



17 February 2017

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

Corrections to statements made by Crown Ocean Capital P1 Ltd (COC)

Following Bovleven's announcement on 15 February 2017 of the posting of the Circular to convene the General Meeting, COC released its own "open letter" to Shareholders on the same day (the **COC Open Letter**).

Although the Board does not believe Shareholders are best served by a series of public claims and counterclaims between the Company and COC, there are ten significant errors in the COC Open Letter that should not pass unchallenged.

The Board stands behind the entire contents of the Circular, which was prepared after due and proper consideration of the requisition notice from COC and took into account the proposals for the future strategy and management of the Company set out in that notice.

Directors' Remuneration and Cost Saving

COC claims: The Board were awarded remuneration totalling US\$44 million over ten years.

Fact: The correct figure is US\$33 million, as detailed in page 27 of the Circular. The combined total current annual salary of the three executive Directors is approximately \$1.08 million, which is wholly in line with similarly sized industry peers.

It is worth highlighting that Bovleven was operator of Etinde for the majority of the ten year historic period referenced, an asset that both the Board and COC agree "bears an enormous potential and value creation opportunity". The progression of the asset through exploration success and the subsequent award of the EA were all achieved under Bovleven's operatorship. Contrary to COC's claims, management has implemented significant cost saving measures and continues to do so, as outlined on page 25 of the Circular. In addition, the Group has 24 staff, down from an operating peak of around 70 in 2012, rather than the "more than 30" referred to in the COC Open Letter.

Board Independence

COC claims: The Board has "questionable independence", with a majority having a connection with Cairn Energy PLC (Cairn).

Fact: Four of the seven Directors are former employees of Cairn, two of whom (Kevin Hart and Kerry Crawford) are executive Directors. From a corporate governance perspective the concept of independence is relevant to non-executives rather than executives.

Two of the non-executive Directors, Philip Tracy and Tim Sullivan, are also former employees of Cairn. Tim Sullivan's employment by Cairn was for an 18 month period in 2012 and 2013 following Cairn's acquisition of Agora Oil and Gas in 2012 and a commitment by certain Agora

management to remain with the business for a period after completion. This period of employment did not overlap with the employment of any of the other Directors at Cairn. Philip Tracy is not in any case considered fully independent because of his previous service as Interim Operations Director of Bowleven between 2011 and 2013. The three other non-executive Directors are considered independent for the purposes of the UK Corporate Governance Code, including Tim Sullivan and the new chairman and senior non-executive Director appointed to the Board in 2015.

In addition, the background of certain of the Directors as past employees of Cairn should not, of itself, be worthy of criticism or negative inference. Cairn is an established and high quality oil and gas exploration and production operator, formerly part of the FTSE 100 and with corporate headquarters in the same city as Bowleven. Philip Tracy, Kevin Hart and Kerry Crawford contributed significantly to the success of Cairn as members of senior management before, during and after its transformational discoveries in Rajasthan, India.

COC Board Proposal

COC claims: The proposed COC Board, comprising the two COC nominees and David Clarkson, has “the relevant skills” and the “highest corporate governance standards”.

Fact: The structure and composition of the proposed COC Board will not be compliant with the UK Corporate Governance Code or the QCA Corporate Governance Code.

COC’s proposed Board would also be wholly reliant on David Clarkson for its “relevant skills” in terms of both oil and gas industry experience and the continuity of Bowleven’s important relationships with its partners and the Cameroon authorities. As set out in the Circular, David Clarkson unequivocally supports the recommendation of the Board in relation to the COC proposals and intends to vote against all resolutions at the General Meeting in respect of his shareholding. There can be no assurance that David Clarkson will agree to continue as a Director if the resolutions are passed at the General Meeting.

Share Buy Back Authority

COC claims: The Board used the previous share buy back programme to “temporarily influence the share price” and primarily in “the Board’s self-interest”, and that COC would support the use of “inverse share tenders” instead.

Fact: The Board has never used, and would under no circumstances contemplate using, the purchase by the Company of its own shares to influence the share price. To suggest otherwise is defamatory. In addition, it is unclear why COC’s alternative of buying back shares through “inverse share tenders” should be more attractive to Shareholders. A reverse tender approach would still require the same buy back authority from Shareholders, against which COC voted at the 2016 AGM, and would likely involve higher cost, more administration and less flexibility.

2016 MBO Approach

COC claims: COC has never proposed backing a management buy-out (MBO) of the Company, whether informally or otherwise, and that “only the Board will know why it has made this suggestion”.

Fact: The management of the Company was approached by COC in 2016 with a view to seeking their support for an MBO at a level equivalent to the cash balance of the Company. COC expressed its interest in funding the MBO by borrowing against the cash balance held by the Company, apparently unaware of the incompatibility of this proposal with UK company law. The Chief Executive Officer of Bowleven met with a representative of COC on 15 August 2016, at which COC was informed that a bid in the range contemplated by COC was not capable of recommendation to Shareholders. This sequence of events was reported to, and minuted at, a meeting of the Board.

Deferral of Vesting Date for LTIP Awards

COC claims: The recent vesting period for LTIP awards originally made to management in 2013 was extended beyond the prescribed three years to “avoid cancellation of the awards”.

Fact: The 2013 LTIP awards would in fact have vested in full in December 2016, to the benefit of management. However, management agreed to defer the vesting of the awards in light of the wider industry downturn and market conditions.

Carried Appraisal Wells on Etinde

COC claims: “it is no coincidence that drilling dates of appraisal wells in Etinde have been constantly postponed in the announcements of Bowleven despite NewAge – the project operator – generally being very active on its other projects”.

Fact: The implication that Bowleven is responsible, whether in whole or in part, for delays in further Etinde appraisal drilling is incorrect. Bowleven has consistently and publicly stated that it is eager to drill the appraisal wells as soon as practicable, being funded for its share of drilling and testing activities via the US\$40 million net carry. Bowleven’s position on this matter has been minuted at Etinde management committee meetings attended by Lukoil and NewAge, the latter of whom, as operator, has primary responsibility for planning and proposing annual work programmes and budgets to the joint venture.

Circumstances of award of Bomono PEA

COC claims: Management “has chosen the route of settling for a provisional exploitation authorisation (PEA)” on Bomono.

Fact: It is incorrect to describe the Board as “settling” for the PEA. The decision to revise the original Bomono EA application to a PEA application was taken after long consultation with the Cameroon authorities, and on the understanding that an EA application would follow in the longer term. In the meantime the PEA entitles development of, and production from, the asset.

SNH Right to Back-in to Bomono

COC claims: SNH has waived its back-in right under the Bomono PSC.

Fact: There has been no such waiver by SNH, and none is expected. The right of the Cameroon state to back-in under the PSC will only be triggered on award of the full EA for Bomono. The PEA is awarded under the exploration phase of the Bomono PSC, and does not trigger the right of the state to participate as a co-venturer.

Lack of Transparency on Bomono Farm-out Discussions

COC claims: There is “complete lack of transparency about the general structure of the announced potential farmout”.

Fact: Until a binding agreement is reached on a farmout transaction for Bomono, it would be premature, inappropriate and in breach of commercial confidentiality obligations for the Company to publicly disclose details of negotiation. The Board, having taken advice to this effect, is entirely comfortable that it has complied in all respects with its disclosure obligations in relation to Bomono.

The Board reiterates its recommendation that Shareholders VOTE AGAINST all resolutions at the General Meeting.

ENQUIRIES

For further information please contact:

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GLOSSARY AND DEFINITIONS

All references to time in this announcement are to UK time.

AGM	annual general meeting
AIM	the market of that name operated by the London Stock Exchange
Board or Directors	the directors of the Company
Bomono or the Bomono Permit	the PSC between the Republic of Cameroon and EurOil Limited, dated 12 December 2007, in respect of the area of approximately 2,328 km ² , comprising former blocks OLHP-1 and OLHP-2 onshore Cameroon; or, as the context may require, the contract area to which that PSC relates
Circular	the circular from to Shareholders dated 15 February 2017, incorporating notice of the General Meeting
EA	exploitation authorisation
Etinde or the Etinde Permit	the Etinde EA area, covering an area of approximately 461 km ² (formerly block MLHP-7)
Euroil	Euroil Limited, Bowleven's wholly owned operating subsidiary incorporated in Cameroon
General Meeting	the general meeting of the Company convened for 14 March 2017, notice of which is contained in the Circular
Group	the Company and its direct and indirect subsidiaries
LTIP	Long Term Incentive Plan
NewAge	NewAge (African Global Energy) Limited, a privately owned oil and gas company
PEA	provisional exploitation authorisation
PSC	production sharing contract
QCA	The Quoted Companies Alliance
Shareholder	a holder of ordinary shares of 10 pence each in the capital of the Company
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
US\$	United States dollars, the lawful currency of the United States of America