



24 August 2010

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

### IE-3 appraisal well - testing update

Bowleven, the West Africa focused oil and gas exploration group listed on AIM, is pleased to announce that it has successfully completed its planned testing programme on the IE-3 appraisal well on the Etinde Permit, offshore Cameroon. The testing programme comprised multiple drill stem tests (DST) over various reservoir intervals.

#### Highlights

- Increased likelihood of commercial development with oil, condensate and gas successfully produced from test intervals
- Measured flow rates per interval ranged from 845 to 11,778 boepd with a cumulative maximum rate of 14,576 bpd of liquids and in excess of 50 mmscfd of gas (total 22,909 boepd)
- Liquids produced were both high quality gas condensate and oil with a range in gravity of 36 to 43 degree API
- Total net pay from IE-3 estimated to be 40 metres (over gross hydrocarbon columns totalling 134 metres)
- Oil discovered highlights additional potential of IE field area and surrounding acreage
- Integration of extensive well data ongoing
- The rig will now be moved to the Sapele-1 exploration well location (MLHP-5, Etinde Permit)
- Further IE appraisal well anticipated in current campaign

#### IE-3 appraisal well update

The objective of the IE-3 well was to appraise the extent and communication of the upper Isongo reservoir updip of the previous wells drilled on the IE field and also to target the additional exploration potential of the deeper Isongo reservoirs.

The Company announced on 15 July 2010 that the well had been drilled to a final depth of 3,048 metres (10,000 feet) and that it was preparing to conduct a multiple test programme. The results of the drill stem tests performed (including gross interval tested and maximum flow rates achieved) are outlined below:

*DST 5 - gas condensate (7,208 to 7,252 feet)*

- Flowed gas and condensate from thinly interbedded reservoir but unable to achieve measurable rates.

*DST 4 - gas condensate (7,520 to 7,570 feet)\**

- Tested 7,195 barrels per day of 42.8 degree API condensate and 27.5 million standard cubic feet of gas on a 64/64 inch choke.

*DST 3 - oil (7,608 to 7,678 feet)\**

- Tested 5,931 barrels per day of 37.0 degree API oil and 15.1 million standard cubic feet of gas on a 54/64 inch choke.

*DST 2 – light oil (8,120 to 8,225 feet)*

- Tested 605 barrels of per day of 36.0 degree API oil and 7.4 million standard cubic feet of gas on a 36/64 inch choke.

*DST 1- oil (8,326 to 8,348 feet)*

- Tested 845 barrels per day of 38.0 degree API oil on a 28/64 inch choke.

\*DST 4 was performed without isolating the test zone from the previous DST 3 test. Based on analysis of pressure data and fluid composition the DST 3 interval did not contribute to the results of DST 4.

The well encountered in excess of 134 metres (439 feet) of gross hydrocarbon columns with 40 metres (132 feet) of net hydrocarbon pay distributed over multiple pay zones, five of which were subsequently tested. In addition, two further zones of interest were not tested. Reservoirs encountered in the well include a combination of blocky sands and thin bed pay. Sand quality varied although the majority exhibited good porosity and permeability.

The results for DST 4 and 5 indicated the presence of rich gas condensate in the upper Isongo sand formation. DST 4 confirmed the high deliverability of the Isongo reservoirs and demonstrated a rich condensate yield of 262 bbl/mmscf. DST 5 tested less well developed reservoirs which were believed to be in pressure communication with those encountered on IE-2z. Whilst gas and condensate on DST 5 were initially successfully flowed to surface on test, well head pressure fell rapidly. The reason for this is being investigated.

The multiple additional deeper oil and gas bearing reservoirs identified require further evaluation but are very encouraging from the perspective of an overall commercial development of the area. Indications of possible pressure depletion were observed during DST 2 and 3. The extent and implication of this requires detailed further analysis of the recorded data.

Further evaluation is required before the implications for the IE field area and the surrounding acreage can be fully interpreted. The discovery of more oil in the north of our Etinde acreage is very positive. Integration of extensive well test data and further evaluation of volumetrics are ongoing which will also help in assessing the potential upside identified on

the acreage. The test results have increased the overall likelihood of a commercial development of the IE field area.

The rig will now be moved to the Sapele-1 exploration well location on MLHP-5, Etinde Permit, Cameroon. A further announcement will be made on commencement of Sapele-1 operations. Given the multiple hydrocarbon bearing reservoirs encountered during IE-3, a further appraisal well is anticipated during the current multi-well drilling campaign on Etinde.

Bowleven is expected to announce its preliminary results for the year ended 30 June 2010 on 9 November 2010.

**Kevin Hart, Chief Executive said:**

“The test results from IE-3 are an exciting start to our multi-well drilling campaign on Etinde. It is highly encouraging to have encountered multiple gas condensate and oil bearing sands. Given the positive test results and the potentially wider implications for our Cameroon acreage further evaluation and appraisal work is planned. The rig will now move to MLHP-5 to drill the high impact exploration well, Sapele-1, which will access multiple targets including the deeper cretaceous, to further evaluate the significant exploration potential of the Douala Basin.”

**There will be a conference call for analysts and investors today at 11.00 am.**

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

## **ENQUIRIES**

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## **Notes to the Editor:**

Bowleven is a West Africa focused oil and gas 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 (Etinde) Cameroon, comprising three shallow water blocks in offshore Cameroon, West Africa; namely Blocks MLHP-5, MLHP-6 and MLHP-7. The transaction comprises (1) the acquisition by Vitol of an initial 25% interest in Etinde, in return for funding a \$100 million gross work programme; and (2) an option for Vitol to acquire a further 25% 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.

The initial phase of the Vitol transaction has completed and as a consequence, Bowleven now have a 75% operated equity interest in the Etinde Permit. Bowleven holds its interest in Etinde through its wholly-owned subsidiary EurOil Limited. In the event of option exercise by Vitol on or before 30 September 2010, this will be reduced to a 50% interest, with Vitol expected to take over the operatorship of the Permit. Under the production sharing contract (PSC), Société Nationale des Hydrocarbures (SNH), the National Oil Company of Cameroon, also has the right to elect to take a 20% participating interest in development activity on the acreage.

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. 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 was the first well in the campaign. The IE-3 well was drilled to a final depth of 3,048 metres. A testing programme of five DSTs (drill stem tests) has been successfully completed. The rig will now move to the MLHP-5 exploration well location (Sapele-1). A further announcement will be made on commencement of Sapele-1 operations.

The drilling rig contract signed for the Etinde drilling programme is for the Noble Tommy Craighead jack-up, owned by Noble International, a subsidiary of Noble Corporation (NYSE:NE).

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/Kribi Campo basin.

Bowleven holds, through its wholly-owned subsidiary FirstAfrica Oil Limited, a 100% equity interest in the EOY 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 EOY. 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.

## **GLOSSARY OF TERMS:**

The following are the main terms and abbreviations used in this announcement:

|               |   |
|---------------|---|
| AIM           | Alternative Investment Market   |
| API           | a specific gravity scale developed by the American Petroleum Institute (API) for measuring the relative density of various petroleum liquids, expressed in degrees  |
| bbl/mmscf     | barrels per million standard cubic feet of gas  |
| boe           | barrel(s) of oil equivalent   |
| boepd         | barrel(s) of oil equivalent per day   |
| bpd           | barrel(s) per day   |
| Bowleven      | Bowleven plc and/or its subsidiaries as appropriate   |
| DST           | drill stem test   |
| Etinde Permit | the production sharing contract between the Republic of Cameroon and EurOil (an indirectly wholly-owned subsidiary of the company) dated 22 December 2008 in respect of the area of approximately 2,316 km <sup>2</sup> , comprising Block MLHP-5, Block MLHP-6 and Block MLHP-7, offshore Cameroon or, as the context may require, the contract area to which this production sharing contract relates |
| mmscfd        | million standard cubic feet of gas per day  |
| mscf          | thousand standard cubic feet of gas   |

For the purposes of this announcement, 6 mscf of gas has been converted to 1 boe.