Afren plc (AFR LN)

Afren Agrees Farm-Down in Ghana

London, 20th November – Afren plc ("Afren" or the “Company”), is pleased to announce that Afren Energy (Ghana) Limited, a wholly owned subsidiary of the Company, has agreed a farm-down transaction with Mitsui E&P Ghana Keta Limited (“Mitsui”), a subsidiary of Mitsui & Co., Ltd in respect of the Keta Block, located offshore in the Eastern Basin, Ghana, subject to Government approvals.

Mitsui will earn a 20 per cent. participating interest in the Petroleum Agreement governing the Keta Block in return for a significant contribution to the forthcoming Cuda-1X exploration well. The Cuda well is being drilled with the Transocean Deepwater Discovery drillship and the well was spudded on 16th November 2008.

The Cuda-1X will be drilled in a water depth of 5,577 feet, as a vertical well to evaluate the Cuda prospect. Planned Total Vertical Depth of the well is 15,750 feet subsea. The primary target for the well is the Upper Cretaceous, deepwater sandstones in a combined structural and stratigraphic trap. There are no plans to perform drill stem testing on the well. The well is anticipated to take approximately 50 days.

Potential resources for the Cuda prospect are estimated by Afren to be between 325 and 642 million barrels of oil. The play type to be targeted is similar to the Jubilee and Odum discoveries, currently being developed by Tullow and Kosmos in the west of the country. There are also a number of additional identified prospects, which are currently in the process of being assessed by the partners on the Keta Block.

Following completion of this transaction the Keta Block interests will be as follows:

Afren Ghana (Energy) Limited: 68%
Mitsui: 20%
GNPC: 10%
Gulf Atlantic Energy: 2%

In Angola, the Company has decided not to complete the acquisition of a 15 per cent. working interest in Block 16 from Devon Energy. The net financial exposure to Afren had significantly increased from the time of announcing the transaction in November 2007. Given current market conditions, and the Company’s focus on production, near term development and material high impact exploration in Ghana, it was felt that this was the most prudent approach.

Osman Shahenshah, Chief Executive of Afren, commented:

“We are very pleased to have agreed this successful farm-down to Mitsui. Following the Jubilee discoveries, Ghana is an emerging and significant West African hydrocarbon basin.”
province. We are delighted with this first step in Afren’s growing relationship with Mitsui, the major Japanese conglomerate with a long term involvement in the oil and gas sector. Moreover, Afren’s shareholders are offered significant exposure to high impact oil and gas exploration with a significant promote. We are extremely excited about the upcoming Cuda well and believe the Block contains a number of exciting prospects.”

Enquiries:

Afren plc  +44 20 7451 9700
Osman Shahenshah  Chief Executive
Galib Virani  Investor Relations

Jefferies  +44 20 7029 8000
Jack Pryde

Merrill Lynch  +44 20 7996 1000
Andrew Osborne

Morgan Stanley  +44 20 7425 8000
Jon Bathard-Smith

Pelham Public Relations  +44 20 7743 6676
James Henderson
Alisdair Haythornthwaite

Background information

Afren plc

Afren plc (www.afren.com) was founded in 2004 with the vision to become the premier pan-African independent exploration and production Company, through a differentiated strategy based on a strong African representation in the Board and management, partnering with indigenous companies, partnering with National Oil Companies and Governments as well as finding a solution to the vast untapped gas reserves in the Gulf of Guinea. Since the Company’s listing on the AIM market in 2005, Afren has rapidly expanded its portfolio to 15 assets across 6 African countries.

Stellar Energy Advisors Limited acted as advisor to Afren for the transaction.
Mitsui E&P Ghana Keta Limited

Mitsui E&P Ghana Keta Limited is a subsidiary of Mitsui & Co., Ltd (www.mitsui.co.jp/en/index.html “MBK”). MBK is one of the leading general trading companies which was founded in 1876 and is engaged in almost all spectrums of business by way of trading and/or investment. MBK covers all areas of energy business, investing not only in LNG projects but also focuses in increasing oil and gas reserves by acquiring attractive upstream assets worldwide. MBK’s participation in Ghana is the third representation in challenging frontier exploration in the sub-Sahara, adding to its asset portfolio in core operating bases in Oceania, the Middle East, Southeast Asia and North America.

Note

In accordance with the AIM Rules, the technical information in this release has been reviewed and signed off by Mr Iain Wright, who is Director of Technical at Afren Plc and has over 25 years relevant experience within the sector. He consents to the information in the form and context in which it appears. The Company estimates its reserves in accordance with the guidelines and definitions of the 2007 SPE/WPC/AAPG/SPEE Petroleum Resource Management System (“PRMS”) Classification System.