



12 August 2009

Bowleven plc ('Bowleven' or 'the Company')

Etinde Permit Farm-out Transaction

Bowleven, the African focused oil and gas company traded on AIM, is pleased to announce that it has entered into a farm-out agreement with Vitol E&P Limited (VEP) in respect of the Etinde Permit (Etinde), Cameroon.

The transaction comprises (1) the acquisition by VEP of an initial 25 percent interest in Etinde, in return for funding a \$100 million gross work programme; and (2) an option to acquire a further 25 percent interest, in return for funding an additional \$100 million gross work programme and paying \$25 million in cash to the Bowleven group to progress Etinde activities.

This funding coupled with the proceeds from the recent placing provides Bowleven with increased financing flexibility to pursue the various exploration and development opportunities identified in its portfolio.

VEP is part of the Vitol Group, a major independent energy trading company, headquartered in Geneva, with a breadth of experience in the oil and gas industry. This includes development, marketing and project finance expertise. Bowleven consider that this expertise should be of real benefit to the resulting joint venture as it moves from exploration to development in Cameroon.

The Etinde Permit area comprises three shallow water blocks (MLHP-5, MLHP-6 and MLHP-7) in offshore Cameroon, West Africa. The Etinde PSC was signed on 22 December 2008 and includes a three year exploration period from the date of signing. Both exploration and appraisal activity has been undertaken by Bowleven on the acreage. The Bowleven group has drilled four wells on Etinde since 2007, all of which have been successful. Bowleven's current estimated Contingent Discovered Resources (Mean Volumes Initially In Place) for the Etinde Permit are 225 MMbbls of oil, 129 MMbbls of NGLs and approximately 1 tcf of gas. Pending development activity, there is currently no production on the acreage.

On 1 June 2009 Bowleven announced the results of an independent assessment completed by TRACS International Consultancy Limited (TRACS) of the contingent resources of the IF oil discovery in Block MLHP-7 on Etinde. A copy of the TRACS CPR is available on the Company's website (www.bowleven.com).

The immediate priority for Etinde is to drill at least one appraisal well on the IF field (IF-2 appraisal well). Bowleven is in the process of securing a suitable drilling rig for this activity. Seismic activity (3D reprocessing and a new 100 km² 3D OBC seismic survey over the IE/IF discoveries) is also planned in the near term. The IF-2 well and seismic activities form part of the initial work programme agreed with VEP and will be covered by the initial carry outlined above.

On 9 June 2009 Bowleven raised approximately \$114 million (gross) via a share placing. The Board also indicated its intention to continue to consider farm-out proposals that facilitate progression of the Bowleven group's business and the development of its portfolio of assets. This transaction supports this objective, enabling the rapid appraisal and potential development of the existing IF and IE discoveries whilst also facilitating near term exploration activity across the Bowleven portfolio.

Transaction details

Bowleven and VEP entered into a farm-out agreement in respect of the transaction on 12 August 2009. Pursuant to that agreement, VEP will acquire a 25 percent initial interest in the Etinde Permit in return for a commitment to fund \$100 million (gross) on an agreed exploration/appraisal work programme on the acreage. The Bowleven group's interest in the Etinde Permit will be 75 percent following the farm-out of this initial interest and Bowleven will retain operatorship of all activities during this period.

Under the terms of the farm-out agreement, VEP also has an option to acquire a further 25 percent interest in the Etinde Permit that, if exercised, will result in a commitment to fund a further \$100 million (gross) on agreed exploration, appraisal and development activities on Etinde and a \$25 million cash payment to Bowleven to be invested on the Etinde Permit. This option expires on 30 September 2010. In the event that the option is exercised it is intended that operatorship of the Etinde Permit will transfer to VEP with the Bowleven group continuing to provide technical support to the work programme and activities. Assuming option exercise, the Bowleven group's interest in the Etinde Permit would be 50 percent.

The above interests are prior to the exercise of any back-in rights by SNH. Under the Etinde PSC, SNH has the right to elect to take a 20 percent participating interest in development activity.

The effective date for the transaction is 1 July 2009. Bowleven will retain the benefit for cost recovery and tax purposes of all historic expenditure prior to the effective date.

The proposed farm-out is conditional upon normal regulatory approval by the Cameroon Government.

The transaction is also conditional upon approval by Bowleven shareholders and this will be sought at an EGM scheduled for 28 August 2009. A circular will be posted to shareholders shortly and a copy will be made available on the Company's website.

Kevin Hart, CEO of Bowleven, commented:

“It is great to be bringing Vitol in as a value adding partner to our Etinde PSC in Cameroon. The combination of our exploration skills together with their development and extensive marketing experience makes us an excellent fit.

This transaction, which endorses the value of our Etinde position, enables us to push forward together with significant exploration, appraisal and development activities in order to fully realize the potential of the Etinde acreage for all stakeholders”.

There will be a conference call for analysts and investors today at 11:30am.

Conference call details will be circulated separately. They can also be obtained directly from Brunswick.

ENQUIRIES

For further information please contact:

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GLOSSARY

Bowleven plc – Bowleven plc and/or its subsidiaries as appropriate

Bowleven group – the company and its subsidiaries

CPR – competent persons report

EGM – Extraordinary General Meeting

MMbbls – million barrels

NGL – natural gas liquids

OBC – ocean bottom cable

PSC – production sharing contract

SNH – Société Nationale des Hydrocarbures, the National Oil Company of Cameroon

tcf – trillion cubic feet

VEP – Vitol E & P Limited and/or an affiliated company as appropriate

NOTES TO THE EDITOR

Bowleven is an African focused oil and gas group, based in Edinburgh and traded on AIM since December 2004. Bowleven holds, through its wholly-owned subsidiary EurOil Limited, a 100% equity interest in the Etinde Permit area comprising three shallow water blocks in offshore Cameroon, West Africa; namely Blocks MLHP-5, MLHP-6 and MLHP-7. In total Bowleven has approximately 2,316 km² of exploration acreage located across the Rio del Rey and Douala basins in the Etinde Permit. The Bowleven group has drilled four wells on the Permit since 2007, all of which have been successful. Following the initial stage of the VEP transaction, EurOil Limited will retain a 75% equity interest in the Etinde Permit and in the event of option exercise by 30 September 2010 this will be reduced to a 50% interest. Under the PSC, SNH also has the right to elect to take a 20% participating interest in development activity on the acreage.

A map depicting the locations of the Etinde Permit in Cameroon is available on the Company's website at www.bowleven.com.

EurOil Limited also has a 100% equity interest in the Bomono Permit, onshore Cameroon, extending to approximately 2,328 km² in the Douala/Kribi Campo basin. Bowleven has operated in Cameroon since 1999.

Bowleven also holds, through its wholly-owned subsidiary FirstAfrica Oil Limited, a 100% equity interest in the EOV Permit offshore in Gabon, which contains an existing oil discovery that it is seeking to develop, and a 50% equity interest in the Epaemeno Permit, which is approximately 1,340 km² of exploration acreage in onshore Gabon and sits adjacent to a number of recent discoveries in surrounding blocks.

Standard Chartered Bank acted as adviser to Bowleven in relation to the farm-out of part of the Bowleven group's interest in the Etinde Permit.

The resource and future revenue estimates presented in the TRACS CPR mentioned above have been prepared in accordance with definitions presented in the SPE's Petroleum Resources Management System and the risking of contingent resources has been done in accordance with the LSE/AIM Guidance note for Mining, Oil and Gas Companies. In

accordance with the AIM Rules, John Morrow, Chief Operating Officer of Bowleven plc, a member of the Society of Petroleum Engineers, who holds a CEng, is the qualified person who has reviewed and approved the technical information contained in this announcement.

The most recent published financial statements for the Bowleven group are contained within the Interim Report for the six months ended 31 December 2008. The carrying value of the Etinde Permit asset contained within the balance sheet as at that date was \$205 million.