

20 March 2013

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

### **Interim Results Announcement**

Bowleven, the Africa focused oil and gas exploration group traded on AIM, today announces its interim results for the six months ended 31 December 2012.

#### **OPERATIONAL UPDATE**

- Gas sales term sheet for proposed fertiliser plant agreed with Ferrostaal; signing ceremony being organised.
- Good progress made towards Etinde staged development FID.
- Testing programme underway on IM-5.
- IM-5 Intra Isongo discovery highlights new material exploration/appraisal upside.

#### **INTERIM REPORT HIGHLIGHTS**

##### **Resources to Reserves**

- IM-5 appraisal/development well exceeds pre-drill expectations:
  - Significant discovery (70 metres net pay) made in Intra Isongo.
  - Middle Isongo primary objective encountered 25 metres net pay in 33 metre interval.
  - Preliminary volumes indicate combined IM P90 WGIIP increased by over 300% to 531 bscf; more than sufficient gas volumes to meet fertiliser plant requirements.
  - Combined IM Mean WGIIP and CIIP increased by 162% and 868% to 1,222 bscf and 184 mmbbls respectively.
  - Logging samples confirm the presence of liquids-rich hydrocarbons in both the Intra and Middle Isongo reservoir intervals.
  - Testing programme underway on Middle and Intra Isongo intervals.
- Good progress made towards Etinde staged development FID:
  - Etinde Exploitation Authorisation Application (EEAA) submitted to Cameroon authorities as planned.
  - Gas sales term sheet for proposed fertiliser plant agreed with Ferrostaal.
  - Strategic Alliance Agreement signed with Petrofac; potential access to up to \$500 million towards Stage I of the Etinde development and to Petrofac expertise.

##### **Exploration**

- Etinde
  - Intra Isongo discovery highlights new material exploration/appraisal play.
- Bomono
  - Exploration well (Zingana-1) site location is drill ready; rig sourcing continuing.
  - Ministerial approval given to two year renewal of exploration phase to December 2014.
  - Farm-out discussions continue.

- Kenya
  - 50% farm-in to block 11B approved by Kenyan authorities.
  - Preparation for airborne geophysical and 2D seismic surveys underway.

### **Corporate**

- Group cash balance at 31 December 2012 \$90 million (end February 2013 circa \$65 million), no debt.
- Significant financing flexibility maintained:
  - Petrofac Alliance provides up to \$500 million development funding for Etinde with up to \$60 million IM-5 well costs reimbursed at FID.
  - High equity interests facilitate farm-out opportunities.

### **Kevin Hart, Chief Executive of Bowleven plc, said:**

“The recent IM-5 results, which significantly exceeded our pre-drill expectations, have placed us in great stead to deliver the staged development of Etinde. The substantial uplift in both gas and liquids volumes ensures we can move forward with the development plan and gas sales agreement knowing we are underpinned by an extremely robust project. We now look forward to putting these pieces of the jigsaw together to reach FID.

In addition, the recent Intra Isongo discovery reinforces our view that a significant volume of hydrocarbons remains still to be discovered on our Etinde and Bomono Permits. We remain convinced that Bowleven is ideally positioned to become a major contributor to Cameroon’s hydrocarbon production for years to come and we have the funding flexibility to deliver this potential.”

### **ENQUIRIES**

For further information please contact:

Bowleven plc	
Kevin Hart, Chief Executive	00 44 131 524 5678
Kerry Crawford, Head of Investor Relations	

Brunswick Group LLP	
Patrick Handley	00 44 207 404 5959
Catriona McDermott	

Bank of America Merrill Lynch (Nomad)	
Derek Ross	00 44 207 628 1000
Tony White	

**A presentation to analysts is scheduled for 9.30am GMT on Wednesday 20 March 2013. A copy of this announcement and the presentation will be available on the Bowleven website: [www.bowleven.com](http://www.bowleven.com)**

**The presentation will be recorded and an audio version will be available on the Bowleven website approximately four hours after the presentation has concluded.**

*This announcement may include statements that are, or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates",*

*"projects", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, the results of operations, financial conditions, liquidity, prospects, growth and strategies of the Company and its direct and indirect subsidiaries (the "Group") and the industry in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Group's actual results of operations, financial conditions and liquidity, and the development of the industry in which the Group operates, may differ materially from those suggested by the forward-looking statements contained in the announcement. In addition, even if the Group's results of operations, financial conditions and liquidity, and the development of the industry in which the Group operates, are consistent with the forward-looking statements contained in the announcement, those results or developments may not be indicative of results or developments in subsequent periods. In light of those risks, uncertainties and assumptions, the events described in the forward-looking statements in the announcement may not occur. Other than in accordance with the Company's obligations under the AIM Rules for Companies, the Company undertakes no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. All written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in the announcement.*

**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 through exploration led organic growth. Bowleven holds equity interests in five blocks in Cameroon, with three blocks located offshore in shallow water and two onshore. All of these blocks are operated by Bowleven. Bowleven also holds an equity interest in an onshore block in Kenya operated by Adamantine Energy.

**Notes to Announcement:**

- (1) The information in this release reflects the views and opinions of Bowleven as operator and has not been reviewed in advance by its joint venture partners.
- (2) The technical information in this release has been reviewed by Ed Willett, who is a qualified person 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 25 years' experience in oil and gas exploration and production.

## **CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT**

Once again the recent period has been almost entirely dominated by the Group's drive towards converting 'Resources to Reserves'. A number of key steps have recently been accomplished in this regard as we progress towards being in a position to sanction a phased Etinde development.

The 'Resources to Reserves' milestones achieved in the period are:

1. Formal submission of the Etinde Exploitation Authorisation Application (EEAA) to the Cameroon authorities;
2. Successful IM-5 appraisal/development well encountered liquids-rich hydrocarbons and confirmed more than sufficient volumes to underpin plans to supply gas to the proposed fertiliser plant;
3. Petrofac Strategic Alliance signed providing potential access to up to \$500 million for Etinde Stage I development; and
4. Term sheet for gas sales to proposed fertiliser plant agreed with Ferrostaal.

In addition, the recent major exploration success at the IM-5 well Intra Isongo target highlights the extensive remaining exploration potential that we believe exists on our Etinde and Bomono Permits. Not only does the Intra Isongo represent a major discovery in its own right but it also substantially de-risks a number of further material exploration targets at the same or similar stratigraphic levels. The high liquids content encountered in these sands is a further major positive in terms of potential additional project value.

## **RESOURCES TO RESERVES**

Considerable progress has been made in the period to increase the Group's resource base on Etinde and in the re-categorisation of resources to reserves.

Our drilling activity in the period has led to a significant increase to in-place hydrocarbon volumes. Preliminary volumes generated for the Isongo Marine field post the IM-5 well indicate a combined mean WGIIP of 1,222 bscf and CIIP of 184 mmbbls, representing an increase of 162% and 868% respectively.

The key to achieving the Group's near term objective of converting resources to reserves and reaching FID is attaining three key components:

1. An approved EEAA.
2. A signed Gas Sales Agreement.
3. Access to finance for the Etinde development.

As outlined above, significant progress has been made on all three requirements in the period and the Group remains on track for FID, targeted for H2 2013.

## **CAMEROON EXPLORATION**

A key objective for the Group continues to be pursuing the considerable exploration potential of our Cameroon acreage. In addition to the significant discovered and as yet unexplored potential that continues to exist in the Douala Basin, the recent IM-5 Intra Isongo discovery has highlighted the material exploration potential that remains on block MLHP-7 in the Rio Del Rey Basin. Over the coming months and years we plan to commence drilling onshore at Bomono and continue to develop, appraise and explore offshore Etinde.

## **EXPANDING OUR EXPLORATION HORIZONS**

The recent farm-in to 50% of block 11B in Kenya represents a material new venture for Bowleven. The Group continues to look for other such early entry exploration opportunities in areas of interest in Africa.

## **IN-PLACE VOLUMETRICS UPDATE**

Preliminary estimates of in-place volumetrics for the Isongo Marine field have been prepared following an assessment of the IM-5 well data, including logs, fluid samples, revised depth conversion and structure mapping.

As previously announced on 6 March 2013, the combined P90 WGIIP from the Middle, Intra and Upper Isongo intervals has increased by over 300% to 531 bscf post IM-5 drilling, confirming that there are more than sufficient gas volumes available on a P90 basis to meet fertiliser plant requirements. The combined mean WGIIP and CIIP for the Isongo Marine field have increased by 162% and 868% to 1,222 bscf and 184 mmbbls respectively.

The liquids-to gas-ratios used to calculate volumetrics are based on initial sample analysis and use a minimum to maximum range of 80 to 200 bbls/mmscf for the Middle Isongo and 100 to 285 bbls/mmscf for the Intra Isongo highlighting the liquids-rich composition of the hydrocarbons encountered.

These preliminary volumes, including liquids ratios and fluid type, will be refined as appropriate post testing which is currently underway.

The discovery in the Intra Isongo interval with the IM-5 well provides a material volume addition. Initial seismic and amplitude analysis also indicate significant upside potential outwith the areal extent currently considered in preparing the above-mentioned Isongo Marine field volumetrics. In addition, several lookalike prospects have been identified that could provide further material upside potential. Combined unrisks initial estimates for this exploration/appraisal upside are mean WGIIP and CIIP of 1,591 bscf and 273 mmbbls respectively.

## **OPERATIONS**

It has been another active period for the Group. Progressing to FID on the Etinde development has been a principal focus of the Group. Drilling operations have focused on the IM-5 appraisal/development well where testing operations are currently underway. Planning and preparation for exploration activities on Bomono and Kenya are also ongoing.

## ***Cameroon – Etinde Permit (Bowleven Group 75% and Operator; Vitol 25%)***

### ***Drilling and Testing activities***

Drilling operations commenced on the Isongo Marine field in September 2012 with the IM-5 appraisal/development well. The primary objective of the well was to appraise the reservoir and fluid properties of the Middle Isongo sands. The secondary objective of the well was to investigate the additional potential of the Intra Isongo exploration prospect, a potentially extensive amplitude supported channel system potentially comprising both structural and stratigraphic trapping elements.

The well was drilled to a TD of 3,430 metres measured depth (MD) in water depths of around 56 metres and encountered liquid-rich hydrocarbons in both the Intra and Middle Isongo intervals based on the results of drilling, core analysis, wireline logs, fluid samples and pressure data.

The results of the intervals intersected by the well are summarised below:

### **Middle Isongo**

The well encountered approximately 25 metres of log evaluated net hydrocarbon-bearing pay over a gross interval of approximately 33 metres. Log evaluation indicated a hydrocarbon water contact (HWC) at approximately 3,360 metres MD, extending and deepening the hydrocarbon column intersected by the IM-3 well by 93 metres. A further 20 metres of high quality sands were encountered directly beneath the HWC.

### **Intra Isongo**

Approximately 70 metres of net hydrocarbon bearing pay over a gross interval of approximately 80 metres was confirmed post logging with hydrocarbons down to the base of the reservoir.

### **Upper Isongo**

This reservoir section was water bearing as prognosed.

Preliminary in-place volumetrics prepared post IM-5 drilling are outlined above. A test programme comprising the Middle and Intra Isongo intervals is currently underway. The results of the test programme are expected around early April 2013.

### ***Etinde Exploitation Authorisation Application***

The process to obtain an exploitation authorisation for an initial 20 year period over a substantial part of the Etinde Permit is progressing as planned. The formal EEAA was submitted to the Cameroon authorities in late November 2012 following an earlier draft submission supplemented with in-country workshops with SNH to support the application.

The IM and IE hydrocarbon discoveries on block MLHP-7 are the focus for Stage I of the 'hub and spoke' development scheme envisaged within the EEAA. Consequently an update to integrate the results of the recent IM-5 well, combined with preparations for an IM-5 workshop, are already underway.

### ***Appraisal/Development***

Considerable progress has been made on plans to monetise the existing discoveries on the Etinde Permit. The 'hub and spoke' development scheme enables a phased and flexible approach to the development of Etinde and facilitates early liquids production. The discoveries on block MLHP-7 are the focus for Stage I of the development in which all the infrastructure for this phase will be constructed and installed including the processing facility 'hub'. A detailed project execution schedule has been prepared with the final investment

decision and first production from Stage I targeted for H2 2013 and 2016 respectively. Meanwhile, detailed development planning is continuing and following the agreement of a Strategic Alliance with Petrofac in November 2012 the business is already utilising their extensive expertise.

The flexible approach to development enables other fields (e.g. the IF field on block MLHP-7 over which 3D 4C OBC development seismic is currently being evaluated) and any new discoveries to be incorporated when appropriate. Stage II of the development scheme encompasses the block MLHP-5 discoveries.

Following the discovery in the Intra Isongo with the IM-5 well, seismic analysis has identified significant upside outwith the areal extent considered in preparing preliminary IM-5 volumes. Alongside the potential for significantly increased volumes, the Intra Isongo also has the potential to provide an additional dimension to development plan optimisation by reducing both platform and well requirements. Although further evaluation is required, there is also the outside possibility that the Intra Isongo could be a potential candidate for a gas reinjection scheme and consequently could provide an additional home for associated gas produced. These aspects will form the basis for further evaluation work.

#### *Cameroon Gas Monetisation*

With multiple liquids-rich discoveries on Etinde, identifying an offtake solution for the significant associated gas volumes is key to optimising future development plans for the liquids. With this in mind a number of solutions for the sale of gas to a third party (supplied through the 'hub and spoke' development concept) have been advanced.

Considerable progress has been made with plans for the sale of gas to a proposed fertiliser plant in Cameroon. Stage I of the Etinde development plan was predicated on supplying 70 mmscfd of dry gas for a minimum of ten years to the plant. Following the IM-5 well it has been confirmed that there are more than sufficient gas volumes available on P90 basis to meet fertiliser plant requirements. Consequently, Bowleven and Ferrostaal have now agreed the principle of extending the supply period beyond ten years after further appraisal work has been completed.

In addition, a term sheet for the sale of gas to the plant has now been agreed between Ferrostaal and EurOil as operator and a signing ceremony is being organised. The term sheet includes an agreement on the pricing mechanism that will be applied. The focus has now progressed to agreeing the detailed Gas Sales Agreement prior to FID. Separately discussions on the provision of appropriate fiscal incentives to facilitate the project are underway with the Cameroon authorities.

Also, Ferrostaal have finalised their feasibility study with the Cameroon authorities and the midstream element of the project is now moving into FEED.

In addition, the GDF Suez and SNH initiative to advance the monetisation of the substantial undeveloped gas resource within Cameroon via an in-country gas aggregation scheme to supply a LNG facility continues to progress.

#### ***Cameroon – Bomono Permit (Bowleven Group 100% and Operator)***

The evaluation of the 2D seismic dataset has revealed multiple Tertiary and deeper Cretaceous aged targets. The location for the first exploration well (Zingana-1) has been selected and the site has been prepared for planned drilling activity. The drilling timetable has been influenced by the requirement to contract a suitable onshore drilling rig and the limited availability of such rigs in the region has made the sourcing process challenging.

Meanwhile, approval to carry forward the well into the second two year exploration phase of the PSC, to December 2014, was given at a Special Operating Committee Meeting in November 2012 with Ministerial approval following in February 2013.

The completion of a farm-out by the Group of part of its interest in the Bomono Permit to a preferred bidder has been delayed. Discussions are continuing however, given the bidder's protracted approval process, the Company is also considering alternative farm-in partners in parallel.

Discussions with potential rig contractors are continuing with plans to tender for a two well drilling programme alongside a farm-out partner.

### ***Kenya – Block 11B (Bowleven Group 50%, Adamantine 50% and Operator)***

Bowleven entered into a farm-in agreement to acquire a 50% equity interest in Kenya onshore exploration block 11B from Adamantine in September 2012. Formal confirmation of the assignment to Bowleven from Adamantine was obtained in December 2012 from the Kenyan authorities. Block 11B is located in the Turkana District of north-west Kenya and encompasses an area of approximately 14,000 km<sup>2</sup> covering the Loeli, Lotikipi, Gatome and South Gatome basins. A tender process is underway for the acquisition of an airborne geophysical survey (FTG). Planning for the acquisition of 2D seismic is also in progress with commencement of operations targeted for later in 2013.

### ***New Ventures/Farm-Out Opportunities***

Bowleven continues to review potential opportunities to acquire additional early entry exploration acreage in Africa, and to review farm-out opportunities to optimise the exploitation of its overall portfolio for shareholders.

## **FINANCE**

The Group has reported a loss of \$9.4 million for the six months ended 31 December 2012 (H1 2011: loss of \$5.5 million). The results for the period include administrative expenses of \$6.3 million (H1 2011: \$4.9 million). The prior period loss also included unsuccessful exploration costs of \$3.6 million. Finance costs comprise foreign exchange movements and for the Group were \$3.4 million (H1 2011: finance income of \$3.0 million).

Capital expenditure cashflows during the period were \$46.2 million (H1 2011: \$82.5 million). The majority of this expenditure was on appraisal activities, predominantly drilling activity on the Etinde Permit. At 31 December 2012, Bowleven had \$90 million of cash and no debt (H1 2011: \$124 million and no debt).

The move from resources to reserves, as enhanced by the recent IM-5 results, provides increased opportunities to access additional sources of finance. In addition to the more conventional debt funding solutions, the high equity interest retained in Etinde (as is also the situation with Bomono) affords the opportunity to bring in additional farm-in partners if deemed appropriate.

The Strategic Alliance with Petrofac in connection with the development of the Etinde Permit (as announced on 6 November 2012) provides potential access to up to \$500 million at FID towards the development plans. This total investment includes up to \$60 million towards the IM-5 appraisal/development well which would be available to Bowleven at FID. The

Strategic Alliance is conditional *inter alia* on the project meeting certain economic hurdles and will be repaid out of EurOil's share of the Etinde project cashflows.

## **OUTLOOK**

The development of our Etinde acreage is progressing very well. The results from IM-5, the agreement of a gas sales term sheet with Ferrostaal and access to development capital through our strategic alliance with Petrofac, all combine to put Bowleven in an excellent position to push forward to FID.

The material new liquids-rich find at the Intra Isongo once again highlights the substantial as yet untapped exploration prospectivity that exists on our acreage. The quest to continue to explore this remains a key objective alongside the drive to develop our existing resources.

The key focus area for 2013 will be getting to FID and sanctioning the Etinde development.

- The path to FID includes:
  - Approval of the EEAA; updated to integrate IM-5 results.
  - Finalisation of a Gas Sales Agreement.
  - Triggering access to Petrofac funding.
  - Progressing phased development activities including pre-FEED/FEED work.

It is also our aspiration, whilst maintaining appropriate financial flexibility, to continue to pursue the following exploration opportunities.

- Ongoing exploration/appraisal activity in Cameroon involving:
  - Evaluating the potential of the Intra Isongo reservoir interval discovered with the IM-5 well; multiple lookalike prospects identified at same stratigraphic level.
  - Drilling on the onshore Bomono Permit alongside a farm-in partner.
  - Identification of additional Douala Basin prospectivity.
- Other targeted early stage exploration activities including:
  - FTG and 2D seismic operations on new Kenyan acreage.
  - Evaluation of other potential early entry exploration opportunities in Africa.

**Ronnie Hanna, Chairman**  
**Kevin Hart, Chief Executive**

**20 March 2013**

**Bowleven plc**  
**GROUP INCOME STATEMENT**  
for the six months ended 31 December 2012

	6 months ended 31 December 2012 (Unaudited) \$'000	6 months ended 31 December 2011 (Unaudited) \$'000	Year ended 30 June 2012 (Audited) \$'000
Revenue	-	-	-
Administrative expenses	(6,330)	(4,889)	(9,452)
Unsuccessful exploration costs	-	(3,572)	(3,568)
Loss on disposal of subsidiary	-	-	(3,185)
<b>Operating loss before financing costs</b>	<b>(6,330)</b>	<b>(8,461)</b>	<b>(16,205)</b>
Finance income	350	2,966	3,133
Finance costs	(3,435)	-	(1)
<b>Loss from continuing operations before taxation</b>	<b>(9,415)</b>	<b>(5,495)</b>	<b>(13,073)</b>
Taxation	-	-	-
<b>Loss for the Period From Continuing Operations Attributable to Equity Shareholders of the Parent Undertaking</b>	<b>(9,415)</b>	<b>(5,495)</b>	<b>(13,073)</b>
Basic and diluted loss per share (\$/share) from continuing operations	(0.03)	(0.02)	(0.05)

# Bowleven plc

## GROUP STATEMENT OF COMPREHENSIVE INCOME for the six months ended 31 December 2012

	6 months ended 31 December 2012 (Unaudited) \$'000	6 months ended 31 December 2011 (Unaudited) \$'000	Year ended 30 June 2012 (Audited) \$'000
Loss for the period	(9,415)	(5,495)	(13,073)
<b>Other comprehensive income:</b>			
Currency translation differences	4,690	(4,190)	(2,529)
<b>Total Comprehensive Income for the Period Attributable to Equity Shareholders</b>	<b>(4,725)</b>	<b>(9,685)</b>	<b>(15,602)</b>

**Bowleven plc**  
**GROUP BALANCE SHEET**  
As at 31 December 2012

	As at 31 December 2012 (Unaudited) \$'000	As at 31 December 2011 (Unaudited) \$'000	As at 30 June 2012 (Audited) \$'000
<b>Non-current Assets</b>			
Intangible exploration assets	479,282	412,806	425,414
Property, plant and equipment	1,167	642	1,251
	<b>480,449</b>	<b>413,448</b>	<b>426,665</b>
<b>Current Assets</b>			
Inventory	10,658	6,633	11,638
Trade and other receivables	22,765	23,864	7,222
Cash and cash equivalents	90,001	124,385	142,481
	<b>123,424</b>	<b>154,882</b>	<b>161,341</b>
Asset held for sale	-	42,041	-
<b>Total Assets</b>	<b>603,873</b>	<b>610,371</b>	<b>588,006</b>
<b>Current Liabilities</b>			
Trade and other payables	(28,195)	(25,655)	(8,575)
Liabilities related to disposal unit held for sale	-	(470)	-
<b>Total Liabilities</b>	<b>(28,195)</b>	<b>(26,125)</b>	<b>(8,575)</b>
<b>Net Assets</b>	<b>575,678</b>	<b>584,246</b>	<b>579,431</b>
<b>Equity</b>			
Called-up share capital	50,290	50,247	50,274
Share Premium	730,276	730,178	730,241
Foreign exchange reserve	(53,026)	(59,377)	(57,716)
Shares held by Employee Benefit Trust	(489)	(1,661)	(489)
Other reserves	13,732	12,461	13,176
Retained deficit	(165,105)	(147,602)	(156,055)
<b>Total Equity Attributable to the Equity Shareholders</b>	<b>575,678</b>	<b>584,246</b>	<b>579,431</b>

**Bowleven plc**  
**GROUP CASH FLOW STATEMENT**  
for the six months ended 31 December 2012

	6 months ended 31 December 2012 (Unaudited) \$'000	6 months ended 31 December 2011 (Unaudited) \$'000	Year ended 30 June 2012 (Audited) \$'000
<b>Cash flows from operating activities</b>			
Loss before tax	(9,415)	(5,495)	(13,073)
<i>Adjustments to reconcile Group loss before tax to net cash used in operating activities:</i>			
Depreciation of property, plant and equipment	264	245	500
Loss on disposal of subsidiary	-	-	3,185
Finance income	(350)	(2,966)	(3,133)
Finance costs	3,435	-	1
Equity-settled share based payment transactions	921	797	1,807
<b>Adjusted loss before tax prior to changes in working capital</b>	<b>(5,145)</b>	<b>(7,419)</b>	<b>(10,713)</b>
Decrease/(increase) in inventory	980	1,547	(3,458)
(Increase)/decrease in trade and other receivables	(4,307)	(1,851)	443
Increase/(decrease) in trade and other payables	477	(927)	(2,634)
Exchange differences	(207)	35	(71)
<b>Net Cash Used in Operating Activities</b>	<b>(8,202)</b>	<b>(8,615)</b>	<b>(16,433)</b>
<b>Cash flows used in investing activities</b>			
Net proceeds from disposal of subsidiary	-	-	38,601
Purchases of property, plant and equipment	(180)	(82)	(941)
Purchases of intangible exploration assets	(45,979)	(82,464)	(96,381)
Interest received	369	280	821
<b>Net Cash used in Investing Activities</b>	<b>(45,790)</b>	<b>(82,266)</b>	<b>(57,900)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of ordinary shares	51	122,815	122,905
Purchases of own shares	-	(2,674)	(2,672)
<b>Net Cash Flows from Financing Activities</b>	<b>51</b>	<b>120,141</b>	<b>120,233</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(53,941)</b>	<b>29,260</b>	<b>45,900</b>
Net (decrease)/increase in cash and cash equivalents	(53,941)	29,260	45,900
Effect of exchange rates on cash and cash equivalents	1,461	(1,537)	(92)
Cash and cash equivalents at the beginning of the period	142,481	96,673	96,673
<b>Cash and Cash Equivalents at the Period End</b>	<b>90,001</b>	<b>124,396</b>	<b>142,481</b>

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash and cash equivalents held in assets held-for-sale.

**Bowleven plc**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
for the six months ended 31 December 2012

	Equity Share Capital* \$'000	Foreign Exchange Reserve \$'000	Shares Held in Trust \$'000	Other Reserves \$'000	Retained Deficit \$'000	Total Equity \$'000
<b>At 01 July 2011</b>	<b>657,610</b>	<b>(55,187)</b>	<b>(580)</b>	<b>12,341</b>	<b>(141,191)</b>	<b>472,993</b>
Loss for the period	-	-	-	-	(5,495)	(5,495)
Other comprehensive income for the period	-	(4,190)	-	-	-	(4,190)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(4,190)</b>	<b>-</b>	<b>-</b>	<b>(5,495)</b>	<b>(9,685)</b>
Proceeds from issue of share capital	125,938	-	-	-	-	125,938
Cost of issue of share capital	(3,123)	-	-	-	-	(3,123)
Share based payments	-	-	-	797	-	797
Transfer between reserves	-	-	1,593	(677)	(916)	-
Shares purchased by Employee Benefit Trust	-	-	(2,674)	-	-	(2,674)
<b>At 31 December 2011</b>	<b>780,425</b>	<b>(59,377)</b>	<b>(1,661)</b>	<b>12,461</b>	<b>(147,602)</b>	<b>584,246</b>
Loss for the period	-	-	-	-	(7,578)	(7,578)
Other comprehensive income for the period	-	1,661	-	-	-	1,661
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,661</b>	<b>-</b>	<b>-</b>	<b>(7,578)</b>	<b>(5,917)</b>
Proceeds from issue of share capital	90	-	-	-	-	90
Share based payments	-	-	-	1,012	-	1,012
Transfer between reserves	-	-	1,172	(297)	(875)	-
<b>At 30 June 2012</b>	<b>780,515</b>	<b>(57,716)</b>	<b>(489)</b>	<b>13,176</b>	<b>(156,055)</b>	<b>579,431</b>
Loss for the period	-	-	-	-	(9,415)	(9,415)
Other comprehensive income for the period	-	4,690	-	-	-	4,690
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4,690</b>	<b>-</b>	<b>-</b>	<b>(9,415)</b>	<b>(4,725)</b>
Proceeds from issue of share capital	51	-	-	-	-	51
Share based payments	-	-	-	921	-	921
Transfer between reserves	-	-	-	(365)	365	-
<b>At 31 December 2012</b>	<b>780,566</b>	<b>(53,026)</b>	<b>(489)</b>	<b>13,732</b>	<b>(165,105)</b>	<b>575,678</b>

\*Includes both share capital and share premium

# Bowleven plc

NOTES TO THE INTERIM STATEMENTS  
for the six months ended 31 December 2012

---

## 1. ACCOUNTING POLICIES

### **Basis of Preparation**

This Interim Report has been prepared on a basis consistent with the accounting policies applied to all the periods presented in these consolidated financial statements.

The disclosed figures are not statutory accounts in terms of section 435 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2012, on which the auditors gave an unqualified opinion which did not contain an emphasis matter paragraph nor statements under sections 498 (2) or (3), have been filed with the Registrar of Companies.

## 2. GOING CONCERN

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Group will have sufficient funds to meet their ongoing working capital and committed capital expenditure requirements. In making this assessment, the Directors have considered the Group budgets, the cash flow forecasts and associated risks and the future financing for the organisation.

## 3. OTHER NOTES

- a) The basic earnings per ordinary share is calculated on a loss of \$9,415,000 (H1 2011: loss of \$5,495,000) on a weighted average of 294,725,680 (H1 2011: 239,294,876) ordinary shares.
- b) The loss attributable to ordinary shareholders and the number of ordinary shares for the purpose of calculating the diluted earnings per share are identical to those used for the basic earnings per share. The exercise of share options would have the effect of reducing the loss per share and consequently is not taken into account in the calculation for diluted loss per share.
- c) No dividend has been declared (2011: nil).
- d) The company issued 98,000 ordinary shares during the period upon the exercise of share options with a nominal value of \$15,253. The total increase in the share premium reserve regarding the issue was \$35,083.

## 4. INTERIM REPORT

This document represents the Interim Report and half yearly results of Bowleven plc. Copies of the Interim Report will be sent to shareholders and can be obtained, free of charge, from the Company at The Cube, 45 Leith Street, Edinburgh, EH1 3AT for a period of one month.

## **GLOSSARY OF TERMS:**

The following are the main terms and abbreviations used in this announcement:

Adamantine	Adamantine Energy Limited
AIM	the market of that name operated by the London Stock Exchange
bbls/mmscf	barrels per million standard cubic feet of gas
block 11B	the production sharing contract between the Republic of Kenya, Adamantine Energy (Kenya) Limited and Bowleven Kenya Limited (an indirectly wholly owned subsidiary of the Company) dated 30 <sup>th</sup> May 2012 in respect of the area of approximately 14,287 km <sup>2</sup> onshore Kenya and designated as Block 11B; or, as the context may require, the contract area to which this production sharing contract relates
Bomono Permit	the production sharing contract between the Republic of Cameroon and EurOil dated 12 December 2007 in respect of the area of approximately 2,328km <sup>2</sup> comprising former blocks OLHP-1 and OLHP-2 onshore Cameroon; or, as the context may require, the contract area to which this production sharing contract relates
Bowleven	Bowleven plc (LSE: BLVN) and/or its subsidiaries as appropriate
bscf	billion standard cubic feet of gas
CIIP	condensate initially in place
condensate	a light oil that is gaseous under certain reservoir conditions, often discovered with significant volumes of natural gas
Company	Bowleven plc
Companies Act 2006	the United Kingdom Companies Act 2006 (as amended)
EEAA	Etinde Exploitation Authorisation Application
Etinde Permit	the production sharing contract between the Republic of Cameroon and EurOil Limited dated 22 December 2008 in respect of the area of approximately 2,316 km <sup>2</sup> comprising former blocks MLHP-5, MLHP-6 and MLHP-7 offshore Cameroon; or, as the context may require, the contract area to which this production sharing contract relates
EurOil	EurOil Limited, an indirectly wholly owned subsidiary of the Company, incorporated in Cameroon
FEED	front end engineering and design
Ferrostaal	Ferrostaal GmbH
FID	final investment decision

FTG	full tensor gravity gradiometry
GDF	GDF Suez S.A.
GIIP	gas initially in place
Group	the Company and its direct and indirect subsidiaries
GSA	gas sales agreement
H1	first half
H2	second half
HWC	hydrocarbon water contact
IE	the Isongo E Field area, block MLHP-7, Etinde Permit
IF	the Isongo F Field area, block MLHP-7, Etinde Permit
IFRS	International Financial Reporting Standards
IM	the Isongo Marine Field area, block MLHP-7, Etinde Permit
km <sup>2</sup>	square kilometres
LNG	liquefied natural gas
LPG	liquefied petroleum gas
MD	measured depth
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
mmbbls	million barrels
mmscfd	million standard cubic feet of gas per day, a gas production rate referenced to a defined set of standard temperature and pressure conditions
NGL	natural gas liquids, being liquid hydrocarbons found in association with natural gas
ordinary shares	ordinary shares of 10p each in the capital of the Company
Petrofac	Petrofac Energy Developments West Africa Limited, an indirect subsidiary of Petrofac Limited (LSE:PFC)
pre-FEED	preliminary front end engineering and design
prospect, lead & play	a play is an exploration concept or idea that is conducive to the identification of leads that may, in turn, become prospects when they are ready to be drilled
PSC	production sharing contract

P90	90% probability that volumes will be equal to or greater than stated volumes
SNH	Société Nationale des Hydrocarbures, the national oil company of Cameroon
TD	total depth
Vitol	Vitol E&P Limited, the holding company of Cameroon Offshore Petroleum SARL, which holds a 25% participating interest (before State back-in) in the Etinde Permit
WGIIIP	wet gas initially in place; WGIIIP figures include NGLs, which comprise condensate and LPGs
2D	two dimensional
3D	three dimensional
4C OBC	four component ocean bottom cable
\$	United States of America Dollars
£	Great Britain Pounds Sterling