



12 November 2014

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

Preliminary Results Announcement

Bowleven, the Africa focused oil and gas exploration group traded on AIM, today announces its preliminary results for the year ended 30 June 2014.

HIGHLIGHTS

Corporate

- Agreement to farm-out two-thirds of Etinde to LUKOIL and NewAge for consideration of circa \$250 million; comprises \$170 million cash at completion, \$40 million deferred cash payments and \$40 million (net) drilling carry.
- Etinde farm-out transaction nearing completion, with the gazetting of the Presidential decree the final condition to be met.
- Group cash balance at 31 October 2014 circa \$14 million with \$30 million bridge facility undrawn and available pending farm-out completion although utilisation not anticipated.

Operational

Etinde Development

- Etinde Exploitation Authorisation (EA) awarded July 2014; gives exploitation and development rights over block MLHP-7 for an initial period of 20 years.
- Cameroon State (SNH) exercised 20% back-in right on Etinde development.
- Advancement of the fertiliser and Cameroon LNG (CLNG) projects; discussions on GSA and provisional LNG allocations progressed respectively.
- Operatorship to transfer to CAMOP (NewAge) on completion of farm-out transaction; Ministerial approval obtained.

Exploration

- Two well exploration drilling programme to commence on Bomono, onshore Cameroon; rig contract signed and mobilisation initiated, first well expected to spud around the end of the year.
- FTG acquired and seismic programme initiated on Kenya block 11B; licence extension awarded to May 2015 to enable evaluation ahead of second phase decision.
- New PSC application submitted for Etinde blocks MLHP-5 and MLHP-6, offshore Cameroon.
- 3 blocks awarded in Zambia with applications for 2 further blocks pending.

OUTLOOK

Key objectives for next 12 months:

- Completion of the Etinde farm-out.
- Support and assist Etinde joint venture with:
 - Planning and execution of two carried appraisal well drilling campaign.
 - Progress towards achieving final investment decision (FID).
- Drill two exploration wells on Bomono and ascertain commercial viability.
- Complete acquisition, processing and interpretation of 2D seismic on block 11B, Kenya pending decision to enter second exploration phase.
- Activity will be funded by carry arrangements and strong balance sheet post completion of Etinde farm-out transaction.

Kevin Hart, Chief Executive of Bowleven plc, said:

“We have made steady progress during the year in delivering a number of key milestones as we work towards converting resources to reserves and creating new value through further exploration and appraisal activity.

The EA award was a significant achievement and this, together with completion of the Etinde farm-out will allow the expanded joint venture to work together to progress development plans, further appraise the Intra Isongo reservoir interval and realise the considerable potential of Etinde. We are pleased to have received Ministerial approval of the assignment and transfer of operatorship and we now await the gazetting of the Presidential decree to formally close the deal. We look forward to working with our new partners to optimise the best gas solutions for all stakeholders.

Following the Etinde farm-out, coupled with near term drilling plans on Bomono, the Group expects to participate in four potentially significant exploration and appraisal wells over the next twelve months. Additionally, seismic activity on Kenya block 11B and new acreage in Zambia also bring early stage exploration interest to the portfolio. This activity will be fully funded by our strong balance sheet following completion of the Etinde farm-out transaction.”

ENQUIRIES

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A conference call to analysts is scheduled for 9.00am GMT on Wednesday 12 November 2014. The call will be recorded and a telephone replay and audio version will be available on the Bowleven website in the afternoon.

A copy of this announcement and some presentation slides will be available on the Bowleven website: www.bowleven.com.

Bowleven intends to hold a capital markets day in the new year following completion of the Etinde farm-out transaction.

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. On 24 June 2014, Bowleven announced that the Group had entered into a conditional farm-out agreement to sell an aggregate 40% (post government back-in) operated interest in the Etinde Permit, Cameroon to LUKOIL and NewAge. On completion of the farm-out transaction operatorship of the offshore Etinde Permit in Cameroon will transfer to CAMOP. Bowleven also holds an equity interest in an onshore block in Kenya,

operated by Adamantine Energy, and has been awarded three blocks in Zambia, with applications on two blocks pending.

Notes to Announcement:

- (1) The technical information in this release has been reviewed by Ed Willett and David Clarkson, both qualified persons 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 26 years' experience in oil and gas exploration and production. David Clarkson, Operations Director of Bowleven plc, is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers with extensive oil and gas industry experience.
- (2) 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.

Chairman's and Chief Executive's Review

The last year has seen Bowleven deliver a number of key milestones as we work to convert our existing Cameroon resources to reserves and create new value through further exploration and appraisal activity.

Key highlights of the last 12 months

- Agreed to farm-out two-thirds of the Etinde development area to LUKOIL and NewAge for a combined total consideration of \$250 million, bringing access to extensive development expertise; farm-out nearing completion.
- Award of the Etinde Exploitation Authorisation (EA) granting title to block MLHP-7 acreage for a development period of 20 years, and the opportunity for exclusive negotiations on a new PSC for blocks MLHP-5 and MLHP-6.
- Further technical evaluation of the Intra Isongo reservoir resulted in the identification of a substantial increase in unrisked prospective resources within the greater Intra Isongo interval. The Intra Isongo potential will be tested in 2015 with two carried appraisal wells.
- Substantial advancement of the prospective fertiliser and Cameroon LNG (CLNG) projects.
- Bomono drilling site preparation, farm-out agreement and drilling contract signed in preparation for forthcoming two well exploration programme.
- Kenya FTG processed with first licence phase extended to enable processing and interpretation of ongoing 2D seismic programme prior to deciding on participation in next phase.
- Awarded three blocks in Zambia with the application for further two blocks pending.

The wider operating and financing environment for E&P companies has been challenging and consequently it is incumbent on us to be creative and adaptable in optimising the asset and funding structures of the Group.

The Etinde farm-out to LUKOIL and NewAge, together with the planned farm-out of part of Bomono to Fortesa, are examples of this adaptive approach. These transactions will enable the Group to participate in four potentially significant exploration and appraisal wells over the next 12-18 months. On completion of the Etinde farm-out we will have a strong balance sheet capable of funding all expected exploration, appraisal and development activities while demanding that the Board remains focused on applying appropriate capital discipline and commercial rigour to all investment propositions.

OPERATIONS

Etinde - block MLHP-7, offshore Cameroon

On Etinde we are delighted to have secured the award of the EA from the State which grants title over the development area for a minimum of 20 years. This significant achievement represents the culmination of an intensive effort to produce and submit a detailed exploitation application for our discovered and potential resources. The development plan is secured

around the extraction and processing of significant volumes of associated condensate and LPGs, with gas delivered to the planned fertiliser and LNG offtakers. Subsequent to the award, we are pleased that the State, represented by SNH, has exercised its right to back-in to 20% of the development.

The licence award provides the green light for the joint venture to progress towards the development of existing discovered gas and liquid hydrocarbons, whilst in tandem planning the further appraisal of the potentially extensive hydrocarbon bearing Intra Isongo reservoirs highlighted by the successful IM-5 well.

Negotiations have continued throughout the year with the Ferrostaal-led fertiliser project as it seeks to finalise its gas purchase, fertiliser offtake and financing terms. Once project planning is complete, we will be well positioned to move swiftly towards FID on a schedule integrated with the downstream market first gas delivery requirements. Under the terms of the draft gas sales agreement (GSA) the Etinde group will supply 70 mmscfd of dry gas to the plant for a 20 year period. This represents a committed total gas volume of approximately 500 billion cubic feet.

The timing and shape of Etinde development plans will be influenced by our new partner LUKOIL joining, and operatorship transferring to existing partner CAMOP. Completion of the farm-out will enable the drilling of two carried appraisal wells targeting the substantial additional resource base identified in the Intra Isongo. In anticipation of a successful appraisal campaign, these potential gas resources have initially been earmarked for supply to the Government-backed CLNG project. A provisional allocation agreement has already been discussed with the project operator GDF which anticipates the Etinde joint venture providing up to 200 mmscfd. These volumes are in addition to the gas volumes already earmarked under the draft GSA with the Ferrostaal-led fertiliser project.

With the significant volumes of associated gas present across the Permit, identifying sales solutions for the gas that optimises both delivery and value, enabling access to the high value liquid hydrocarbon production, is key to future development plans. The addition of LUKOIL to the Etinde partnership, alongside NewAge, brings significant additional expertise to the realisation of best value for all the stakeholders. The potential of the liquids and associated gas stream in Etinde makes the development a highly attractive proposition for both Cameroon and the upstream partners.

Etinde – blocks MLHP-5 and MLHP-6, offshore Cameroon

Blocks MLHP-5 and MLHP-6 are not included in the exploitation area award and remain under the framework of the Etinde exploration production sharing contract (PSC) which expires on 22 December 2014. In recognition of the extensive and successful exploration drilling campaign undertaken by the partners, Bowleven and NewAge were invited by the Cameroon Government to submit an exclusive application for a new PSC. Following submission of the application in September 2014, the Cameroon authorities have acknowledged receipt and we anticipate discussions on the application in the near future.

Bomono, onshore Cameroon

Onshore Cameroon, preparations are well advanced for the drilling of two exploration wells on our operated Bomono acreage. The contracted drilling rig is in the process of being mobilised to Cameroon with the first well expected to spud around the end of the year. While the drilling period will extend beyond the expiry of the licence in December, our rights under

the PSC include an extension of six to twelve months to allow for completion of operations. Consequently, an application to extend the licence by twelve months was submitted to the Cameroon authorities on 31 October 2014.

The two wells Zingana and Moambe, both target multiple stacked objectives in the Tertiary, and are expected to take around 45 days each to drill, excluding any testing.

The shallow sands are most likely to be gas-condensate bearing, with a higher risk opportunity for oil in the deeper horizons. Should we encounter gas-condensate, the key to early commerciality will lie in the determination of potential liquids production rates, together with the offtake and monetisation of associated gas. In this regard, discussions have already commenced with a variety of potential gas purchasers so that, in the event of success, we can move quickly towards development planning.

Early Stage Exploration

The Group's other exploration ventures are focused on the African rift systems where we have acreage in Kenya and Zambia.

Kenya

In Kenya we, along with many other industry participants, have also been active. On Kenya block 11B we have completed a full tensor gravity gradiometry survey (FTG), which has identified the northern region of this large block as being the most likely area to contain working hydrocarbon systems. Interpretation of the FTG has enabled us to focus the forthcoming seismic campaign on the areas identified as potentially prospective. Mobilisation for the seismic operations is now underway, with acquisition of 500km of 2D seismic expected to commence during November 2014.

An extension of the first phase of the PSC has been granted until 26 May 2015, which will enable the joint venture to assess the block's prospectivity prior to deciding whether to enter the second phase of the contract. The second phase currently requires a further work commitment of 500km of 2D seismic and the drilling of one well. Up to \$12.5 million of the second phase work programme will be funded by First Oil through the agreed strategic partnership (described in detail in the funding activity section).

We will also be keeping a close eye on the escalating activity on the Kenyan Rift Valley trend where a number of wells are planned, by other E&P operators, in close proximity to our acreage.

Zambia

In Zambia we have been awarded three blocks, and two further contiguous ones were applied for as part of the application and are pending award. This will result in Bowleven having an extensive acreage position covering a large frontier exploration area. As ever at this stage it is impossible to tell whether this acreage will yield any discoveries, however the low cost nature of the entry, together with our initial evaluation of the potential prospectivity, make this a welcome addition to our portfolio.

VOLUMETRICS UPDATE

Contingent Resource Volumes

The Group's gross contingent resource volumes on a P50 basis have increased by 10% to 384 mmboe, compared to the prior year estimate of 350 mmboe. This increase is principally due to further technical evaluation of fluid properties in the Intra and Middle Isongo reservoirs.

The gross contingent figures for 2014 also includes the reintroduction of minor volumes for the IF field which were removed in 2013 pending the results of an independent review of the field structure enabled by new multi-azimuth streamer and OBC seismic surveys. The new seismic data, re-interpreted by our in-house team and verified by AGR-TRACS, reveals a more faulted structure. While the initial resource estimates were also independently verified by AGR-TRACS, the available data was compromised by the intrusion of a gas chimney.

At a P50 level, the Group has net contingent resources of 244 mmboe (2013: 263 mmboe). This reduction reflects our reduced equity interest in Etinde block MLHP-7 from 75% to 60% as a result of SNH electing to exercise its 20% back-in rights.

FINANCE

The Group has reported a loss of \$13.6 million for the year ended 30 June 2014 (2013: loss \$11.1 million).

The results for the year include administrative expenses for the Group of \$12.0 million (2013: \$11.1 million) and a foreign exchange loss of \$1.7 million (2013: \$0.5 million) arising from foreign exchange movement on US cash balances under IFRS.

Capital expenditure cashflows in the year were \$18.0 million (2013: \$109.4 million). Almost all of this expenditure was on exploration and appraisal activities, primarily pre-development spend on the Etinde Permit and drilling preparation costs on the Bomono Permit.

At 30 June 2014, Bowleven had \$25.5 million of cash and no debt (2013: \$24.7 million and no debt). At 31 October 2014, Bowleven had circa \$14 million cash and an available but undrawn bridge facility of \$30 million (see below for further details).

FUNDING ACTIVITY

During the year a number of agreements have been signed including the farm-out of Etinde which, on completion, will strengthen the balance sheet and provide financing flexibility for the Group's future exploration, appraisal and development activities.

On 23 June 2014, the Group entered into a conditional agreement with LUKOIL/NewAge to farm out two thirds of its equity interest in the Etinde Permit in return for a cash consideration of approximately \$170 million receivable on completion (including approximately \$5 million working capital adjustment), \$40 million deferred cash consideration and a net \$40 million carry to cover the Group's share of a two well appraisal

drilling programme on block MLHP-7, Etinde. On completion of the farm-out Bowleven's interest in the Exploitation Authorisation area will reduce to 20%.

One of the conditions of the transaction was the cancellation of the previously announced Petrofac strategic alliance. The Group reached a mutually acceptable agreement with Petrofac to terminate the strategic alliance on completion of the farm-out with payment of \$9 million as full and final settlement due upon completion. Notification of the Cameroon Government's approval of the assignment of equity interests and associated transfer of operatorship was received from the Ministry of Mines in late October 2014. Consequently, the only remaining formality to transaction completion is the gazetting of the final Presidential decree. The parties to the transaction agreed an extension to the long stop date to 31 December 2014 to allow for this final condition to transaction completion to be met.

Whilst we do not expect it to be required, a \$30 million short term bridge facility was signed with Macquarie Bank on 24 October 2014 which, alongside the Group's cash balance at the end of October 2014 of circa \$14 million, provides financial flexibility pending Etinde farm-out transaction completion. The bridge facility matures on 31 December 2015 but will be cancelled on completion of the farm-out transaction and amounts drawn (if any) repaid from the proceeds. While the facility enables the progression of the Group operations and funding of its commitments, pending receipt of the Etinde farm-out transaction proceeds, it is recognised that in the absence of or, in the event of delayed farm-out completion, the Group will be subject to cash limitations.

In July 2013, the Group signed a strategic partnership with First Oil. In return for acquiring a 30% interest in Bowleven Kenya Limited, First Oil committed to fund \$9 million of the first \$10 million of spend towards the minimum work programme (FTG and 2D seismic) for the initial two year exploration phase on block 11B, and up to \$12.5 million of an additional contingent work programme during an optional second two year exploration phase.

COMMITMENTS

The Group has no outstanding work commitments on Etinde blocks MLHP-5, 6 and 7.

On Kenya block 11B there is a remaining work programme commitment for the acquisition of 2D seismic. The seismic contract has been signed and operations will commence shortly. Completion of the seismic programme will fulfil the remaining work programme commitment.

On Bomono the second two year exploration phase, work programme commitment requires two exploration wells. A rig contract has been signed and the rig is in the process of being mobilised from Senegal to Cameroon, with the first well expected to spud around the end of the year.

BOARD CHANGES

Kerry Crawford was appointed as Finance Director and Director on the Board of Bowleven plc on 6 January 2014, replacing John Brown who gave notice of his resignation on 16 December 2013. Kerry was previously Deputy Finance Director and Head of Investor

Relations at Bowleven and has served on the Group Management Board since joining the Company in January 2008.

OUTLOOK

There is no doubt that a combination of external events made the award of the Etinde EA and the progression of development planning much more difficult than we had anticipated. Whilst progressing the award to its ultimately successful conclusion has been our prime objective, we have remained focused on our opportunities: the evaluation of the successful IM-5 well, planning for Etinde development and gas sales, and preparation for exploration work on Bomono and Kenya block 11B.

When combined with the expected completion of the farm-out of two-thirds of our interest in Etinde to LUKOIL and NewAge, the continuation of these core operational activities leaves Bowleven in an excellent position to take the business forward.

The proceeds from the transaction will enable the Group, amongst other things, to fund its participation in near-term exploration and appraisal drilling activity on Bomono and Etinde respectively. The results from these wells are eagerly anticipated as they each have the capacity to add material value for shareholders.

On Etinde, the \$40 million net appraisal drilling carry covering two appraisal wells will enable the further investigation of the highly promising Intra Isongo interval. The wells will target a substantial increase in the volume of both gas and associated liquids discovered to date, alongside important information on sustainable flow rates and potential. A positive outcome will facilitate additional gas sales for LNG production, and enable the recovery of the even more valuable associated liquids.

In conjunction with the planned drilling operations, the joint venture will continue to drive towards FID for the considerable discovered resources. In addition to the existing opportunities in fertiliser and the GDF-led CLNG scheme, the enlarged partnership can bring its broad industrial experience to bear on the identification of the optimal development and sales schemes.

On Bomono we have a real opportunity to realise the potential our technical team has identified. Provided commercial volumes are encountered, we will strive to bring any discovery onstream as quickly as possible to generate valuable home grown cash flows.

Focus will also be on our position in Kenya, where the 2D seismic programme will hopefully identify a number of attractive prospects and leads. A full and measured evaluation will be completed before the decision to enter into the next phase of commitments, but the work completed to date certainly justifies our initial interest. In Zambia we have a real frontier opportunity, with minimal financial commitments, over this extension to the series of African Rift plays.

The Group's objectives continue to be to create and realise value from the conversion of resources to reserves in Cameroon and the exploitation of our exploration portfolio in Africa. Although the macro environment continues to be challenging and we recognise the need to evolve alongside these market conditions, we are well positioned with an excellent team and

a strong financial foundation post farm-out completion, ensuring strict capital discipline, to progress our existing asset base. We remain focused on delivering on our strategy to deliver value to shareholders through the opportunities of well-funded, exploration-led growth across the business cycle.

Ronnie Hanna, Chairman
Kevin Hart, Chief Executive
11 November 2014

GROUP INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$'000	2013 \$'000
Revenue	-	-
Administrative expenses	(12,025)	(11,088)
Operating loss before financing costs	(12,025)	(11,088)
Finance income	160	516
Finance costs	(1,737)	(509)
Loss from continuing operations before taxation	(13,602)	(11,081)
Taxation	-	-
Loss for the Year From Continuing Operations	(13,602)	(11,081)
Loss attributable to:		
Owners of the parent undertaking	(13,500)	(11,081)
Non-controlling interest	(102)	-
Basic and diluted loss per share (\$/share) from continuing operations	(0.04)	(0.04)

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the individual parent undertaking Income Statement. The loss for the Company for the year was \$11,809,000 (2013: loss of \$9,653,000).

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

Group	2014 \$'000	2013 \$'000
Loss for the year	(13,602)	(11,081)
Other Comprehensive Income:		
Items that will be reclassified to profit and loss:		
Currency translation differences	3,401	(405)
Total Comprehensive Income for the Year	(10,201)	(11,486)
Attributable to:		
Owners of the parent undertaking	(10,099)	(11,486)
Non-controlling interest	(102)	-
Company	2014 \$'000	2013 \$'000
Loss for the year	(11,809)	(9,653)
Other Comprehensive Income:		
Items that will be reclassified to profit and loss:		
Currency translation differences	65,419	(12,367)
Total Comprehensive Income for the Year Attributable to Owners of the Parent Undertaking	53,610	(22,020)

GROUP BALANCE SHEET

30 JUNE 2014

	2014 \$'000	2013 \$'000
Non-current Assets		
Intangible exploration assets	550,745	532,507
Property, plant and equipment	701	930
	551,446	533,437
Current Assets		
Inventory	10,404	11,023
Trade and other receivables	6,493	16,385
Bank deposits	5,000	5,000
Cash and cash equivalents	20,454	19,742
	42,351	52,150
Total Assets	593,797	585,587
Current Liabilities		
Trade and other payables	(6,274)	(15,568)
Total Liabilities	(6,274)	(15,568)
Net Assets	587,523	570,019
Equity		
Called-up share capital	55,038	50,293
Share premium	746,477	730,298
Foreign exchange reserve	(54,720)	(58,121)
Shares held by Employee Benefit Trust	(489)	(489)
Other reserves	14,644	13,932
Retained deficit	(174,730)	(165,894)
Total Equity	586,220	570,019
Attributable to:		
Owners of the parent undertaking	586,220	570,019
Non-controlling interest	1,303	-
Total Equity	587,523	570,019

COMPANY BALANCE SHEET

30 JUNE 2013

	2014 \$'000	2013 \$'000
Non-current Assets		
Property, plant and equipment	575	745
Investments	604,102	524,967
	604,677	525,712
Current Assets		
Trade and other receivables	2,415	4,632
Bank deposits	5,000	5,000
Cash and cash equivalents	20,277	19,572
	27,692	29,204
Total Assets	632,369	554,916
Current Liabilities		
Trade and other payables	(2,292)	(1,672)
Total Liabilities	(2,292)	(1,672)
Net Assets	630,077	553,244
Equity		
Called-up share capital	55,038	50,293
Share premium	746,477	730,298
Foreign exchange reserve	(26,698)	(92,117)
Other reserves	9,223	8,511
Retained deficit	(153,963)	(143,741)
Total Equity	630,077	553,244

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$'000	2013 \$'000
Cash Flows from Operating Activities		
Loss before tax	(13,602)	(11,081)
<i>Adjustments to reconcile Group loss before tax to net cash used in operating activities:</i>		
Depreciation of property, plant and equipment	421	496
Finance income	(160)	(516)
Finance costs	1,737	509
Equity-settled share based payment transactions	2,299	1,998
Gain on sale of property, plant and equipment	(3)	-
Adjusted loss before tax prior to changes in working capital	(9,308)	(8,594)
Decrease in inventory	619	615
Increase in trade and other receivables	(524)	(1,078)
Increase in trade and other payables	716	981
Exchange differences	(79)	(328)
Net Cash used in Operating Activities	(8,576)	(8,404)
Cash Flows used in Investing Activities		
Purchases of property, plant and equipment	(193)	(175)
Purchases of intangible exploration assets	(17,849)	(109,206)
Movement in funds on bank deposits	-	(5,000)
Receipts from sale of property, plant and equipment	5	-
Interest received	177	556
Net Cash used in Investing Activities	(17,860)	(113,825)
Cash Flows from Financing Activities		
Proceeds from issue of share capital	21,353	76
Costs of issue of share capital	(429)	-
Net proceeds from issue of ordinary shares	20,924	76
Funding from non-controlling interests	4,482	-
Net Cash Flows from Financing Activities	25,406	76
Net Decrease in Cash and Cash Equivalents	(1,030)	(122,153)
Effect of exchange rates on cash and cash equivalents	1,742	(586)
Cash and cash equivalents at the beginning of the year	19,742	142,481
Cash and Cash Equivalents at the Year End	20,454	19,742

COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$'000	2013 \$'000
Cash Flows from Operating Activities		
Loss before tax	(11,809)	(9,653)
<i>Adjustments to reconcile Company loss before tax to net cash used in operating activities:</i>		
Depreciation of property, plant and equipment	288	347
Finance income	(160)	(516)
Finance costs	1,581	223
Equity-settled share based payment transactions	1,894	1,666
Adjusted loss before tax prior to changes in working capital	(8,206)	(7,933)
Decrease /(Increase) in trade and other receivables	2,199	(3,091)
Increase in trade and other payables	620	161
Exchange differences	73	(38)
Net Cash used in Operating Activities	(5,314)	(10,901)
Cash Flows used in Investing Activities		
Funding to subsidiaries	(16,711)	(106,577)
Purchases of property, plant and equipment	(117)	(79)
Movement in funds on bank deposit	-	(5,000)
Interest received	177	556
Net Cash used in Investing Activities	(16,651)	(111,100)
Cash Flows from Financing Activities		
Proceeds from issue of share capital	21,353	76
Costs of issue of share capital	(429)	-
Net proceeds from issue of ordinary shares	20,924	76
Net Cash Flows from Financing Activities	20,924	76
Net Decrease in Cash and Cash Equivalents	(1,041)	(121,925)
Effect of exchange rates on cash and cash equivalents	1,746	(590)
Cash and cash equivalents at the beginning of the year	19,572	142,087
Cash and Cash Equivalents at the Year End	20,277	19,572

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Equity share capital* \$'000	Foreign exchange reserve \$'000	Shares held in trust \$'000	Other reserves \$'000	Retained deficit \$'000	Attributable to owners of parent company \$'000	Non- controlling Interests \$'000	Total equity \$'000
At 1 July 2012	780,515	(57,716)	(489)	13,176	(156,055)	579,431	-	579,431
Loss for the year	-	-	-	-	(11,081)	(11,081)	-	(11,081)
Other comprehensive income for the year	-	(405)	-	-	-	(405)	-	(405)
Total comprehensive income for the year	-	(405)	-	-	(11,081)	(11,486)	-	(11,486)
Proceeds from issue of share capital	76	-	-	-	-	76	-	76
Share based payments	-	-	-	1,998	-	1,998	-	1,998
Transfer between reserves	-	-	-	(1,242)	1,242	-	-	-
At 30 June 2013	780,591	(58,121)	(489)	13,932	(165,894)	570,019	-	570,019
Loss for the year	-	-	-	-	(13,500)	(13,500)	(102)	(13,602)
Other comprehensive income for the year	-	3,401	-	-	-	3,401	-	3,401
Total comprehensive income for the year	-	3,401	-	-	(13,500)	(10,099)	(102)	(10,201)
Proceeds from issue of share capital	21,353	-	-	-	-	21,353	-	21,353
Cost of issue of share capital	(429)	-	-	-	-	(429)	-	(429)
Share based payments	-	-	-	2,299	-	2,299	-	2,299
Funding from non-controlling interests	-	-	-	-	3,077	3,077	1,405	4,482
Transfer between reserves	-	-	-	(1,587)	1,587	-	-	-
At 30 June 2014	801,515	(54,720)	(489)	14,644	(174,730)	586,220	1,303	587,523

*Includes both share capital and share premium

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Attributable to Owners of Parent Company				Total Equity \$'000
	Equity share capital* \$'000	Foreign exchange reserve \$'000	Other reserves \$'000	Retained deficit \$'000	
At 1 July 2012	780,515	(79,750)	7,755	(135,330)	573,190
Loss for the year	-	-	-	(9,653)	(9,653)
Other comprehensive income for the year	-	(12,367)	-	-	(12,367)
Total comprehensive income for the year	-	(12,367)	-	(9,653)	(22,020)
Proceeds from issue of share capital	76	-	-	-	76
Share based payments	-	-	1,998	-	1,998
Transfer between reserves	-	-	(1,242)	1,242	-
At 30 June 2013	780,591	(92,117)	8,511	(143,741)	553,244
Loss for the year	-	-	-	(11,809)	(11,809)
Other comprehensive income for the year	-	65,419	-	-	65,419
Total comprehensive income for the year	-	65,419	-	(11,809)	53,610
Proceeds from issue of share capital	21,353	-	-	-	21,353
Cost of issue of share capital	(429)	-	-	-	(429)
Share based payments	-	-	2,299	-	2,299
Transfer between reserves	-	-	(1,587)	1,587	-
At 30 June 2014	801,515	(26,698)	9,223	(153,963)	630,077

*Includes both share capital and share premium

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

For the year ended 30 June 2014

(1) Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments). The preliminary announcement has been prepared on a basis consistent with the accounting policies applied to the statutory accounts for the year ended 30 June 2014.

Bowleven plc as a company operates using a functional currency of Great Britain Pounds. These financial statements are presented in United States Dollars, the Group's presentation currency, rounded to the nearest \$'000.

The disclosed figures are not statutory accounts in terms of section 434 of the Companies Act 2006. The statutory accounts give full disclosure of the Group accounting policies and are scheduled to be posted to shareholders on 24 November 2014 and will be filed with the Registrar of Companies in due course. On the statutory accounts for the year ended 30 June 2014, the auditor gave an unqualified opinion, which did not contain an emphasis of matter paragraph and no statements under sections 498 (2) or (3). On the statutory accounts for the year ended 30 June 2013, the auditor gave an unqualified opinion, which contained an emphasis of matter on going concern and no statements under sections 498 (2) or (3). The statutory accounts for the year ended 30 June 2013 have been filed with the Registrar of Companies.

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, considering the completion of the Etinde farm-out (and receipt of associated cash consideration) and, pending completion, availability of the \$30 million bridge facility with Macquarie Bank, to meet their ongoing working capital and committed capital expenditure requirements. In making this assessment, the Directors considered the Group budgets, the cash flow forecasts and associated risks. Refer to funding activity section in Chairman's & Chief Executive's Review for further detail.

(2) Post Balance Sheet Events

a) Etinde Exploitation Authorisation (EA)

On 29 July 2014, the formal decree awarding the Etinde EA was signed by the President of Cameroon. The EA gives Bowleven and its joint venture partners, development and exploitation rights over block MLHP-7 for an initial period of 20 years with the option to renew for up to a further 10 years.

b) Cameroon State back-in to Etinde block MLHP-7

Following approval of the EA, the Cameroon State oil company, SNH, exercised its right to take a 20% participating interest in the Etinde EA. As a result, the Group's participating interest in block MLHP-7, the area covered by the EA, reduced from 75% to 60%. SNH are liable for their share of development costs from the date of back-in (29 July 2014). There is no impact to the financial statements as a result of the State back-in.

c) Etinde blocks MLHP-5&6 PSC application

Blocks MLHP-5 and MLHP-6 of the Etinde Permit are not covered by the EA and remain under the framework of the exploration term of the Etinde PSC. The Etinde PSC is due to expire on 22 December 2014. The special Operating Committee meeting that considered the EA also indicated its support for a new PSC covering these blocks to the existing partners. A new PSC application was submitted to the Cameroon authorities in September 2014. The Cameroon authorities have acknowledged receipt and discussions on the application are anticipated in the near future.

d) Etinde Farm-out Transaction

On 24 June 2014, Bowleven announced the farm-out of two-thirds of its interest in Etinde to LUKOIL and NewAge subject to the satisfaction of a number of conditions. Bowleven's interest will reduce from 60% (post State back-in) to 20% on completion. The following conditions to completion have been met:

- On 15 July 2014, the Group announced it had reached a mutually acceptable agreement to terminate the Petrofac Strategic Alliance Agreement (SAA) on completion of the farm-out. In such event, \$9 million will be payable to Petrofac as full and final settlement and the SAA will terminate.
- At the General Meeting on 21 July 2014, Bowleven shareholders passed the resolution to approve the farm-out transaction.
- On 29 July 2014, as described above, the formal decree awarding the Etinde EA was signed by the President of Cameroon.

On 28 October 2014, Bowleven announced that all parties to the farm-out transaction agreed to extend the longstop date to 31 December 2014. Following notification in October 2014 of the Cameroon Government's approval of the assignment of the Etinde equity interests to the nominated affiliates of LUKOIL/NewAge, and the associated transfer of operatorship to CAMOP (NewAge) the only remaining condition to completion under the farm-out agreement is the gazetting of the signed Presidential decree.

e) Macquarie Bridge Facility

On 24 October 2014, the Group entered into a \$30 million bridge facility agreement with Macquarie Bank to provide financing flexibility, in the event required, for the period until completion of the Etinde-farm out transaction. Whilst it is not expected to be required the bridge facility may be used for capital investment and ongoing working capital requirements of the Group.

The facility is structured as a corporate loan facility with an arrangement fee, a commitment fee on any undrawn amounts and interest payable on any funds drawn at LIBOR plus 4% to 6%. If the facility is drawn, or remains in place beyond 31 December 2014, Macquarie will be entitled to up to 11 million warrants priced at 50 pence per share, issuable at certain fixed

dates across 2015. The facility matures on 31 December 2015, but will be cancelled on completion of the Etinde farm-out and any amounts drawn (if any) repaid from the proceeds of the farm-out.

f) Bomono rig contract and licence extension

A rig contract with Africa Onshore Drilling LDC has been signed and the rig is in the process of being mobilised from Senegal to Cameroon. We have commenced drilling operations on the Bomono Permit and expect to spud the first well around the end of the year. Whilst the drilling activity will extend beyond the expiry of the licence on 12 December 2014, our rights include a six to twelve month extension (period of extension determined by Cameroon Minister of Mines) for operations to complete. In line with the Petroleum Regulations, on 31 October 2014, a request to extend the exploration period by twelve months was submitted to the Cameroon authorities to enable drilling operations to be completed and in the event of success enable preparation of an Exploitation Authorisation Application.

g) Farm-out of Bomono to Fortesa

On 27 June 2014, the Group announced it had agreed to farm-out a 20% interest in the Bomono Permit to Fortesa in return for the provision of a suitable rig at low cost. Completion of the farm-out is subject, inter alia, to approval of the assignment of interests by the Cameroon Government.

(3) Other Notes

- a) The loss attributable to ordinary shares and the number of ordinary shares for the purpose of calculating the diluted earnings per share are identical to those used in 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 prior year, the loss attributable to ordinary shares and the number of ordinary shares for the purpose of calculating the diluted earnings per share were identical to those used in the basic earnings per share.
- b) Directors have not recommended a dividend (2013: nil).
- c) On 13 November 2013, the Company issued 29,470,000 ordinary shares at a price of £0.45 per share with a nominal value of \$4,745,194. The total increase in the share premium reserve regarding the issue was \$16,608,179 (gross). Expenses of \$428,795 have been set off against the share premium reserve.
- d) On 3 July 2013 First Oil subscribed for 30% of the shares in Bowleven (Kenya) Limited. Bowleven (Kenya) Limited is included in the current year group accounts as a subsidiary with the 30% First Oil shareholding recognised as a non-controlling interest.
- e) Interest free funding to Bowleven (Kenya) Limited received from the non-controlling interest is recorded at fair value with any difference between cash received and the fair value being recognised in equity. Fair value is measured based on exploration, drilling and development risk and the length of time required to reach production and generate cashflows. Based on these valuation techniques the fair value of the interest free funding to Bowleven (Kenya) Limited is recorded at nil. The fair value will be re-assessed as these risks reduce and any resulting adjustment to fair value recognised through profit or loss.

- f) Under the second exploration phase of the Bomono PSC there is a two well commitment for which a \$16 million non-completion payment may become callable by the Cameroon authorities if not fulfilled. As at 30 June 2014 the Group has disclosed a contingent liability for this potential non-completion payment. Given the current progress on Bomono, as described in the post balance sheet events note above (2f), we fully expect the work programme to be fulfilled thus releasing the \$16 million contingent liability previously disclosed for this commitment.

(4) 2014 Annual Report and Accounts

Full accounts are scheduled to be posted to shareholders on Monday 24 November 2014 and can be obtained, free of charge, at the Company's registered office, 45 Leith Street, Edinburgh, EH1 3AT for a period of one month.

GLOSSARY

Adamantine	Adamantine Energy (Kenya) Limited, the current operator of, and holder of a 50% participating interest in block 11B
AODL	Africa Onshore Drilling LDC, a wholly-owned subsidiary of Africa Fortesa Corp Ltd, and the entity which has entered into the rig contract with Bowleven with respect to the Bomono Permit
AGM	annual general meeting
AGR-TRACS International Ltd	a wholly-owned subsidiary of AGR Group (Holdings) Ltd.
AIM	the market of that name operated by the London Stock Exchange
block 11B	the production sharing contract between the Republic of Kenya, Adamantine Energy (Kenya) Limited and Bowleven (Kenya) Limited dated 30 May 2012 in respect of the area of approximately 14,287 km ² onshore Kenya and designated as block 11B; or, as the context may require, the contract area to which this production sharing contract relates
Board of Directors	the Directors of the Company
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 ² comprising former blocks OLHP-1 and OLHP-2 onshore Cameroon; or, as the context may require, the contract area to which that production sharing contract relates
Bowleven	Bowleven plc (LSE: BLVN) and/or its subsidiaries as appropriate
Bowleven (Kenya) Ltd	Bowleven (Kenya) Limited, an affiliate of the Company, incorporated in Scotland
CAMOP	Cameroon Offshore Petroleum S.A.R.L., the holder of a 20% non-operated participating interest (post State back-in) in the Etinde Permit and an affiliate of NewAge
CLNG	Cameroon LNG, the GDF Suez S.A and SNH strategic partnership to advance the monetisation of the substantial undeveloped gas resource within Cameroon, via an in-country gas aggregation scheme to supply a LNG facility
Companies Act 2006	the United Kingdom Companies Act 2006 (as amended)
Company	Bowleven plc
condensate	a light oil that is gaseous under certain reservoir conditions, often discovered with significant volumes of natural gas
contingent resources	those quantities of hydrocarbons that are estimated to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable
EA	Exploitation Authorisation

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 2,316km ² , comprising former blocks MLHP-5, MLHP-6 and MLHP-7, offshore Cameroon; or, as the context may require, the contract area to which that production sharing contract relates
EurOil	EurOil Limited, an indirectly wholly owned subsidiary of Bowleven plc, incorporated in Cameroon
Ferrostaal	Ferrostaal GmbH, a global provider of industrial services in plant construction and engineering services, headquartered in Essen, Germany
FID	final investment decision
First Oil	First Oil plc, a private UK independent exploration and production company based in Aberdeen
Fortesa	Africa Fortesa Corp Ltd (AFC), the entity which, with its wholly-owned subsidiary Africa Onshore Drilling LDC, entered into a conditional drill-to-earn arrangement with Bowleven with respect to the Bomono Permit
FTG	full tensor gravity gradiometry
GDF	GDF Suez S.A.
General Meeting	the General Meeting of the Company
Group	the Company and its direct and indirect subsidiaries
GSA	gas sales agreement
IFRS	International Financial Reporting Standards
IM	the Isongo Marine Field area, block MLHP-7, Etinde Permit
km	kilometres
km ²	square kilometres
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LUKOIL	LUKOIL Overseas West Project Ltd, a subsidiary undertaking of OAO LUKOIL
Macquarie Bank	Macquarie Bank Limited
mmboe	million barrels of oil equivalent
mmscfd	million standard cubic feet of gas per day
NewAge	New Age (African Global Energy) Limited, the parent undertaking of CAMOP
OBC	Ocean Bottom Cable
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)
PSC	production sharing contract
P50	50% probability that volumes will be equal to or greater than stated volumes

SNH	Société Nationale des Hydrocarbures, the national oil and gas company of Cameroon
strategic alliance	the proposed strategic alliance between Bowleven and Petrofac in respect of the Etinde development on the terms set out in the Strategic Alliance Agreement
Strategic Alliance Agreement	the agreement of that name dated 6 November 2012 between Bowleven and Petrofac
2D	two dimensional
\$	United States of America Dollars

Notes:

Prospective resources, contingent resources and reserves shall have the meanings given to them by the guidance on petroleum resources classification contained in the 2007 SPE Petroleum Management System published jointly by the Society of Petroleum Engineers, The American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers.

For the purposes of this announcement, 6 mscf of gas has been converted to 1 boe.