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

## **Commencement of drilling operations – Sapele-2**

### **Sapele-2, Block MLHP-5, Etinde Permit, Offshore Cameroon**

Bowleven, the West Africa focused oil and gas exploration group traded on AIM, is pleased to announce that drilling has commenced on the Sapele-2 well, Douala Basin, offshore Cameroon, with the Sapphire Driller jack-up rig.

The principal objective of the Sapele-2 well is to appraise the Omicron discoveries encountered in the Sapele-1 exploration well. The Sapele-2 well will penetrate both the Lower and Deep Omicron discoveries at a location around five kilometres South West of the Sapele-1 location. The well is to be drilled to an estimated target depth of circa 3,724 metres in water depths of around 25 metres and drilling is expected to take approximately 50 to 60 days (excluding testing).

A map indicating the location of the Sapele-2 well is available on our website [www.bowleven.com](http://www.bowleven.com) under the heading presentations; the presentation is titled "Sapele drilling locations".

Further update announcements on drilling activities will be made as appropriate.

### **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 (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 sidetrack (Sapele-1ST) and the Sapele-2 well are 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 exploration drilling or appraisal activity, with the possibility of a further extension to complete an ongoing approved appraisal programme. Since 2007, the Bowleven group has drilled six 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. The second well in the campaign, the high potential Sapele-1 exploration well on block MLHP-5, Etinde Permit, Cameroon targeted a series of vertically stacked reservoir objectives, from the proven Tertiary fairway down to the deeper Cretaceous fairway. All five target objectives have indicated to be hydrocarbon bearing from log evaluation with net pay confirmed in three post sampling. The well was drilled to a TD of 4,733 metres before drilling was halted due to technical limitations after encountering a high pressure gas reservoir in the Cretaceous. On 28 February 2011 it was announced that drilling had commenced on the Sapele-1 sidetrack (Sapele-1ST). The principal objective of Sapele-1ST is to appraise the Deep Omicron oil discovery encountered in the Sapele-1 exploration well. The well is to be drilled to an estimated vertical depth of circa 3,682 metres (4,761 metres measured depth) approximately 2 kilometres from the Deep Omicron oil discovery in the original vertical well.

The initial 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). This rig is currently drilling Sapele-1ST.

The contract signed for the second drilling rig assigned to the Etinde drilling programme is for the Sapphire Driller jack-up, owned by Sapphire Driller Company, a subsidiary of Vantage Drilling Company (NYSE: VTG).

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.

#### **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