



17 March 2015

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

### **Etinde Farm-Out Completed - \$165 million Cash Received**

Bowleven, the Africa focused oil and gas exploration group traded on AIM, is pleased to announce the completion of the Etinde farm-out transaction and to confirm receipt of the initial \$165 million cash proceeds (excludes estimated \$5 million working capital adjustment).

The farm-out transaction comprised the sale of 30% and 10% interests in the Etinde Permit to LUKOIL and NewAge, respectively, in return for a total consideration of approximately \$250 million. In addition to the \$165 million initial cash proceeds Bowleven will receive the following:

- An estimated \$5 million cash to follow for working capital;
- Up to \$40 million (net) carry for two Etinde appraisal wells, including testing;
- \$15 million cash to be received on completion of appraisal drilling; and
- \$25 million cash contingent upon and to be received at Etinde development project FID.

The operatorship of Etinde has transferred to NewAge with Bowleven retaining a 20% non-operated interest.

The Group will provide an update on Wednesday 25<sup>th</sup> March 2015 on its activities and future plans as part of its Interim Results for the six months ended 31<sup>st</sup> December 2014.

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

“We are delighted the farm-out transaction to LUKOIL and NewAge has completed. The resulting consideration of cash and carry, together with the expanded and strengthened joint venture, will enable the progression of appraisal and development activities on Etinde. Planning for the appraisal drilling on the Intra Isongo is already underway with locations for the two wells nearing finalisation. With a carry in place to cover our share of drilling and testing we are looking forward to appraising this exciting reservoir interval.

Against a challenging market backdrop our strengthened balance sheet following the transaction puts us in a strong position.”

#### **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

Simon Maine

00 44 207 404 5959

Macquarie Capital (Europe) Limited (Nomad)

Jon Fitzpatrick

Ken Fleming

Nick Stamp

00 44 203 037 2000

#### **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 three blocks in Cameroon, with one block located offshore (non-operated) in shallow water and two onshore (operated).

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 17 March 2015, Bowleven announced the completion of the Etinde farm-out to LUKOIL and NewAge (or their nominated affiliates). Following completion of the farm-out and SNH back-in the revised interests on the Etinde Permit in Cameroon are:

|                    |     |
|--------------------|-----|
| NewAge (Operator): | 30% |
| LUKOIL:            | 30% |
| Bowleven:          | 20% |
| SNH:               | 20% |

#### **Information on LUKOIL**

LUKOIL is the largest listed oil and gas company in the world by proved oil reserves. LUKOIL is listed on the Russian Stock Exchange (MICEX) and has had a full listing on the London Stock Exchange for over 10 years.

It has over 20 years of operating experience. Most of the LUKOIL group's exploration and production activity is located in Russia and its main resource base is in Western Siberia. It also has E&P interests in Cote d'Ivoire, Ghana, Egypt, Saudi Arabia and Iraq amongst others and is currently implementing oil & gas exploration and production projects in over 10 countries. It has extensive experience in operating multi-tcf gas fields, developing and producing hydrocarbons (including the processing of natural gas liquids) and working with multiple stakeholders.

#### **Information on NewAge**

NewAge (African Global Energy) Limited ('NewAge') is a privately held oil and gas company with a high quality portfolio of assets located predominantly in sub-Saharan Africa. The Company's strategy focuses on early entry into assets in emerging and under-valued regions with limited historical exploration. NewAge has an extensive portfolio of assets in

seven countries, namely, Congo-Brazzaville, Cameroon, Nigeria, Ethiopia, Morocco, South Africa and Kurdistan.

Since the Company was founded in 2007, it has consistently grown through exploration success, commercialisation, business development and in maturing discovered resources to production. NewAge has made eight discoveries since inception and reached FID on five development projects with production having recently started on two of these projects. Camop, an existing partner in the Etinde joint venture, is a subsidiary undertaking of NewAge and has held a 25% (20% post government back-in) equity interest in the Permit since 2009.

The initial cash proceeds of \$165 million equates to 34 pence per share using an exchange rate of \$1.5/£1 and based on 324 million shares in issue.

One of the conditions of the farm-out transaction was the cancellation of the previously announced Petrofac strategic alliance. The Group reached a mutually acceptable agreement with Petrofac to terminate the strategic alliance on completion of the farm-out. Payment of the \$9 million, in full and final settlement, will be made to Petrofac upon completion.

As previously announced, the Group has a \$30 million bridge facility available for utilisation pending completion of the farm-out transaction. This facility is automatically cancelled upon completion with any amounts drawn repaid.

#### **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  |
| Bowleven      | Bowleven plc (LSE:BLVN) and/or its subsidiaries as appropriate   |
| Etinde Permit | the Etinde Exploitation Authorisation (EA) Area. The Etinde EA, granted on 29 July 2014, covers an area of approximately 461km <sup>2</sup> (formerly block MLHP-7) and is valid for an initial period of 20 years |
| FID           | final investment decision  |
| LUKOIL        | LUKOIL Overseas West Project Ltd, a subsidiary undertaking of OAO LUKOIL   |
| NewAge        | New Age (African Global Energy) Limited  |
| SNH           | Société Nationale des Hydrocarbures, the national oil and gas company of Cameroon  |
| \$            | United States of America Dollars   |