



27 October 2014

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

Etinde Farm-out Update

Highlights

- Cameroon Government approval received for assignment of Etinde equity interests to LUKOIL/NewAge and transfer of operatorship to Camop (NewAge).
- All parties working together to agree longstop extension to 31 December 2014 to enable formal completion of Etinde farm-out transaction.
- Rig contract signed for two well exploration drilling campaign on Bomono, onshore Cameroon.

Bowleven, the Africa focused oil and gas exploration group traded on AIM, is pleased to announce that notification of the Cameroon Government's approval of the assignment of the Etinde equity interests to the nominated affiliates of LUKOIL/NewAge, and the associated transfer of operatorship to Camop, has been received from the Ministry of Mines.

As a result of the Government's official approval, the only remaining formality to transaction completion under the Etinde farm-out agreement announced with LUKOIL/NewAge on 24 June 2014, is the gazetting of the signed Presidential decree. To allow for completion of this final condition, all parties to the farm-out agreement are progressing the extension of the transaction longstop date to 31 December 2014. Upon completion Bowleven will receive an initial payment of circa \$170 million.

Whilst we do not expect it to be required, a \$30 million short term bridge facility has been signed with Macquarie Bank which, alongside the Group's current cash balance of circa \$20 million, provides financial flexibility pending transaction completion. The bridge facility matures on 31 December 2015, but will be cancelled on completion of the Etinde farm-out transaction and amounts drawn (if any) under the facility repaid from the proceeds. If the facility is drawn, or is in place beyond 31 December 2014, Macquarie will be entitled to a series of warrants.

On Bomono, the arrangement with Africa Fortesa Corp Ltd (AFC) announced on 27 June 2014 has been effected, and the conditions satisfied in the signed rig contract with Africa Onshore Drilling LDC. The rig will be mobilised from Senegal shortly, with drilling expected to commence around end 2014. It is intended to drill two wells back-to-back targeting a series of stacked sands with oil and gas/condensate potential.

In addition to activity on Bomono, and on final completion of the Etinde farm-out, the Etinde joint venture intends to embark on an accelerated appraisal drilling programme to further

appraise the potential of the Intra Isongo interval intersected by the IM-5 well in 2013. Bowleven's anticipated share of this two well appraisal programme is funded by a \$40 million (net) carry that forms part of the deferred proceeds of the farm-out transaction. A further \$15 million is receivable on completion of this appraisal programme, and \$25 million on reaching project FID.

Kevin Hart, Chief Executive of Bowleven plc, said:

“We thank the Cameroon Government for approving the assignment of interests and transfer of operatorship and look forward to the gazetting of the official decree by His Excellency, the Head of State, H.E. President Paul Biya. Completion of the transaction will facilitate the advancement of Etinde development plans, including the acceleration of appraisal drilling, aimed at confirming further liquids potential alongside additional volumes for the expanding range of gas sales opportunities.

Pending receipt of the significant cash proceeds at completion, the \$30 million bridge facility agreement signed with Macquarie Bank, provides additional short term financing flexibility. This ensures the timely progression of operations across the Group's portfolio, including drilling operations on Bomono.

As a consequence of the above transactions, we are ideally positioned to progress our assets and look forward to participating in two potentially high impact drilling campaigns within the next 12 months.”

ENQUIRIES

For further information please contact:

Bowleven plc	
Kevin Hart, Chief Executive	00 44 131 524 5678
Kerry Crawford, Finance Director	

Brunswick Group LLP	
Patrick Handley	00 44 207 404 5959
Simon Maine	

Bank of America Merrill Lynch (Nomad)	
Derek Ross	00 44 207 628 1000
Tony White	

Notes to Editors:

Bowleven is an African focused oil and gas exploration group, based in Edinburgh and traded on AIM. Bowleven's strategy is focused on creating and realising material value through exploration led organic growth. Bowleven holds equity interests in five blocks in Cameroon, with three blocks located offshore in shallow water and two onshore. All of these blocks are operated by Bowleven. On 24 June 2014, Bowleven announced that the Group had entered into a conditional farm-out agreement to sell an aggregate 40% (post government back-in) operated interest in the Etinde Permit, Cameroon to LUKOIL and NewAge. On completion of the farm-out transaction operatorship of the offshore Etinde Permit in Cameroon will transfer to Camop. Bowleven also holds an equity interest in an onshore block in Kenya,

operated by Adamantine Energy, and has been awarded three blocks in Zambia, with applications on two blocks pending.

On 29 July 2014, the formal award of the Etinde Exploitation Authorisation (EA) was granted. The EA gives Bowleven and its joint venture partners, development and exploitation rights over block MLHP 7 for an initial period of 20 years. The Etinde production sharing contract (PSC) will expire on 22 December 2014. A new PSC application comprising blocks MLHP 5 and MLHP 6 not covered by the EA, has been submitted to the Cameroon Authorities on the basis of Bowleven 75% (including operatorship) and NewAge 25%.

Notes to Announcement:

- (1) The information in this release reflects the views and opinions of Bowleven as operator and has not been reviewed in advance by its joint venture partners.
- (2) The \$30 million bridge facility with Macquarie is structured as a corporate loan facility with an arrangement fee, a commitment fee on any undrawn amounts and interest payable on any funds drawn at LIBOR plus 4% to 6%. If the facility is drawn, or remains in place beyond 31 December 2014, Macquarie will be entitled to up to 11 million warrants priced at 50p per share, issuable at certain fixed dates across 2015.

Glossary of Terms:

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

AIM	the market of that name operated by the London Stock Exchange
Bomono Permit	the production sharing contract between the Republic of Cameroon and EurOil, an indirectly wholly owned subsidiary of the Company, dated 12 December 2007 in respect of the area of approximately 2,328km ² , 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	Bowleven plc (LSE:BLVN) and/or its subsidiaries as appropriate
Camop	Cameroon Offshore Petroleum S.A.R.L., the holder of a 20% non-operated participating interest (post State back-in) in the Etinde Permit and an affiliate of NewAge
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 2,316km ² , 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
FID	final investment decision

Group	the Company and its direct and indirect subsidiaries
LUKOIL	LUKOIL Overseas West Project Ltd, a subsidiary undertaking of OAO LUKOIL
NewAge	New Age (African Global Energy) Limited, the parent undertaking of Camop