



25 November 2010

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

### **Additional hydrocarbon pay identified at Sapele-1**

#### Sapele-1 Exploration Well, Block MLHP-5, Etinde Permit, Offshore Cameroon

Bowleven, the West Africa focused oil and gas exploration group traded on AIM, announces that the Sapele-1 exploration well drilling in the Douala Basin, offshore Cameroon has encountered further log evaluated pay in the Miocene reservoir objective. This pay is in addition to that encountered at the Lower and Deep Omicron discoveries announced on 9 November 2010.

#### **Highlights**

- Preliminary log evaluation indicates an additional 6 to 8 metres of net hydrocarbon pay beneath the previously logged section in Deep Omicron
- Total net pay across the Omicron discoveries now 31 to 43 metres
- Cross-cut event and the Cretaceous Epsilon Complex still to be drilled
- Preparing for testing and subsequent appraisal drilling/sidetrack(s) post completion of current well

#### **Drilling update**

The targets of the Sapele-1 exploration well, on block MLHP-5 in the Etinde Permit, are a series of vertically stacked reservoir objectives, from the proven Miocene fairway down to the deeper Cretaceous fairway proven to be prolific elsewhere in West Africa.

Since the announcement on 9 November 2010, the well, which is drilling in water depths of around 20 metres, has been deepened by a further 123 metres to a current total depth of 3,483 metres in order to find a suitable point to set casing before drilling ahead into the cross-cut event.

The initial results from this section indicate that the well has intersected additional net hydrocarbon pay of 6 to 8 metres in high quality reservoir sands with an average porosity of 21%.

## **Forward exploration and appraisal programme**

It is now planned to drill to a target depth (TD) of approximately 4,450 metres to test further prospective horizons, including the deeper Cretaceous, a play untested within this part of the Douala Basin.

Drilling activity 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 TD.

The Company plans to issue an update announcement on reaching the target depth of the well or, as appropriate, on completion of logging activities.

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

“Whilst we recognise that further evaluation and appraisal are required, the additional pay encountered in the Miocene section provides further support to our view that the Omicron discoveries are potentially transformational. We look forward with anticipation to recommencing drilling and intersecting the deeper cross-cut event and Cretaceous Epsilon targets.”

Maps relating to Sapele-1 are available on our website [www.bowleven.com](http://www.bowleven.com) under the heading “Presentations”. The presentation is titled “Sapele-1 announcement – 25 November 2010”.

## **ENQUIRIES**

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**Note to Announcement:**

- (1) The technical information in this release has been reviewed by Ed Willett, who is a qualified person for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Ed Willett, Exploration Director of Bowleven plc, is a geologist and geophysicist, a Fellow of the Geological Society (FGS) and a member of the Petroleum Exploration Society of Great Britain (PESGB) with over 25 years' experience in oil and gas exploration and production.

**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 (Etinde) Cameroon, 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 \$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 \$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.

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 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. 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.

## **GLOSSARY OF TERMS:**

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

AIM	Alternative Investment Market
Bowleven	Bowleven plc and/or its subsidiaries as appropriate
Etinde Permit	the production sharing contract between the Republic of Cameroon and EurOil Limited (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 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