrunners' opinion, delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares to be allocated to it at the Placing Price and settlement instructions.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with the Joint Bookrunners.

Bowleven will deliver the Placing Shares to a CREST account (Participant ID: 521; Member Account: AGENT) operated by RBS Hoare Govett as agent for Bowleven and RBS Hoare Govett will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will take place on 1 December 2010, on a delivery versus payment basis.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that, if it does not comply with these obligations, Bowleven may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Bowleven's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Representations and warranties**

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with each of the Joint Bookrunners (in their capacity as underwriters of the Placing Shares and joint bookrunners and placing agents of the Company, in each case as a fundamental term of their application for Placing Shares), the following:

1. that it has read this announcement, including the Appendix, in its entirety;
2. that (i) no offering document, listing particulars, prospectus or admission document has been or will be prepared in connection with the Placing and (ii) it has not received a prospectus, admission document or other offering document in connection with the Bookbuild, the Placing or the Placing Shares;
3. that the ordinary shares in the capital of Bowleven are admitted to trading on AIM, and Bowleven is therefore required to publish certain business and financial information in accordance with the rules and practices of AIM (collectively, the "Exchange Information"), which includes a description of the nature of Bowleven's business and Bowleven's most recent balance sheet and profit and loss account and that it is able to obtain or access (i) such Exchange Information and (ii) such information or comparable information concerning any other publicly traded company, in each case without undue difficulty;
4. that none of the Joint Bookrunners or Bowleven nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or Bowleven or any other person other than this announcement; nor has it requested any of the Joint Bookrunners, Bowleven, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
5. that the Placing Shares have not been and will not be registered under the securities legislation of the United States, Australia, Canada, South Africa or Japan and, subject to certain

exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into those jurisdictions;

6. that (i) it is not within the United States; (ii) it is not within Australia, Canada, South Africa, Japan or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares; (iii) it is not acquiring the Placing Shares for the account of any person who is located in the United States, unless the instruction to acquire was received from a person outside the United States and person giving such instruction has confirmed that it has the authority to give such instruction, and that either (a) it has investment discretion over such account or (b) it is an investment manager or investment company and, in the case of each of (a) and (b), that it is acquiring the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the Securities Act); and (iv) it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States or any other jurisdiction referred to in (ii) above;

7. that the content of this announcement is exclusively the responsibility of Bowleven and that neither of the Joint Bookrunners nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this announcement or any information previously published by or on behalf of Bowleven and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this announcement and any information previously published by Bowleven by notification to a Regulatory Information Service, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by any of the Joint Bookrunners or Bowleven and none of the Joint Bookrunners or Bowleven will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of Bowleven in deciding to participate in the Placing;

8. that neither of the Joint Bookrunners nor any person acting on behalf of them nor any of their affiliates has or shall have any liability for any publicly available or filed information, or any representation relating to Bowleven, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

9. that neither it, nor the person specified by it for registration as a holder of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);

10. that it has complied with its obligations under the Criminal Justice Act 1993, section 118 of the Financial Services and Markets Act 2000 ("FSMA") and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, the Money Laundering Regulations 2007 (the "Regulations") and the Money Laundering Sourcebook of the FSA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

11. that it is acting as principal only in respect of the Placing or, if it is acting for any other person (i) it is duly authorised to do so, (ii) it is and will remain liable to Bowleven and/or the Joint Bookrunners for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person), (iii) it is both an "authorised person" for the purposes of FSMA and a "qualified investor" as defined at Article 2.1(e)(i) of Directive 2003/71/EC (known as the Prospectus Directive) acting as agent for such person, and (iv) such person is either (1) a "qualified investor" as referred to at section 86(7) of FSMA or (2) a "client" (as defined in section 86(2) of FSMA) of its that has engaged it to act as such client's agent on terms which enable it to make decisions concerning the Placing or any other offer of transferable securities on such client's behalf without reference to that client;

12. if a financial intermediary, as that term is used in Article 3(2) of EU Directive 2003/71/EC (the "Prospectus Directive") (including any relevant implementing measure in any member state), that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the European Economic Area which has implemented the Prospectus Directive other than to qualified investors, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the proposed offer or resale;

13. that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;

14. that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);

15. that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

16. that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

17. (A) that it is a person falling within Article 19(5) and / or Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or is a person to whom this Announcement may otherwise be lawfully communicated; and

(B) that any offer of Placing Shares may only be directed at persons to the extent in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) and represents and agrees that it is such a qualified investor;

18. that it is entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it, and that its subscription/purchase of the Placing Shares will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;

19. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Joint Bookrunners may in their discretion determine and without liability to such Placee;

20. that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that Bowleven may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

21. that neither of the Joint Bookrunners, nor any of their respective affiliates, nor any person acting on behalf of either of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of either Joint Bookrunner and that the Joint Bookrunners have no duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

22. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither of the Joint Bookrunners or Bowleven will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify Bowleven and the Joint Bookrunners in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of RBS Hoare Govett who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

23. that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by Bowleven or the Joint Bookrunners in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

24. that Bowleven, Merrill Lynch International and RBS Hoare Govett will rely upon the truth and accuracy of the representations, warranties and acknowledgements set forth herein and which are irrevocable and it irrevocably authorises Bowleven, Merrill Lynch International and RBS Hoare Govett to produce this announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;

25. that it will indemnify and hold Bowleven, the Joint Bookrunners and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;

26. that it will acquire any Placing Shares purchased by it for its account or for one or more accounts as to each of which it exercises sole investment discretion and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;

27. that its commitment to subscribe for Placing Shares on the terms set out herein and in the contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to Bowleven's conduct of the Placing. The foregoing representations, warranties and confirmations are given for the benefit of Bowleven as well as the Joint Bookrunners. The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to the subscription by it and/or such person direct from Bowleven for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder, of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither Bowleven nor the Joint Bookrunners shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly;

28. that no action has been or will be taken by any of Bowleven, the Joint Bookrunners or any person acting on behalf of Bowleven or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

29. that in making any decision to purchase the Shares, it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;

30. that it has (a) made its own assessment and satisfied itself concerning legal, regulatory, tax, business and financial considerations in connection herewith to the extent it deems necessary; (b) had access to review publicly available information concerning the Bowleven group that it considers necessary or appropriate and sufficient in making an investment decision; (c) reviewed such information as it believes is necessary or appropriate in connection with its subscription or purchase of the Placing Shares; and (d) made its investment decision based upon its own judgement, due

diligence and analysis and not upon any view expressed or information provided by or on behalf of Merrill Lynch International and RBS Hoare Govett;

31. that it may not rely on any investigation that Merrill Lynch International and RBS Hoare Govett or any person acting on their behalf may or may not have conducted with respect to Bowleven, its group, or the Placing and Merrill Lynch International and RBS Hoare Govett have not made any representation to it, express or implied, with respect to the merits of the Placing, the subscription or purchase of the Placing Shares, or as to the condition, financial or otherwise, of Bowleven, its group, or as to any other matter relating thereto, and nothing herein shall be construed as a recommendation to it to purchase the Placing Shares. It acknowledges and agrees that no information has been prepared by Merrill Lynch International, RBS Hoare Govett or Bowleven for the purposes of this Placing;

32. accordingly it acknowledges and agrees that it will not hold Merrill Lynch International or RBS Hoare Govett, any of their respective associates or any person acting on their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to Bowleven's group or information made available (whether in written or oral form) in presentations or as part of roadshow discussions with investors relating to Bowleven's group (the "Information") and that none of Merrill Lynch International, RBS Hoare Govett or any person acting on behalf of Merrill Lynch International or RBS Hoare Govett, makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;

33. irrevocably appoints any director or employee of each of the Joint Bookrunners as its agent for the purpose of executing and delivering to Bowleven and / or the registrar any documents on its behalf necessary to enable it to be registered as the holder of Ordinary Shares comprising its participation in the Placing or to complete the sale of such Ordinary Shares in the circumstances referred to in this Announcement;

34. that, if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with all applicable laws and regulation; and

35. that in connection with the Placing, each of RBS Hoare Govett, Merrill Lynch International and any of their respective affiliates acting as an investor for its own account may take up shares in Bowleven and in that capacity may retain, purchase or sell for its own account such shares in Bowleven and any securities of Bowleven or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Neither RBS Hoare Govett nor Merrill Lynch International intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

By participating in the Placing, each Placee (and any person acting on the Placee's behalf) subscribing for Placing Shares acknowledges that: (i) the Placing Shares are being offered and sold only pursuant to Regulation S under the Securities Act in a transaction not involving a public offering of securities in the United States and the Placing Shares have not been and will not be registered under the Securities Act; and (ii) the offer and sale of the Placing Shares to it has been made outside of the United States in an "offshore transaction" (as such term is defined in Regulation S under the Securities Act) and it is outside of the United States during any offer or sale of Placing Shares to it.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on

the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that the Joint Bookrunners or any of their affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with the Joint Bookrunners, any money held in an account with any of the Joint Bookrunners on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the relevant Joint Bookrunners' money in accordance with the client money rules and will be used by the relevant Joint Bookrunners in the course of their own business; and the Placee will rank only as a general creditor of the Joint Bookrunners.

All times and dates in this announcement may be subject to amendment. The Joint Bookrunners shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

## DEFINITIONS

In this Announcement:

“Addax” means Addax Petroleum Corporation, a subsidiary of China Petrochemical Corporation (Sinopec)

"Admission" means the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;

“AIM” means the AIM market operated by the London Stock Exchange;

“AIM Rules” means the current rules published by the London Stock Exchange applicable to companies with a class of securities admitted to trading on AIM;

“Announcement” means this announcement (including the appendix to this announcement);

"Board" or "Directors" means the directors of the Company;

“bcf” means billion standard cubic feet of gas;

“Bomono Permit” means the production sharing contract between the Republic of Cameroon and EurOil dated 12 December 2007 in respect of the area of approximately 2,328 km<sup>2</sup> comprising former blocks OLHP-1 and OLHP-2 onshore Cameroon; or, as the context may require, the contract area to which this production sharing contract relates;

"Bowleven" or the "Company" means Bowleven plc and/or its subsidiaries as appropriate;

"Cameroon" means the Republic of Cameroon;

"CREST" means the relevant system, as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (in respect of which Euroclear UK & Ireland Limited is the operator);

"EOV Permit" means the exploitation and production sharing contract between the Republic of Gabon and GGPC Gabon (EOV) Limited (an indirectly wholly owned subsidiary of the Company) dated 16 February 2004; or, as the context may require, the contract area to which this production sharing contract relates;

“Epaemeno Permit” means the exploitation and production sharing contract between the Republic of Gabon and GGPC Gabon (Epaemeno) Limited (an indirectly wholly owned subsidiary of the Company) dated 17 November 2004 in respect of an area of approximately 1,340 km<sup>2</sup> onshore Gabon or; as the context may require, the contract area to which this production sharing contract relates;

"Etinde Permit" means the production sharing contract between the Republic of Cameroon and EurOil dated 22 December 2008, in respect of the area of approximately 2,316 km<sup>2</sup>, comprising former blocks MLHP-5, MLHP-6 and MLHP-7, offshore Cameroon; or, as the context may require, the contract area to which this production sharing contract relates;

"EurOil" means EurOil Limited, an indirectly wholly owned subsidiary of the Company incorporated in Cameroon;

"FSA" means the Financial Services Authority;

"Gabon" means the Republic of Gabon;

"Group" means the Company and its direct and indirect subsidiaries;

"Joint Bookrunners" means Merrill Lynch International and RBS Hoare Govett Limited;

"London Stock Exchange" means London Stock Exchange plc;

"mmbbls" means million barrels;

"Ordinary Shares" means ordinary shares of 10 pence each in the capital of the Company and "Ordinary Share" means any one of them;

"Placees" means persons by whom or on whose behalf a commitment to acquire Placing Shares has been given and "Placee" means any one of them;

"Placing" means the placing of the Placing Shares by the Joint Bookrunners, on behalf of the Company, with both new and existing institutional investors;

"Placing Agreement" means the placing agreement dated 9 June 2009 among the Company and the Joint Bookrunners in respect of the Placing;

"Placing Price" means the price per Ordinary Share at which the Placing Shares are placed;

"Placing Shares" means the Ordinary Shares which are to be issued pursuant to the Placing;

"Prospectus Directive" means the Directive of the European Parliament and of the Council of the European Union 2003/71/EC;

"PSC" means production sharing contract;

"P10" means a 10% probability that volumes will be equal to or greater than stated volumes;

"P90" means a 90% probability that volumes will be equal to or greater than stated volumes;

"RBS Hoare Govett" means RBS Hoare Govett Limited;

"Regulatory Information Service" means any of the regulatory information services included within the list maintained on the London Stock Exchange's website;

"Securities Act" means the US Securities Act of 1933, as amended;

"Shareholders" means holders of Ordinary Shares and "Shareholder" means any one of them;

"United Kingdom" or "UK" means the United Kingdom of Great Britain and Northern Ireland;

"United States" or "US" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"US\$" means United States Dollars; and

"Vitol" means Vitol E&P Limited.