



6 March 2017

Bowleven plc ('Bowleven') and Victoria Oil & Gas plc ('VOG')

Bomono farm-out transaction agreed between Bowleven and Victoria Oil & Gas

Bowleven plc, the Africa focused oil and gas exploration group and Victoria Oil & Gas Plc, an integrated energy company with operations in Cameroon, both trading on AIM, are pleased to announce that they have signed a farm-out agreement ("the Agreement") relating to the Bomono production sharing contract ("Bomono PSC").

Gas produced from the Bomono PSC will be fed into the customer distribution network owned and operated by Gaz du Cameroun S.A. ("GDC"), a wholly owned subsidiary of VOG.

First gas supply to the GDC network is anticipated to start following granting of a Provisional Exploitation Authorisation ("PEA") and other approvals.

Strategic rationale:

This Agreement, which has been negotiated by the parties over several months, aligns Bowleven's intention of realising near term value from Bomono through commercial production of its Bomono gas deposit with VOG's business of commercialising local onshore gas deposits using its established gas infrastructure and customer network.

The transaction provides the ability to minimise the timescale to first production and optimises the proven advantages of Bowleven's upstream expertise and VOG's established gas supply business that feeds a diverse range of industries and the local power grid.

The initial plan is that gas currently suspended at Moambe be brought onstream and that further drilling be considered to supply the growing domestic market in and around the Douala area.

Farm Out Highlights

- On completion, EurOil Limited (“EurOil”), a Bowleven subsidiary, will have a 20% working interest in the Bomono PSC and GDC Bomono S.A. (“GDC Bomono”), a wholly owned VOG subsidiary, will have an 80% working interest.
- Bowleven will remain as operator of the project.
- Gas from Bomono PSC will be sold to GDC less a tolling fee. The gas price paid will be a weighted average received by GDC for its total domestic sales less a tolling fee for use of the pipeline network.
- The pipeline connection from the Bomono PSC to the main network will be managed and funded by GDC. GDC Bomono will complete the civil engineering works necessary for the gas processing plant installation at the Bomono site. The estimated capital cost for these works is US\$6 million.
- Bowleven has agreed to pay GDC Bomono 50% of any deficit, limited to a maximum payment of US\$2 million, if the first 3 years of net income received by GDC Bomono is less than the development expenditure incurred.
- EurOil will receive a 3.5% royalty from GDC Bomono’s production share of hydrocarbons, with an aggregate cap limiting the total royalty payments to US\$20 million.
- Bowleven will, on completion, also receive £100,000 worth of new ordinary shares in VOG based on the volume weighted average share price 10 days preceding the date of the Agreement, being 69.23 pence per share. It is the intention of Bowleven to retain these shares initially, but keep that decision under regular review as there are no restrictions on their disposal.

Asset Details:

The farm-out transaction relates to the Bomono PSC, onshore Cameroon. EurOil is operator of the Bomono PSC.

Bowleven completed extended well flow tests on the Moambe well that exceeded 7mmscf/d. The Moambe and Zingana exploration wells drilled at Bomono were then suspended as future producers.

As previously announced by Bowleven, the detailed prospect inventory prepared indicates there is 146bcf and 263bcf of mean un-risked GIIP in the Tertiary and deeper Cretaceous reservoir intervals respectively.

Additional Transaction Details:

- The economic effective date of the transaction is 1 January 2017.
- The above interests are expressed prior to the exercise of any back-in rights by the Cameroon State. Under the terms of the Bomono PSC, the Cameroon State has the right to take a 10% participating interest in development activity undertaken under an exploitation authorisation.

- Completion is subject to, amongst other things:
 - The grant of a PEA over the Bomono PSC. The PEA application was submitted by Bowleven to the Cameroon authorities as requested following Ministerial approval for the award of a two-year extension to the Bomono PSC (to 12 December 2018);
 - The approval by the Cameroon Government of the assignment of the equity interest from EurOil to GDC Bomono; and
 - Should these conditions precedent not be satisfied by 30 June 2017, both Bowleven and VOG have the right to terminate the Agreement.
- In the event that any of the resolutions requisitioned by Crown Ocean Capital P1 Limited at the forthcoming Bowleven General Meeting on 14 March 2017 are passed, VOG has the right to terminate the Agreement.

Kevin Hart, Chief Executive Officer of Bowleven plc, commented:

“We are delighted to be working together with VOG to unlock the potential of Bomono by accelerating the monetisation of the existing resources, whilst gaining access to VOG’s extensive infrastructure and gas marketing experience. This deal offers shareholders the opportunity to access VOG’s robust commodity pricing framework, which offers attractive returns relative to a gas to power option, and requires minimal further investment by Bowleven to reach first production. Retaining a 20% interest allows Bowleven to participate in the further upside potential identified on the acreage with a clear evacuation route to the attractive growing local gas market.

We are pleased to have reached this mile-stone for Bomono and look forward to working together with both VOG and the Cameroon authorities to realise the maximum potential this asset has to offer.”

Ahmet Dik, Chief Executive Officer of Victoria Oil & Gas plc, commented:

“This is a mutually beneficial deal, which provides additional gas sources to our pipeline and considerable exploration upside, some 146 bcf and 263 bcf of un-risked GIIP. It also delivers an additional 2,327km² of onshore license area and early production potential from the Moambe well that will help meet the expanding gas market in Douala. Our gas infrastructure pipeline is only 9.5km from Moambe well and on the Bonaberi side of Douala where we see considerable industrial growth potential. VOG’s commitment to building and expanding further Cameroon gas infrastructure is being cemented and we are grateful for the support from SNH and the Government with our continued contribution to the growth of the Cameroon economy”.

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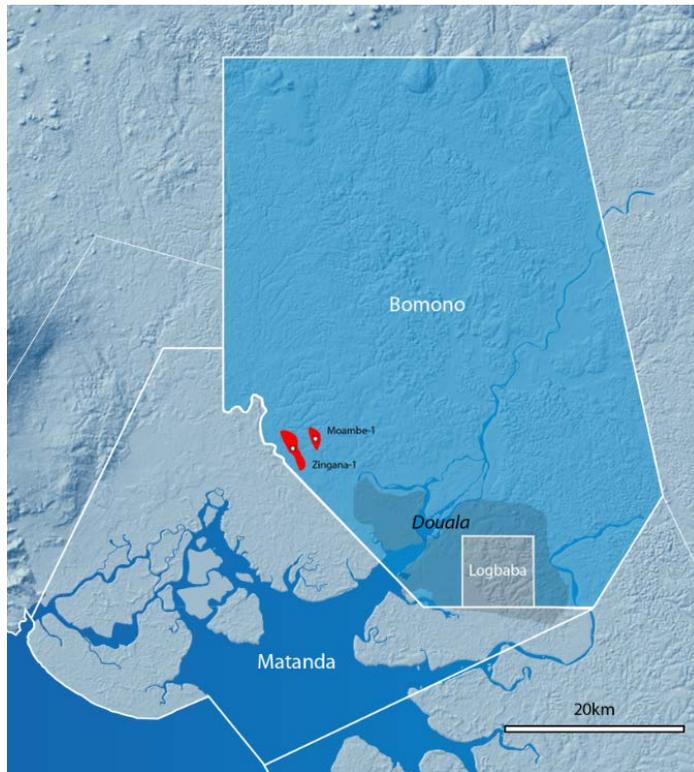
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Background on Bomono

The Bomono contract area at 2,327km² covers a significant portion of the onshore extent of the Douala Basin, and lies immediately to the north-east of the estuarine Matanda exploration license. In the south-east, the permit captures three sides of the Logbaba exploitation area. The contract area includes most of Cameroon's energy hungry economic capital, and primary seaport; Douala.



Exploration in the area dates to the 1950s with an extensive shallow drilling campaign successfully exploring the southern boundary of the permit discovering gas in wells drilled by Elf. In recent times, EurOil has undertaken a comprehensive evaluation of the prospectivity of the area, including geochemical, airborne geophysical and 2D seismic programmes, culminating in the drilling of two successful exploration wells in 2015.

EurOil focused exploration efforts on the shallow Paleogene NW-SE trending structures found in the southern half of the block. Two low risk, shallow prospects with stacked reservoir units were targeted, with the

Moambe-1 and Zingana-1 wells both successfully tested and subsequently completed as future gas producers in early 2016. The shallow reservoir of the Moambe-1 well flowed on extended test at over 7mmscf/d. The drilling campaign significantly de-risked the remaining unexplored structures in the block, with a post drilling, block-wide Tertiary prospect inventory of un-risked in-place mean gas volumes of 146bcf, including the Zingana and Moambe discoveries.

The Tertiary prospects are situated between 10 to 30 km from Douala and are within proximity and immediately accessible to Gaz du Cameroun S.A.'s gas distribution network. Additionally, revised mapping highlighted deeper significantly larger Cretaceous prospectivity totalling more than 263bcf, targeting potentially the same reservoirs as the producing Logbaba field.

NOTES TO EDITORS:

About Bowleven plc

Bowleven (BLVN.L) 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 New Age) and two onshore (operated by Bowleven).

The technical information in this release has been reviewed by David Clarkson, a qualified person for the purposes for the AIM Guidance Note for Mining, Oil and Gas Companies. David Clarkson, Chief Operating Officer of Bowleven plc, is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers with extensive oil and gas industry experience.

The most recent published financial statements of the Bowleven Group are contained within the 2016 Annual Report and accounts for the year ended 30 June 2016 which were announced on the 8 November 2016. The carrying value of the Bomono PSC contained within the balance sheet and classified as "intangible exploration assets" as at that date was US\$42 million.

About Victoria Oil & Gas plc

Victoria Oil & Gas (VOG.L) is a gas utility company.

The Company's subsidiary, Gaz du Cameroun S.A. ("GDC") owns a 60% participating interest and operates the onshore Logbaba Gas Project. The Logbaba Gas Project supplies cost effective, clean and reliable natural gas to industries in the Douala region of Cameroon. RSM Production Corporation, an affiliate of Grynberg Petroleum Company of Denver, Colorado holds the remaining 40% participating interest. In addition, VOG owns a 75% participating interest in the Matanda block, which neighbours the Logbaba block. The remaining 25% participating interest is held by AFEX.

GDC is currently the only supplier of natural gas to Douala and it owns and manages the whole supply chain from wellhead to customer connection. Customers are supplied with gas through a 50km pipeline network built by GDC in Douala. GDC has in place long-term gas supply contracts with customers using gas for a range of different applications, with prices ranging from \$9/mmbtu to \$16/mmbtu.

VOG also holds 100% of the West Medvezhye oil and gas exploration project near Nadym, Russia. The Group is actively seeking partners to develop this field.

NOTES TO THE ANNOUNCEMENT:

This announcement contains inside information