



19 November 2015

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

Proposed Acquisition of Licence Interests in Tanzania - Heads of Terms Signed

Kiliwani North Development Licence and Ruvuma PSA, Tanzania

Bovleven, the Africa focused oil and gas exploration group traded on AIM, is pleased to announce that it has signed a conditional Heads of Terms (HOT) with Aminex PLC (Aminex) for the acquisition of a 25% interest in the Kiliwani North Development Licence (KNDL) and a 50% interest in the Ruvuma PSA, in Tanzania.

The proposed transaction is in line with the Group's strategy of focusing on opportunities in Africa which have the potential to create material shareholder value, whilst maintaining a robust balance sheet and strong capital discipline. Consistent with this, this opportunity offers high quality near-term production and cashflow, alongside significant exploration/appraisal upside, located near existing infrastructure, enabling low cost rapid development and monetisation of discovered resources.

Highlights of the Transaction

- Bovleven to acquire:
 - 25% interest in the soon to be producing Kiliwani North Development Licence (KNDL); and
 - 50% interest in the proven and highly prospective Ruvuma PSA.
- The deal provides:
 - A low cost entry into a rapidly expanding Tanzanian gas market with substantial existing infrastructure with spare capacity;
 - Near-term high quality production providing cashflow from the essentially complete Kiliwani North development;
 - Access to extensive exploration and appraisal potential on the Ruvuma PSA, with the opportunities for near-term gas-to-power into the local market and longer term gas sales into adjoining major existing trans-Tanzanian pipeline to Dar Es Salaam; and
 - Appraisal drilling on Ruvuma PSA early 2016.
- Aggregate gross consideration of up to \$28 million comprising \$8.5 million cash, \$10 million carry, \$5 million share-based element and \$4.5 million in contingent payments.

As at 31 October 2015, the Group had a cash balance of circa \$120 million and no debt with a further \$40 million receivable in staged cash proceeds (\$15 million on completion of drilling/end September 2016 and \$25 million on Etinde FID).

Kevin Hart, Chief Executive of Bowleven plc, said:

“The decision to enter into this Heads of Terms with Aminex follows the extensive screening of a large number of opportunities in Africa.

Consistent with the Group’s strategy, the deal affords Bowleven the opportunity to participate in highly attractive production and material appraisal/exploration assets without compromising its robust balance sheet and strong capital discipline.

In particular, the onshore Ruvuma acreage mirrors the near-term in-situ gas-to-power development possibilities being progressed at Bomono, whilst the extensive, material prospective resources open up the opportunity for substantial future gas sales via the existing proximal processing infrastructure and pipeline.

During the forthcoming period of exclusivity we look forward to working closely with Aminex in order to finalise the proposed transaction.”

Asset Details

The HOT relates to the KNDL and the Ruvuma PSA in Tanzania where Aminex currently operates both licences.

Kiliwani North Development Licence (KNDL), Tanzania

The KNDL, offers the potential for near-term production with proximate infrastructure for a gas-to-power development. The KNDL contains the Kiliwani North gas field which Aminex, operator, expects to produce initially at up to approximately 30 million standard cubic feet of gas per day. The Kiliwani North-1 (KN-1) well has now been tied into the main pipeline infrastructure and is awaiting completion of the adjacent Songo Songo gas processing plant, which is expected to be completed shortly.

Independently assessed unrisks mean gross gas-in-place and P50 gross contingent resources at Kiliwani North are estimated to be 44 bcf and 28 bcf respectively. The resources are classified as contingent pending signature of the Gas Sales Agreement (GSA). The GSA terms have been largely completed and Aminex are waiting for final payment protection terms to enable signature of the GSA.

Aminex, operator, holds a 55.575% interest (pre-transaction), RAK Gas 23.75%, Solo Oil 6.175% and Bounty Oil & Gas 9.5%, TPDC 5%

Ruvuma PSA, Tanzania

The Ruvuma PSA, onshore Tanzania, offers the potential for near-term production post appraisal and exploration drilling planned in 2016, alongside significant upside potential identified on block.

Independently assessed unrisks mean gross gas-in-place and P50 gross contingent resources for the Ntorya discovery are estimated to be 153 bcf and 70 bcf respectively.

Independently assessed unrisks prospective mean gross gas-in-place volumes for the Ruvuma PSA are 4.2 trillion cubic feet (tcf). Aminex, operator, holds a 75% interest (pre-transaction) and Solo Oil 25%.

Details of the Transaction

Bowleven has entered into a conditional HOT with Aminex plc (operator) for the potential acquisition of a 25% interest in the soon to be producing KNDL and a 50% interest in the Ruvuma PSA, in Tanzania. The transaction is inter-conditional upon acquiring both assets.

The aggregate up to \$28 million gross consideration comprises the following cash, carry and share-based element:

- \$8.5 million in cash and \$5 million in shares, payable at completion (shares are to be retained by Aminex for minimum of 9 months).
- \$10 million net carry in respect of Aminex's retained interest in the Ruvuma PSA.
- \$4.5 million contingent payments comprising:
 - \$0.5 million on completion of Ntorya-2 drilling (Ruvuma PSA)
 - \$4 million upon commercial production and offtaker payment (Ruvuma PSA), payable in cash or shares at Bowleven's election.

Other Transaction Details:

- Exclusivity granted by Aminex under HOT for three months to consummate transaction.
- The effective date of the transaction is 1 January 2016.
- Completion is subject to, amongst other things:
 - Satisfactory completion of due diligence by Bowleven.
 - Agreement of a Sale and Purchase Agreement (SPA) for the transaction.
 - Approval by the shareholders of Aminex PLC.
 - Approval by the Tanzanian government of the transfer of the equity interests from Aminex to Bowleven.

Information on Aminex:

Aminex an African-focused oil and gas company with near-term production, development and exploration assets, is premium listed on the London Stock Exchange (AEX:LN) and primary-listed on the Irish Stock Exchange (AEX:ID). Aminex's core assets are in Tanzania where it operates three Production Sharing Agreements (PSAs), the soon to be producing KNDL, the Ruvuma PSA where appraisal drilling is planned and the Nyuni Area PSA. It also has interests in Egypt and Moldova.

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 strategy is focused on creating and realising material value principally through exploration led organic growth. Bowleven holds equity interests in two Permits in Cameroon, with one located offshore in shallow water (operated by NewAge) and the other onshore (operated by Bowleven).

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.

Notes to Announcement:

- (1) The technical information in this release has been reviewed by Ed Willett and David Clarkson, both qualified persons for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Ed Willett, Exploration Director of Bowleven plc, is a geologist and geophysicist, a Fellow of the Geological Society (FGS) and a member of the Petroleum Exploration Society of Great Britain (PESGB) with over 28 years' experience in oil and gas exploration and production. David Clarkson, Operations Director of Bowleven plc, is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers with extensive oil and gas industry experience.
- (2) The 25% interest for KNDL is post state back-in as it is expected that the state will back-in prior to completion of the transaction. The state have a 5% back-in right to KNDL. Aminex announced on 5 October 2015 that the Tanzanian Petroleum Development Corporation (TPDC) had notified them of its intention to acquire this 5% interest. The interests disclosed in the release are therefore post state back-in.
- (3) The 50% interest in the Ruvuma PSA is pre any back-in by the state. The state have a 15% back-in right to the Ruvuma PSA.
- (4) Independently assessed gas-in-place and resources figures are extracted from a May 2015 Senergy CPR (as referenced in Aminex's Annual General Meeting presentation on 20 May 2015).
- (5) Bowleven is being advised by Rand Merchant Bank on this transaction.

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
bcf	billion cubic feet of gas
contingent resources	those quantities of hydrocarbons that are estimated to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable. For contingent resources to move into the reserves category, the key conditions, or contingencies, that prevented commercial development must be clarified and removed.
CPR	Competent Persons Report
FID	final investment decision
Group	the Company and its direct and indirect subsidiaries
mean	in the context of estimated resource volumes, means the arithmetic sum of a range of resource estimate cases divided by the number of cases
mmscfd	million standard cubic feet of gas per day
P50	50% probability that volumes will be equal to or greater than stated volumes
prospective resources	estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled