



9 August 2024

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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.**

**Bowliven plc**  
(“Bowliven” or the “Company”)

**Proposed Cancellation of Admission of the Ordinary Shares to Trading on AIM**

**Exit Opportunity for Minority Shareholders**

**and**

**Notice of General Meeting**

Bowliven, the Africa focused oil and gas exploration and production company with key interests in Cameroon, today announces, subject to Shareholder approval, the proposed cancellation of the admission of its ordinary shares of 0.1 pence each ("**Ordinary Shares**") from trading on AIM (the "**Cancellation**"), the re-registration of the Company as a private limited company (the "**Re-registration**") following the Cancellation and the adoption of new articles of association (the "**New Articles**") to be effective on the Re-registration (the Cancellation, Re-registration and the adoption of the New Articles collectively being the "**Proposals**").

In connection with the Proposals, the Company announces that it will post a circular to Shareholders (the "**Circular**") later today which will contain further information on the Proposals and notice of a general meeting to be held on 28 August 2024 at 11:00 a.m. at The Office Group, Borough Yards, 13 Dirty Lane, London, SE1 9PA (the "**General Meeting**") at which Shareholder approval will be sought for the Proposals.

#### **Exit Opportunity for Minority Shareholders**

In connection with the Cancellation, Crown Ocean Capital, which has an interest in the Company's Ordinary Shares representing 58.33 per cent. of the Company's existing issued ordinary share capital (excluding shares held in treasury), will provide Minority Shareholders with a liquidity option, should they not wish to continue to hold their Ordinary Shares following the Cancellation (the "**Exit Opportunity**").

The key terms of the Exit Opportunity are:

- a purchase price of 0.225 pence per Ordinary Share in respect of Ordinary Shares listed on AIM which was determined as the closing price on 26 July 2024, which represents a 3.93 per cent. premium to the 3-month Volume Weighted Average Price and a 17.32 per cent. premium to the 6-month Volume Weighted Average Price to 8 August 2024, being the last practicable date prior to the publication of the Circular.
- the Exit Opportunity shall remain open from 9 August 2024 until 1:00 p.m. on 11 September 2024.

**The completion of the Exit Opportunity and therefore the purchase of Ordinary Shares from Minority Shareholders by Crown Ocean Capital is conditional upon the Resolutions being passed at the General Meeting.**

The Exit Opportunity is being provided independently of the Company by Crown Ocean Capital and the Company has not entered into any agreements with Crown Ocean in connection with the Cancellation or Exit Opportunity.

Further details of the Exit Opportunity and how Minority Shareholders can participate, should they so wish, are contained in the Circular.

### **Reasons for the Cancellation**

Bowleven is headquartered in the UK and focused on Africa, where it holds an exploration and development interest in offshore Cameroon. Bowleven holds a 25 per cent. strategic equity interest in the offshore shallow water Etinde Permit. In recent years, the Company has been supporting its Joint Venture Partners to progress the proposed development plan for the Etinde Permit to a final investment decision (“FID”), at which stage the Company will be entitled to receive a milestone payment from its Joint Venture Partners.

Since June 2022, when the Company’s Joint Venture Partner for the Etinde Permit, New Age, agreed to sell its 37.5 per cent. stake and operatorship in the Etinde Permit, no definitive Etinde Permit work plan or budget was approved by the Joint Venture Partners. Monthly expenditure in relation to the Etinde Permit remained low during this period as New Age operated the business on a largely suspended care and maintenance operations basis. On 25 January 2024, New Age confirmed to the JV Partners that the sale of its stake had been terminated.

Etinde operations remain on a care and maintenance basis with limited ongoing activity other than New Age's maintenance of the Cameroon project office. As outlined in the Company’s interim results for the period to 31 December 2023, the JV Partners have agreed an outline for a way forward following the New Age stake sale being terminated, but progress has been very slow and Bowleven had a need to complete the \$2m fundraise announced on 14 March 2024 to in order to fund its overheads and its share of Etinde expenditure at the project through to approximately mid-2025, subject to the level of activity and expenditure relating to the Etinde Permit.

Whilst future project expenditure cannot be forecasted accurately at this point in time, as it is contingent on the agreement of the JV Partners and the approval of SNH and the Government of Cameroon to a development plan and the timing of an increase in project activities to reach future FID, limited progress has been made at Etinde since the Open Offer was completed and the Board of Bowleven does not expect

there to be material progress towards FID by mid-2025. As set out at the time of the Open Offer, the Company is likely to need further capital to be in a position to fund its obligations and liabilities during the period it will take to reach FID, and the receipt of the \$25 million payment due to the Company once FID is reached. Accordingly, the Board have been considering the Company's future requirement to raise capital and have been evaluating all possible means of reducing the cost base of the business in order to extend the Company's cash runway as much as possible, whilst still maintaining appropriate governance arrangements and allowing it to contribute to its share of the development costs at Etinde.

As part of this process, the Board has extensively reviewed and evaluated the benefits and drawbacks for the Company and its Shareholders in retaining the admission to trading of the Ordinary Shares on AIM. The Board has taken into consideration numerous factors, both positive and negative, and considered the interests of all Shareholders in reaching its decision. Following this review, the Board has concluded that the continued admission to trading of the Ordinary Shares on AIM is not appropriate and, accordingly, the Cancellation and Re-registration are in the best interests of the Company and its Shareholders as a whole for the reasons set out below.

- **Costs and regulatory burden:** the considerable cost and management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM is, in the Board's opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM, particularly given the limited and inconsistent liquidity in the Ordinary Shares as described below. Given the lower costs associated with private limited company status, the Cancellation and Re-registration is expected to substantially reduce the Company's recurring administrative, adviser costs, listing fees and insurance premiums, which the Board believes can be better spent supporting the Group's business and investing in Etinde. Further, the reduced administrative burden associated with a de-listing of the Company underpins the Board's focus on the monetisation of Etinde. Alongside the Cancellation, the Directors intend to reduce their salaries or fees;
- **Access to appropriate finance:** the nature of the Group's operations requires the Company to periodically raise funding for working capital and project expenditure as the Company seeks to support the development of Etinde. If Etinde is to be developed, the Board considers that significant external funding will be required to enable the Company to fund its obligations. Having considered a range of financing options in the lead up to the Open Offer, the Directors are of the opinion that raising further significant equity through the public market would be challenging in the short or medium term, and if it were, potentially might not be on acceptable terms for all stakeholders. The Board has concluded that as a private limited company it may have broader access to specialist investors and enhance the ability of the Company to raise the capital required to fund its overheads and support activity at Etinde for the benefit of all Shareholders.
- **Corporate and strategic flexibility:** the Board believes that a private limited company can take and implement strategic decisions more quickly than a company which is publicly traded as a result of the more flexible regulatory regime that is applicable to a private company. The Board believes that this will be advantageous in the Group's business development discussions as it pertains to accessing a wider spectrum of potential investors who prefer private company investments; and
- **Limited liquidity in the Ordinary Shares and high share price volatility:** there continues to be limited and inconsistent liquidity in the Ordinary Shares, as a result of which small trades in the Ordinary Shares can have a significant impact on price and, therefore, on the market valuation of

the Company. The Board believes that this, in turn, has a materially adverse impact on the Company's ability to seek appropriate financing or realise an appropriate value for any material future transactions. Moreover, the limited liquidity in the Ordinary Shares, together with the limited free float, makes it challenging for Shareholders of any size to acquire additional Ordinary Shares or dispose of any Ordinary Shares in the market at an attractive price.

Notwithstanding the Board's conclusions about its AIM quotation, the Company's long-term strategy remains to be a major oil and gas producer in Cameroon. The Company remains committed to Cameroon and the Board continues to be of the view that Etinde is a potentially substantial energy asset and core to the Company's strategy. Accordingly, following the Cancellation, the Company intends to continue to fund its portion of the Etinde costs pursuant to the JOA. The Company's strategic intention to monetize Etinde for the benefit of all Shareholders will remain the overriding objective and will necessarily involve collaboration with the Etinde JV Partners to secure FID.

### **The General Meeting**

The General Meeting will be held on 28 August 2024 at 11:00 a.m. at The Office Group, Borough Yards, 13 Dirty Lane, London, SE1 9PA.

The Cancellation and Re-registration are conditional upon the respective Resolutions being passed at the General Meeting. The Company is also seeking Shareholder approval at the General Meeting for the adoption of the New Articles. Subject to the approval of the Cancellation, the Company will take steps to cancel the admission of its Ordinary Shares to trading on AIM, such that the Company will no longer be listed on any regulated exchange. If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 24 September 2024. The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of Shareholders holding not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

The Circular will set out the background to, the reasons for, and the implications of, Cancellation and will explain why the Board considers the Cancellation, the Re-registration and the adoption of the New Articles to be in the best interests of Shareholders as a whole.

**The Board considers the Cancellation, the Re-registration and the adoption of the New Articles to be in the best interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolutions.**

**The Board also considers it appropriate that those Minority Shareholders who are unable or unwilling to hold shares in the Company following the Cancellation should be given an opportunity to realise their investment under the Exit Opportunity. However, the Board makes no recommendation to Minority Shareholders in relation to their participation in the Exit Opportunity. Minority Shareholders should consider whether the Ordinary Shares remain a suitable investment in light of their own personal circumstances and investment objectives and consult their duly authorised independent advisers before they make a decision as to whether to sell some, all, or none of their Ordinary Shares pursuant to the Exit Opportunity, in order to obtain advice relevant to their particular circumstances. The Directors refer Minority Shareholders to certain pros and cons of the Exit Opportunity which are set out in the Circular.**

## **Irrevocable undertakings**

The Board has received an irrevocable undertaking from Crown Ocean Capital (representing approximately 58.33 per cent. of the Ordinary Shares (excluding shares held in treasury)), to vote in favour of the Resolutions. The irrevocable undertaking from Crown Ocean Capital also provides Crown Ocean Capital's undertaking to provide the Exit Opportunity on the terms and conditions set out in the Circular. The Board has also received an irrevocable undertaking from Eli Chahin, the Company's Chief Executive Officer, (representing approximately 0.35 per cent. of the Ordinary Shares (excluding shares held in treasury)), to vote in favour of the Resolutions. Therefore, the Company has received irrevocable undertakings totalling in aggregate 58.68 per cent. of the Company's issued ordinary share capital (excluding shares held in treasury) to vote in favour of the Resolutions.

## **Matched Bargain Facility**

The Company is making arrangements for a Matched Bargain Facility to assist Shareholders to trade in the Ordinary Shares following Cancellation, if the Resolutions are passed. The Matched Bargain Facility will be provided by J P Jenkins. J P Jenkins is an appointed representative of Prosper Capital LLP, which is authorised and regulated by the FCA.

The Matched Bargain Facility is expected to operate for a minimum of 12 months after the Cancellation. The Directors' current intention is that it will be put in place and continue beyond that time; however, Shareholders should note that there is a risk that the Matched Bargain Facility may not be put in place and it could be withdrawn and there can be no guarantee that the Matched Bargain Facility will be kept in place indefinitely, which could inhibit the ability to trade the Ordinary Shares.

Further information on the Matched Bargain Facility can be found in the letter from the Chairman of the Company, extracted from the Circular, which is set out in Appendix II to this announcement.

The expected timetable for the Cancellation, Re-registration and Exit Opportunity is set out in Appendix I to this announcement and a letter from the Chairman of the Company, extracted from the Circular, is set out in Appendix II to this announcement. The Circular, form of proxy and an application form in connection with the Exit Opportunity will be sent to Shareholders later today. A copy of this announcement and the Circular and the New Articles will also be made available on the Company's website later today at: [www.bowleven.com](http://www.bowleven.com)

The person responsible for the release of this announcement on behalf of the Company is Eli Chahin, Chief Executive Officer.

Eli Chahin, Chief Executive Officer, Bowleven Plc commented:

*"The Board continues to be of the view that Etinde is a potentially substantial energy asset and core to the Company's strategy. The Board has been considering the Company's capital requirements in light of the anticipated development of the Etinde project, and has been evaluating all possible means of reducing the cost base of the business in order to extend the Company's cash runway, whilst still maintaining appropriate governance arrangements and allowing it to contribute to its share of the development costs at Etinde.*

*Whilst it has been a difficult decision to reach, having taken into account all relevant factors, the Board believes that pursuing the Cancellation is in the Company's best interests, to allow Bowleven to further*

*reduce its overheads and provide financing and operational flexibility as it pursues its objective of monetising and generating value from its Etinde interest.”*

**Capitalised terms used but not defined in this announcement shall have the same meaning given to such term in the Circular.**

## **ENQUIRIES**

For further information, please contact:

### **Bowleven plc**

Eli Chahin, Chief Executive 00 44 20 3327 0150

### **Camarco (Financial PR)**

Owen Roberts 00 44 20 3757 4980  
Hugo Liddy

### **Shore Capital (NOMAD and Broker)**

Daniel Bush 00 44 20 7408 4090  
Rachel Goldstein

## **Appendix I Expected Timetable of Principal Events<sup>1</sup>**

Announcement of the proposed Cancellation and the Exit Opportunity	9 August 2024
Posting of this document, Forms of Proxy and Exit Opportunity Participation Forms	9 August 2024
Notice of the proposed Cancellation provided in accordance with AIM Rule 41	9 August 2024
Exit Opportunity opens	9 August 2024
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	11:00 a.m. on 23 August 2024
Time and date of the General Meeting	11:00 a.m. on 28 August 2024
Result of General Meeting announced through RIS	28 August 2024
Exit Opportunity closes	1:00 p.m. on 11 September 2024

Expected latest date for payment of consideration in relation to valid tenders in the Exit Opportunity received on or before 28 August 2024	11 September 2024
Company's announcement of number of Shares sold pursuant to the Exit Opportunity	12 September 2024
Expected last day of dealings in the Ordinary Shares on AIM	23 September 2024
Expected time and date of the Cancellation*	7.00 a.m. on 24 September 2024
Expected date for the commencement of the Matched Bargain Facility	24 September 2024
Expected date of payment of consideration in relation to valid tenders in the Exit Opportunity received after 28 August 2024 and before the Exit Opportunity Closes	Within 14 calendar days of acceptance of the Exit Opportunity
Expected date of Re-registration as a private limited company**	On or around 25 September 2024

**Notes:**

- Each of the times and dates in the above timetable are subject to change. If any of the above times or dates change, the revised times or dates will be notified to Shareholders by means of an announcement made through a Regulatory Information Service (as defined in the AIM Rules). All references to times in this document are to London times unless otherwise stated.
- \* The Cancellation requires the approval of not less than 75 per cent. of the votes cast by Shareholders, whether voting in person or by proxy, at the General Meeting.
- \*\* Re-registration requires the approval of not less than 75 per cent. of the votes cast by Shareholders, whether voting in person or by proxy, at the General Meeting.

**Appendix II**  
**Extract from the Circular**

The following is derived from the Chairman's letter included in the Circular, which is expected to be posted to Shareholders later today, and is subject to change.

## 1. Introduction

Earlier today, the Company announced the intended cancellation of the admission of its Ordinary Shares to trading on AIM and for the Company to be re-registered as a private limited company. It also announced details of an exit opportunity for Minority Shareholders, to be provided by Crown Ocean Capital in connection with the proposed Cancellation.

After careful consideration of the merits of the Company's quotation, for the reasons set out in paragraph 2 below, the Board has concluded that it is in the best interests of the Company and its Shareholders to seek the Cancellation and Re-registration. Whilst the Board expresses no recommendation on the Exit Opportunity, the Board considers it constructive for Minority Shareholders to be provided with a liquidity opportunity alongside the proposed Cancellation, which Crown Ocean has offered to provide, by way of the Exit Opportunity. This letter sets out the reasons for, and implications of, the proposed Cancellation and Re-registration, and provides further details on the expected process for the Cancellation, Re-registration and Exit Opportunity.

The Cancellation and Re-registration are conditional upon the respective Resolutions being passed at the General Meeting to be held at 11.00 a.m. on 28 August 2024, notice of which is set out at Part 5 of this document. The Company is also seeking Shareholder approval at the General Meeting for the adoption of the New Articles. Subject to the approval of the Cancellation, the Company will take steps to cancel the admission of its Ordinary Shares to trading on AIM, such that the Company will no longer be listed on any regulated exchange. If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 24 September 2024. The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of Shareholders holding not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

Crown Ocean Capital and Eli Chahin have irrevocably undertaken to vote their Ordinary Shares in favour of the Resolutions, representing in aggregate approximately 58.68 per cent. of the Ordinary Shares, as further explained in paragraph 14 below.

**The Exit Opportunity is conditional upon the approval of the Resolutions at the General Meeting and will be open for acceptance from 9 August 2024 until 1.00 p.m. on 11 September 2024.**

Pursuant to Rule 41 of the AIM Rules, the Company, through its Nominated Adviser, Shore Capital, has notified the London Stock Exchange of the date of the proposed Cancellation.

**The purpose of this document is to explain the background to, and the reasons for, the Proposals and to explain the consequences of the Proposals and provide reasons why the Directors consider the Proposals are in the best interests of the Company and its Shareholders as a whole.**

## 2. Reasons for the Cancellation

Bowleven is headquartered in the UK and focused on Africa, where it holds an exploration and development interest in offshore Cameroon. Bowleven holds a 25 per cent. strategic equity interest in the offshore shallow water Etinde Permit. In recent years, the Company has been supporting its Joint Venture Partners to progress the proposed development plan for the Etinde Permit to a final investment decision ("FID"), at which stage the Company will be entitled to receive a milestone payment from its Joint Venture Partners.



Since June 2022, when the Company's Joint Venture Partner for the Etinde Permit, New Age, agreed to sell its 37.5 per cent. stake and operatorship in the Etinde Permit, no definitive Etinde Permit work plan or budget was approved by the Joint Venture Partners. Monthly expenditure in relation to the Etinde Permit remained low during this period as New Age operated the business on a largely suspended care and maintenance operations basis. On 25 January 2024, New Age confirmed to the JV Partners that the sale of its stake had been terminated.

Etinde operations remain on a care and maintenance basis with limited ongoing activity other than New Age's maintenance of the Cameroon project office. As outlined in the Company's interim results for the period to 31 December 2023, the JV Partners have agreed an outline for a way forward following the New Age stake sale being terminated, but progress has been very slow and Bowleven had a need to complete the \$2m fundraising announced on 14 March 2024 to in order to fund its overheads and its share of Etinde expenditure at the project through to approximately mid-2025, subject to the level of activity and expenditure relating to the Etinde Permit.

Whilst future project expenditure cannot be forecasted accurately at this point in time, as it is contingent on the agreement of the JV Partners and the approval of SNH and the Government of Cameroon to a development plan and the timing of an increase in project activities to reach future FID, limited progress has been made at Etinde since the Open Offer was completed and the Board of Bowleven does not expect there to be material progress towards FID by mid-2025. As set out at the time of the Open Offer, the Company is likely to need further capital to be in a position to fund its obligations and liabilities during the period it will take to reach FID, and the receipt of the \$25 million payment due to the Company once FID is reached. Accordingly the Board have been considering the Company's future requirement to raise capital and have been evaluating all possible means of reducing the cost base of the business in order to extend the Company's cash runway as much as possible, whilst still maintaining appropriate governance arrangements and allowing it to contribute to its share of the development costs at Etinde.

As part of this process, the Board has extensively reviewed and evaluated the benefits and drawbacks for the Company and its Shareholders in retaining the admission to trading of the Ordinary Shares on AIM. The Board has taken into consideration numerous factors, both positive and negative, and considered the interests of all Shareholders in reaching its decision. Following this review, the Board has concluded that the continued admission to trading of the Ordinary Shares on AIM is not appropriate and, accordingly, the Cancellation and Re-registration are in the best interests of the Company and its Shareholders as a whole for the reasons set out below.

Notwithstanding the Board's conclusions about its AIM quotation, the Company's long-term strategy remains to be a major oil and gas producer in Cameroon. The Company remains committed to Cameroon and the Board continues to be of the view that Etinde is a potentially substantial energy asset and core to the Company's strategy. Accordingly, following the Cancellation, the Company intends to continue to fund its portion of the Etinde costs pursuant to the JOA. The Company's strategic intention to monetize Etinde for the benefit of all Shareholders will remain the overriding objective and will necessarily involve collaboration with the Etinde JV Partners to secure FID.

- **Costs and regulatory burden:** the considerable cost and management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM is, in the Board's opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM, particularly given the limited and inconsistent liquidity in the Ordinary Shares as described below. Given the lower costs associated with private limited company status, the

Cancellation and Re-registration is expected to substantially reduce the Company's recurring administrative, adviser costs, listing fees and insurance premiums, which the Board believes can be better spent supporting the Group's business and investing in Etinde. Further, the reduced administrative burden associated with a de-listing of the Company underpins the Board's focus on the monetisation of Etinde. Alongside the Cancellation, the Directors intend to reduce their salaries or fees;

- **Access to appropriate finance:** the nature of the Group's operations requires the Company to periodically raise funding for working capital and project expenditure as the Company seeks to support the development of Etinde. If Etinde is to be developed, the Board considers that significant external funding will be required to enable the Company to fund its obligations. Having considered a range of financing options in the lead up to the Open Offer, the Directors are of the opinion that raising further significant equity through the public market would be challenging in the short or medium term, and if it were, potentially might not be on acceptable terms for all stakeholders. The Board has concluded that as a private limited company it may have broader access to specialist investors and enhance the ability of the Company to raise the capital required to fund its overheads and support activity at Etinde for the benefit of all Shareholders.
- **Corporate and strategic flexibility:** the Board believes that a private limited company can take and implement strategic decisions more quickly than a company which is publicly traded as a result of the more flexible regulatory regime that is applicable to a private company. The Board believes that this will be advantageous in the Group's business development discussions as it pertains to accessing a wider spectrum of potential investors who prefer private company investments; and
- **Limited liquidity in the Ordinary Shares and high share price volatility:** there continues to be limited and inconsistent liquidity in the Ordinary Shares, as a result of which small trades in the Ordinary Shares can have a significant impact on price and, therefore, on the market valuation of the Company. The Board believes that this, in turn, has a materially adverse impact on the Company's ability to seek appropriate financing or realise an appropriate value for any material future transactions. Moreover, the limited liquidity in the Ordinary Shares, together with the limited free float, makes it challenging for Shareholders of any size to acquire additional Ordinary Shares or dispose of any Ordinary Shares in the market at an attractive price.

**Therefore, as a result of this review, the Board has unanimously concluded that the proposed Cancellation and Re-registration are in the best interests of the Group and its Shareholders as a whole.**

### **3. Minority Shareholders and the Exit Opportunity**

As at the close of business on 8 August 2024 (being the latest practicable date prior to the publication of this document):

- Crown Ocean Capital holds an interest in 1,099,987,924 Ordinary Shares representing 58.33 per cent. of the existing issued Ordinary Shares (excluding shares held in treasury) and voting rights in the Company; and
- the Minority Shareholders hold, in aggregate, 41.32 per cent. of the existing issued Ordinary Shares (excluding shares held in treasury) and voting rights in the Company.

The Cancellation would materially affect the position of the Minority Shareholders in the Company. In particular, both the Board and Crown Ocean Capital recognise that cancelling the trading of the Ordinary Shares on AIM will make it considerably more difficult for Shareholders to sell or buy Ordinary Shares should they wish to do so.

As Crown Ocean Capital currently holds more than 50 per cent. of the Company's voting rights, it is able to acquire further interests in Ordinary Shares without incurring any obligation to make a general offer to all shareholders under Rule 9 of the Takeover Code. Crown Ocean Capital has therefore agreed to provide the Exit Opportunity to Minority Shareholders, to enable Minority Shareholders to sell their Ordinary Shares in the Company to Crown Ocean Capital, in advance of the Cancellation taking effect. Crown Ocean Capital has not undertaken to provide a dealing facility or similar trading arrangement following the Cancellation.

The terms of the Exit Opportunity are:

- a purchase price of 0.225 pence per Ordinary Share in respect of Ordinary Shares listed on AIM which was determined as the closing price on 26 July 2024, which represents a 3.93 per cent. premium to the 3-month Volume Weighted Average Price and a 17.32 per cent. premium to the 6-month Volume Weighted Average Price to 8 August 2024, being the last practicable date prior to the publication of this document; and
- the Exit Opportunity shall remain open from 9 August 2024 until 1.00 p.m. on 11 September 2024.

Minority Shareholders who wish to sell their Ordinary Shares to Crown Ocean Capital pursuant to the Exit Opportunity should refer to Section 5 below.

**The Directors make no recommendation to Minority Shareholders in relation to their participation in the Exit Opportunity. Minority Shareholders should consider whether the Ordinary Shares remain a suitable investment in light of their own personal circumstances and investment objectives, and the Directors refer Minority Shareholders to certain pros and cons of the Exit Opportunity in paragraph 16 below. Minority Shareholders do not have to sell any Ordinary Shares pursuant to the Exit Opportunity if they do not wish to do so. However, Minority Shareholders who elect not to sell their Ordinary Shares Pursuant to the Exit Opportunity or otherwise in the market by other means prior to the Cancellation will, on completion of the Cancellation and Re-registration, hold Ordinary Shares in a private limited company, with limited liquidity. In light of this, in the event the Cancellation is approved and becomes effective, the Company will implement the Matched Bargain Facility, which would facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following the Cancellation. Further details of the Matched Bargain Facility are set out in Section 9 below.**

As set out in the Expected Timetable of Principal Events section of this document, the Exit Opportunity will remain open for 33 days, including 14 days from the time of the General Meeting.

#### **4. Conditionality of the Exit Opportunity**

**The completion of the Exit Opportunity and therefore the purchase of Ordinary Shares from Minority Shareholders by Crown Ocean Capital is conditional upon the Resolutions being passed at the General Meeting.**

#### **5. Participation in the Exit Opportunity**

For Minority Shareholders who hold their Ordinary Shares in certificated form, please refer to Part 3 of this document for full details as to how to participate in the Exit Opportunity. A summary of the process for acceptance is included below:

- Minority Shareholders who hold their Ordinary Shares in certificated form who wish to participate in the Exit Opportunity should complete the Exit Opportunity Participation Form as soon as possible in accordance with the instructions set out therein and return the completed Exit Opportunity Participation Form by post to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6AH to arrive no later than 1.00 p.m. on 11 September 2024. A pre-paid reply envelope for use in the United Kingdom is enclosed for your convenience.
- Minority Shareholders who hold Ordinary Shares in CREST who wish to participate in the Exit Opportunity should comply with the procedures set out in the Part 3 of this document headed “Procedures for Minority Shareholders selling Ordinary Shares” in respect of transferring uncertificated Ordinary Shares in escrow through CREST. The Transfer to Escrow instruction must settle by no later than 1.00 p.m. on 11 September 2024.

Shareholders who return an Exit Opportunity Participation Form or who complete an acceptance in CREST are still permitted to vote their Ordinary Shares at the General Meeting and so should also return a Form of Proxy as set out in Section 12 below.

Pursuant to Rule 35.3 of the Takeover Code, except with the consent of the Panel, within 6 months of the closure of the Exit Opportunity, Crown Ocean Capital will not be able to acquire any interest in Ordinary Shares in the Company on more favourable terms than those made available under the Exit Opportunity.

## **6. Payment of Consideration**

The following methods and currencies will be available for the payment of the purchase price in respect of the Exit Opportunity:

- to Minority Shareholders who hold their Ordinary Shares in certificated form will be made, by way of cheque, in £; and
- to Minority Shareholders who hold their Ordinary Shares in CREST will be made through CREST, by Computershare Investor Services PLC (on behalf of Crown Ocean Capital) procuring the creation of a payment obligation in favour of the payment banks of accepting Shareholders in accordance with the CREST payment arrangements, in £.

## **7. Re-registration**

Following the proposed Cancellation, the Board believes that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower overhead costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company.

In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company’s status to a private limited company. The principal effects of the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part 2 of

this document and a copy of the New Articles, is available on the Company's website at the following link (and will also be available for inspection at the General Meeting): [www.bowleven.com](http://www.bowleven.com).

Subject to and conditional upon the Cancellation and the passing of the Re-registration Resolution, an application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will not issue the certificate of incorporation on Re-registration until the Registrar of Companies is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company. Any such application must be made within 28 days after the passing of the Re-Registration resolution and may be made on behalf of the persons entitled to make it by such one or more of their number as they may appoint for the purpose.

Under the Act, it is a requirement that Re-registration and adoption of the New Articles must be approved by not less than 75 per cent. of votes cast by shareholders at a general meeting. Accordingly, the Notice of General Meeting set out at Part 5 of this document contains special resolutions to approve the Cancellation, Re-registration and the adoption of the New Articles.

If the Re-registration Resolution is passed at the General Meeting and the Registrar of Companies issues a certificate of incorporation on Re-registration, it is anticipated that the Re-registration will become effective by 25 September 2024.

#### **8. Process for the Cancellation**

Under Rule 41 of the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by shareholders at a general meeting. In addition, any AIM quoted company that wishes for the London Stock Exchange to cancel the admission of its shares to trading on AIM is required to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date.

Accordingly, the Board are hereby convening the General Meeting to vote on the Cancellation Resolution and have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 24 September 2024. The Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Cancellation Resolution and a dealing notice has been issued.

If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 23 September 2024 and that the Cancellation will take effect at 7.00 a.m. on 24 September 2024.

As set out in Section 13 below:

- Crown Ocean Capital, the Company's largest shareholder, which is currently interested in approximately 58.33 per cent. of the Ordinary Shares; and
- Eli Chahin, the Company's Chief Executive Officer, (who is currently interested in approximately 0.35 per cent. of the Ordinary Shares),

have each given an irrevocable undertaking to the Company to vote in favour of the Resolutions. As a result, the Board considers it likely that the Resolutions will be passed at the General Meeting. This does not, however, preclude Shareholders from attending and voting (whether in person or proxy) at the General Meeting.

## **9. Principal effects of the Cancellation and Matched Bargain Facility**

### *Principal effects of the Cancellation*

The Board considers that, in deciding whether or not to vote in favour of the Cancellation, Minority Shareholders should take their own independent advice and consider carefully the disadvantages and advantages of the Cancellation (including, but not limited to, those set out below) in light of their own financial circumstances and investment objectives.

The principal effects of the Cancellation will include the following:

(i) there will no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM or any other recognised market or trading exchange (other than the limited off-market mechanism that will be provided by the Matched Bargain Facility) and no price will be publicly quoted for the Ordinary Shares;

(ii) in the absence of a formal market and quoted price, it may be difficult for Shareholders to determine the market value of their investment in the Company at any given time;

(iii) the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);

(iv) it is possible that, following the publication of this document, the liquidity and marketability of the Ordinary Shares may be significantly reduced and their value adversely affected (however, as set out above, the Directors believe that the existing liquidity in the Ordinary Shares is, in any event, limited);

(v) the Company will be a private limited company registered with the Registrar of Companies in Scotland in accordance with and subject to the Companies Act 2006 and the New Articles.

(vi) the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply and the Company will no longer be required to comply with the AIM Rules (and accordingly, Shareholders will no longer be afforded the protections given by the AIM Rules). In particular, and among other things:

(A) the Company will not be required to make any public announcements of price sensitive information or material events, announce its interim or final results, comply with any of the corporate governance practices applicable to AIM companies, announce substantial transactions and related party transactions, comply with the requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business, or maintain a website containing the information required by the AIM Rules;

(B) Shore Capital & Corporate Limited will cease to be the Company's nominated adviser and the Company will cease to retain a nominated adviser, and Shore Capital Stockbrokers Limited will cease to be the Company's broker and the Company will cease to retain a broker.

(vii) the levels of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM;

(viii) the Company will no longer be subject to UK MAR regulating inside information (among other things);

(ix) the Company will no longer be subject to the Disclosure Guidance and Transparency Rules and will therefore, among other things, no longer be required to publicly disclose major shareholdings in the Company;

(x) whilst it is expected that the Company's CREST facility will remain in place immediately post the Cancellation becoming effective, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable following the Cancellation, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);

(xi) the Board currently proposes to procure that the Company continues to maintain its website [www.bowleven.com](http://www.bowleven.com) and to post updates on that website from time to time, although as described above, Shareholders should be aware that there will be no obligation on the Company to include the information required under Rule 26 of the AIM Rules or to make announcements and/or update the website as required by the AIM Rules and there is no obligation on the Company or future Board directors to maintain the website or post updates to it;

(xii) the Cancellation might have either positive or negative taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately.

(xiii) following the Cancellation, all transfers of Ordinary Shares will be liable for stamp duty or SDRT (unless a relevant exemption or relief applies to a particular transfer); and

(xiv) following the Cancellation and Re-registration it is expected that the Company will no longer remain subject to the Takeover Code, in relation to which further details are set in Section 10 below.

There will be no change to the composition of the Board immediately following the Cancellation and Re-registration.

**The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them, and their shareholding in the Company and whether or not to vote in favour of the Cancellation.**

#### *Matched Bargain Facility*

The Directors are aware that Shareholders may wish to acquire or dispose of Ordinary Shares in the Company following the Cancellation, to the extent that they haven't availed themselves of the Exit Opportunity in full or sold their shares on AIM before the Cancellation takes effect. Should the Cancellation Resolution be approved by Shareholders at the General Meeting, the Company is seeking to implement a Matched Bargain Facility which is to be provided by J P Jenkins. J P Jenkins is an appointed representative of Prosper Capital LLP, which is authorised and regulated by the FCA.

Under the Matched Bargain Facility, Shareholders or persons wishing to acquire or dispose of Ordinary Shares will be able to leave an indication with J P Jenkins, through their stockbroker (J P Jenkins is unable to deal directly with members of the public), of the number of Ordinary Shares that they are prepared to buy or sell at an agreed price. In the event that J P Jenkins is able to match that order with an opposite sell or buy instruction, it would contact both parties and then effect the bargain (trade). Shareholdings remain in CREST and can be traded during normal business hours via a UK regulated stockbroker. Should the Cancellation become effective and the Company puts in place the Matched Bargain Facility, details will be made available to Shareholders on the Company's website at [www.bowleven.com](http://www.bowleven.com).

The Matched Bargain Facility is expected to operate for a minimum of 12 months after the Cancellation. The Directors' current intention is that it will be put in place and continue beyond that time; however, Shareholders should note that there is a risk that it may not be put in place and could be withdrawn and there can be no guarantee that the Matched Bargain Facility will be kept in place indefinitely, which could inhibit the ability to trade the Ordinary Shares. Further details will be communicated to the Shareholders at the relevant time.

**If Shareholders wish to buy or sell Ordinary Shares prior to the Cancellation becoming effective, they can either participate in the Exit Opportunity (in respect of a sale of their Ordinary Shares), or buy or sell shares on or before the last day of dealings in the Ordinary Shares on AIM. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 23 September 2024 and that the effective date of the Cancellation will be 24 September 2024.**

#### **10. Takeover Code**

The Takeover Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code currently applies to the Company. However, as noted above, given Crown Ocean Capital currently holds more than 50 per cent. of the Company's voting rights, it is able to acquire further interests in Ordinary Shares without incurring any obligation to make a general offer to all shareholders under Rule 9 of the Takeover Code.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met – for example, if the company's shares were admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

If the Cancellation and Re-registration are approved by Shareholders at the General Meeting, the Company will be re-registered as a private company and its securities will no longer be admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom. In these circumstances, the Takeover Code will only apply to the Company if it is considered by the Panel to have its place of central



management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the “residency test”. In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company’s directors are resident in these jurisdictions.

**The majority of the Directors are currently resident outside the United Kingdom the Channel Islands or the Isle of Man. Accordingly, the Panel has confirmed to the Company that, following the Cancellation and Re-registration, the Takeover Code will cease apply to the Company, and the Company and its shareholders will therefore not have the benefit of the protections the Takeover Code affords.**

This includes the requirement for a mandatory cash offer to be made if either:

- a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30 per cent. or more; or
- a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

The Takeover Code could apply to the Company in the ten-year period from the date of the Re-registration if the composition of the Board, or residency of the Directors, were to change such that the Company would have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. Following the expiry of the ten year period from the date of the Re-registration, the Company would not in any circumstances be subject to the provisions of the Takeover Code.

However, the Board also notes that if amendments to the Takeover Code proposed in consultation paper PCP2024/1 (published by the Takeover Panel on 24 April 2024) are adopted, then the Takeover Code would cease to apply to the Company after a period of 3 years following the implementation of these amendments, irrespective of the composition of the Board.

Brief details of the Panel, and of the protections afforded by the Takeover Code (which will cease to apply following the Cancellation and Re-registration), are set out in Part 4 of this document.

In the context of the Proposals and the Exit Opportunity, with the agreement of the Directors of the Company, the Panel has granted certain dispensations such that this Circular does not comply with all the requirements of an offer document and the Company is not in an offer period as defined in the Takeover Code.

## **11. Director responsibility**

The Directors, whose names appear on page 6 of this document, accept individual and collective responsibility for the information contained in this document (other than the information which describes Crown Ocean Capital or its intentions, which is the responsibility of the directors of Crown Ocean Capital), including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of Crown Ocean Capital accept responsibility for any information in this document which describes Crown Ocean Capital or its intentions. To the best of the knowledge and belief of Konstantin Stoyanov, Christian Petersmann and Oskar Nilner, being the directors of Crown Ocean Capital, and who have taken all reasonable care to ensure that such is the case, the information in this document for which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **12. Current trading**

Since the Company's interim results for the period ended 31 December 2023, announced on 27 March 2024, and the Company's recently completed open offer raising gross proceeds of approximately £1.56 million, announced on 3 April 2024, the Group has continued trading without any material changes and continues to be reliant on the financial support of Crown Ocean Capital.

## **13. General Meeting actions to be taken**

The Cancellation, Re-registration and the adoption of the New Articles requires the passing of the Cancellation Resolution and the Re-registration Resolution at the General Meeting. Accordingly, a Notice of the General Meeting convening a meeting to be held at The Office Group, Borough Yards, 13 Dirty Lane, London, SE1 9PA on 28 August 2024 at 11.00 a.m. is set out at Part 5 of this document.

Whether or not you propose to attend the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and return it, duly signed, together with any power of attorney under which it is executed, as soon as possible but in any event so as to arrive not later than 11.00 a.m. on 23 August 2024. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the General Meeting should they wish. Shareholders who return a completed Exit Opportunity Participation Form shall still be permitted to vote their shares at the General Meeting and so should also return a Form of Proxy.

## **14. Irrevocable undertakings**

The Board has received an irrevocable undertaking from Crown Ocean Capital (representing approximately 58.33 per cent. of the Ordinary Shares), to vote in favour of the Resolutions which remains binding subject to a long stop date of 24 September 2024 on which it terminates. The irrevocable undertaking from Crown Ocean Capital also requires Crown Ocean Capital to provide the Exit Opportunity on the terms and conditions set out in this document.

The Board has received an irrevocable undertaking from Eli Chahin, the Company's Chief Executive Officer, (representing approximately 0.35 per cent. of the Ordinary Shares), to vote in favour of the Resolutions which remains binding subject to a long stop date of 24 September 2024 on which it terminates.

Accordingly, the Board considers it likely that the Resolutions will be passed at the General Meeting.

**15. Director intentions**

Eli Chahin, the Company's Chief Executive Officer, will not participate in the Exit Opportunity. None of the other Directors hold any Ordinary Shares in the Company.

**16. Recommendation**

The Board considers the Cancellation, the Re-registration and the adoption of the New Articles to be in the best interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolutions.

**The Board also considers it appropriate that those Minority Shareholders who are unable or unwilling to hold shares in the Company following the Cancellation should be given an opportunity to realise their investment under the Exit Opportunity. However, the Board makes no recommendation to Minority Shareholders in relation to their participation in the Exit Opportunity. Minority Shareholders should consider whether the Ordinary Shares remain a suitable investment in light of their own personal circumstances and investment objectives and consult their duly authorised independent advisers before they make a decision as to whether to sell some, all, or none of their Ordinary Shares, in order to obtain advice relevant to their particular circumstances. The Directors refer Minority Shareholders to certain pros and cons of the Exit Opportunity below.**

Nevertheless, Minority Shareholders should, when making their decision whether or not to avail themselves of the Exit Opportunity, bear in mind, inter alia, the following:

**Pros of accepting the Exit Opportunity**

- **The loss of the AIM quotation, and resultant loss of liquidity, should the Cancellation take effect.** If the Cancellation is effected, Shareholders who do not participate in the Exit Opportunity will hold unlisted Ordinary Shares and, as minority shareholders, would not be afforded the same level of liquidity as was afforded to them whilst the Company was quoted on the AIM market of the London Stock Exchange. Consequently, notwithstanding the Matched Bargain Facility, the liquidity, marketability and realisable value of the Ordinary Shares could be significantly adversely affected and Shareholders' ability to dispose of their Ordinary Shares would likely be materially reduced;
- **The loss of the protections of the AIM Rules, particularly with regard to approvals and disclosure obligations, should the Cancellation take effect.** Should the Cancellation take effect, the Company will no longer be subject to the disclosure obligations of UK MAR and Shareholders will not benefit from the various disclosure obligations and shareholder protections contained in the AIM Rules, including that the Company will not be required to make public announcements of price sensitive information or material events, publish interim results, comply with any of the corporate governance practices applicable to AIM companies, announce substantial transactions and related party transactions, comply with the requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business, or maintain a website containing the information required by the AIM Rules;
- **Crown Ocean Capital's controlling shareholding position.** Crown Ocean Capital currently has voting control over the Company and will continue to be in a position to ensure the approval, or rejection, of ordinary resolutions of the Company and determine the overall strategy of Bowleven including, for example, the appointment and removal of directors and the dividend policy or cessation of any dividends.
- **The expected loss of the protections of the Takeover Code, should the Cancellation take effect.** Following the Cancellation, as the Company's central management and control will reside outside of the UK, Shareholders will not benefit from the protections of the Takeover Code, including the requirement for a mandatory cash offer to be made for all of the Company's Ordinary Shares where a person acquires an interest in the Ordinary Shares which increases the percentage of the Ordinary Shares carrying voting rights in which it is interested to 30 per cent. or more, or which increases an interest of not less than 30 per cent. but not more than 50 per cent. of the Ordinary Shares carrying voting rights;
- **The Exit Opportunity purchase price represents a 3.93 per cent. premium to the 3-month Volume Weighted Average Price and a 17.32 per cent. premium to the 6-month Volume Weighted Average Price to 8 August 2024; and**
- **The Exit Opportunity is being made available now and there is no assurance that any exit opportunity may be made available in future, including at this price.** The Ordinary Shares already have low levels of liquidity and the Exit Opportunity allows Shareholders to realise their investment in Bowleven in full in cash.

### **Cons of accepting the Exit Opportunity**

- **The Company continues to believe that its interest in the Etinde Permit represents considerable value over the long-term.** The Etinde Permit lies in shallow water in the prolific Rio del Rey Basin, and contains a number of liquid-rich gas hydrocarbon reservoirs. Payment of \$25m is due to the Company from the JV Partners once FID is reached on the development of the Etinde field. The Board believes that value may be realised from the Etinde Permit as the asset is de-risked and brought closer to development. Accordingly, those Shareholders willing and able (depending on their circumstances) to accept the risks associated with remaining as an investor in an unlisted company controlled by Crown Ocean Capital, may wish to remain as Shareholders to maintain their exposure to the Company and Etinde but the Board is not making any recommendation to this (or any other) effect.

Yours faithfully

Jack Arnoff  
*Chairman*