



08 February 2017

Bovleven plc ('Bovleven' or 'the Company')

### **Bovleven provisional response to Crown Ocean Capital resolutions**

Following its requisition of a General Meeting (GM), issued on 24th January, Crown Ocean Capital (COC) the Monaco-based private investment vehicle, has continued to purchase Bovleven stock.

In view of this, and ahead of the more detailed response within the circular convening the GM, Bovleven wishes to advise all shareholders of its view of key aspects of the COC proposals and why the Board will unanimously be recommending shareholders vote against all resolutions. In the meantime, shareholders are urged to support their Board and take no immediate action with regard to their holdings:

- COC's intent is to take control of Bovleven without paying fair value, and it has no credible strategy to maximise the value from the company's key assets, Etinde and Bomono;
- COC's stated intention is to convert Bovleven into a holding company
  - Stripping the cash from Bovleven's balance sheet, and
  - Leaving it in a precarious position potentially unable to fund the investment necessary to realise any or all value from its Cameroon assets; this substantially weakens its' bargaining position
- COC intends to remove the existing Board and appoint their own representatives, placing the management of the company in the control of a single minority shareholder, with no remaining independent directors representing the interests of shareholders
  - This is exceptionally poor governance, delivering stewardship of the company into the hands of unvetted COC appointees and removing all governance safeguards for other shareholders;
  - The Board will lose vital relationships with the Cameroon Government key to progressing the assets and realising value, and lose its entire relevant oil & gas experience and industry relationships
- Throughout their near-year long involvement with the company, COC has displayed utter inconsistency:
  - Their first approach, in August 2016, was to advocate an MBO, but desisted when the management made it clear that the offer price must be at a level the Board could recommend
  - Their second approach was to support the existing management team, Chairman and strategy, and to impose new non-executive directors, but the legal procedures were defective
  - Their third approach is to dismiss all Board members, except the Chief Operating Officer, who previously they sought to dismiss

### **Bovleven**

The company's strategy provides you with the best route to maximising the value of your shares:

- We are progressing exciting development plans at Etinde that have the potential to deliver material upside to you
- The company has a strong balance sheet with \$95m of cash (as of 31/12/2016) and no debt
  - We must retain sufficient financial flexibility in order to realise maximum value from Etinde
  - After significant investment, time, and effort, Bomono is on the cusp of delivering value through development and farm-out. COC proposes to cease the very modest outlay needed to bring this to fruition
- Employing strict capital discipline, the company already had in place a means to return excess cash to shareholders with its share buyback programme, but COC blocked this
- Action continues to be taken to preserve cash with overheads reduced by 23% to \$0.8m/month
- The Company has a fully compliant Board providing you, the Shareholders, with appropriate governance of your investment

Chairman, Billy Allan said:

“Ahead of our formal response, we wish to give timely advice to shareholders that COC’s proposal has absolutely no merit. It is self-evidently, and solely, a means to turn Bowleven into a cash dispenser for themselves, by taking control of the Board.

By contrast the company is progressing exciting plans at Etinde and Bomono that have the potential to deliver material upside. We see a clear choice for shareholders between losing control of the company, or retaining substantial upside in an E&P company at a favourable point in the market cycle.”

## **ENQUIRIES**

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## **NOTES TO EDITORS:**

Bowleven is an African focused oil and gas exploration group, based in Edinburgh and traded on AIM. Bowleven’s vision is to build an African focused exploration and production company focused on creating and realising material value through exploration-led organic growth and niche acquisitions. Bowleven holds equity interests in three blocks in Cameroon, with one block located offshore in shallow water (operated by NewAge) and two onshore (operated by Bowleven).