



26 January 2017

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

### **Group Operations Update**

Bowleven, the Africa focused oil and gas exploration group traded on AIM, is pleased to announce the following update on activities.

#### ***Etinde Permit (NewAge, operator)***

Following a recent Operating Committee Meeting (OCM), the Cameroon government and Etinde joint venture are to convene a technical workshop to discuss development options for Etinde, with a view to determining the preferred development solution(s) between all stakeholders. The development options include FLNG, gas-to-power and other possible solutions. In addition, a new potentially attractive option was raised at the recent OCM that involves the processing of the gas and associated liquids in Equatorial Guinea utilising existing facilities.

Etinde contains sufficient existing discovered resources to support one initial offtake solution. In addition, appraisal drilling is targeting un-risked P90 in-place volumes of up to 2 tcf of gas and associated liquids which, in the event of successful drilling, creates scope for multiple offtake solutions for Etinde. The timing of appraisal drilling will in part be driven by which development scheme proceeds initially. As previously highlighted, Bowleven remains eager to progress development activities and to drill the appraisal wells as soon as practicable.

#### ***Bomono Permit (Bowleven, operator)***

Following a Special Operating Committee meeting (SOCM), held between the Cameroon State and the Contractor (Bowleven), formal resolutions confirming the State's support for the award of a two year extension to the Bomono Exploration licence (to 12 December 2018) and a Provisional Exploitation Authorisation (PEA) have been signed. Ministerial approval for the licence extension has now been received and as stipulated by the Cameroon authorities, the PEA approval process will now follow.

The PEA, awarded under the framework of the exploration licence, grants the right to progress development and commercialisation activities on Bomono, enabling the anticipated sale of gas to either the domestic gas market or power generation.

In conjunction with this approval process we are in advanced discussions on the potential farm-out of the Bomono licence in order to facilitate early cashflows and further appraisal activities. Any assignment to a third party will require the requisite regulatory approvals.

#### ***Other Opportunities***

In accordance with the Group's strategy, the active screening of new venture opportunities that have near-term production with upside and infrastructure-led exploration is ongoing.

During 2016, the company screened and evaluated over 50 potential asset or corporate transactions and detailed due diligence was undertaken on a number of opportunities. The Company continues to exert rigour in the evaluation of potential transactions to ensure value is created for shareholders whilst protecting our key differentiating feature of balance sheet strength.

### ***Corporate***

The Group's cash balance at the end December 2016 was circa \$95 million with no debt and no outstanding work programme commitments. The company remains focused on reducing G&A expenditure whilst ensuring an optimal fit-for-purpose team is maintained and in 2016 the Company achieved a 23% reduction in administrative expenses. Since the year end further cost savings have recently been implemented through redundancies, salary reductions and other initiatives.

The company remains focused on capital discipline and ensuring that cash is retained to enable the progression of the Group's existing asset base and in particular the development of Etinde. Existing cash balances, combined with access to a \$40 million (net) carry for the drilling and testing of two appraisal wells and the receipt of a further \$25 million in cash at Etinde FID under the terms of the Etinde farm-out transaction, ensures balance sheet strength and financial flexibility is maintained in a challenging macro-environment for the industry.

### **Kevin Hart, Chief Executive, said:**

“2017 is a key year for the Company as we focus on executing our stated strategy for the benefit of all our shareholders. Progress is being made on our entire asset base in Cameroon and in the active screening of new opportunities. The Company's robust balance sheet position enables it to move forward from a position of strength.”

### **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 00 44 207 404 5959  
Will Rowberry

Cenkos Securities plc (NOMAD)  
Derrick Lee 00 44 131 220 6939  
Neil McDonald

### **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).

**NOTES TO THE ANNOUNCEMENT:**

- (1) This announcement contains inside information.
- (2) The information in this release reflects the views and opinions of Bowleven and has not been reviewed in advance by its joint venture partners.

**GLOSSARY:**

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
FID	final investment decision
FLNG	floating liquefied natural gas
G&A	general and administrative
NewAge	New Age (African Global Energy) Limited, a privately held oil and gas company
P90	90% probability that volumes will be equal to or greater than stated volumes
tcf	trillion cubic feet