29 March 2018

Bowleven plc

('Bowleven' or 'the Company')

Interim Results

Bowleven, the Africa focused oil and gas exploration group traded on AIM, today announces its unaudited interim results for the six months ended 31 December 2017.

HIGHLIGHTS

- Etinde two well appraisal programme progressed with partners; first well spudding Q2 2018
- Significant, ongoing reduction in Group G&A
- Improved relationships and alignment of planned activity within the Etinde joint venture partners
- Strengthened relationships with the Government of Cameroon and SNH, the state oil company and Oil & Gas sector regulators

Operational

Etinde

- Two appraisal well locations have been agreed with our partners targeting combined additional volumes of approximately 1 to 2 tcf of gas in place (GIIP). A 2 tcf increase in GIIP resource approximates to an addition of 0.8 bcf of dry gas and 131 mmbbl of condensate.
- Bowleven's share of the drilling and testing programmes' expenditure is covered by a carry with a nominal value of up to $40 million
- Rig contract signed on behalf of the JV partners with Vantage for the 'Topaz Driller', a modern jack-up rig which will mobilise to Cameroon waters shortly
- First well, IM-6, due to be spud in Q2 2018

Bomono

- Farm-out transaction with Victoria Oil and Gas plc ("VOG") terminated on 31 December 2017 following the inability to meet a number of conditions, including regulatory approval. Bowleven, VOG and SNH remain in informal discussion regarding a proposed replacement transaction. The Group continues to explore all available options

Corporate

- Group cash balance at 31 December 2017 circa $83.3 million (excluding $0.5 million held on deposit in respect of a guarantee) with no debt and material financial commitments

Eli Chahin, Chief Executive Officer of Bowleven plc, said:

"This first set of interim results since the governance overhaul and appointment of a new management team in March 2017, reflects the swift turnaround achieved through the implementation of a new strategic and operating model. The Company has put in place a fit for purpose business model that has enabled us to focus on creating value for shareholders whilst maintaining strict capital discipline.

Our interest in the Etinde field offers the potential to deliver significant returns for the Company, its partners and its shareholders. The appraisal programme planned for this year, for which Bowleven is fully carried, is the next step in maximising the value from this world class asset, with preparation well underway for this tightly-managed appraisal drilling campaign commencing in Q2 2018.

Our strong balance sheet, lean cost base and interest in a major asset, present an almost unique value proposition in the London market. I look forward to reporting on progress in the coming year as we seek to maximise value for all shareholders."

ENQUIRIES

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A copy of this announcement is available on the Bowleven website www.bowleven.com

Notes to Editors:

Bowleven is an African focused oil and gas exploration group, based in London and traded on AIM. Bowleven's vision is to maximise value for shareholders by realising the greatest value of the Group's Etinde asset, a relentless focus on Capital discipline and ensuring that cash is wisely invested to cover G&A costs. Bowleven holds equity interests in three blocks in Cameroon, with one block located offshore in shallow water (operated by NewAge) and two onshore (operated by Bowleven).

Notes to Announcement:

The information in this release reflects the views and opinions of Bowleven and has not been reviewed in advance by its joint venture partners.

CEO’s REVIEW

The Financial results and Operations review set out below, show the progress the Board has made in implementing the Group’s new strategy since the Shareholders’ decision to put in place the new management team in March 2017.

The Group’s revised strategy is focussed on delivering shareholder value by developing and growing our resource base in our Cameroon assets whilst maintaining rigorous attention to costs. Therefore, a large part of management’s focus in the past year has been on right sizing the Company to reflect the needs and commitments of our current portfolio. With a business fit for purpose, the Group’s aim is to convert portfolio resources to reserves with a view to monetising the existing exploration assets ahead of deploying capital on new exploration activity.

The reduction of the Group’s operational foot print was implemented gradually with the full UK head count reduction completed in September 2017, including the relocation of the head office from Edinburgh to London. The Group also completed the wind-down of Bomono based activity in Cameroon by the end of September. In addition, various other changes of key suppliers and contractors have been made including a refresh of the Company’s advisors.

The Board also worked to improve its relationships with the Joint Venture partners in the Etinde project and with both SNH and the Government of Cameroon, all of whom are critical stakeholders for the long term success of the Bowleven group.

The two well appraisal drilling programme, targeting combined additional volumes of approximately 1 to 2 tcf of gas in place (GIIP) will take place in 2018. The wells will aim to delineate the Gas/Condensate Resource base within the Intra-Isongo Marine formation discovered by the IM-5rz well in 2015. The JV partners have announced the award of the drilling contract tender to Vantage Drilling International, with the selection of the premium jack-up rig, the “Topaz Driller”. Following the completion of other tender processes, contracts were placed for the wellhead and other long lead time items in early 2018. Preparation activity is ongoing in Cameroon and in London for the arrival of materials and supplies, in advance of the commencement of the drilling programme in late Q2. The Topaz Driller is expected to mobilise to Cameroon shortly.

The agreement with Victoria Oil and Gas plc, to farm-out a 75% interest in the Bomono licence area and PSC, signed by the previous Board in March 2017, ended at the long stop date of 31 December 2017. The Board continues to consider VOG to be a natural partner to develop the Bomono asset. Informal discussions have continued subsequently however, no new deal is on the table. The Board has recommenced the search for other alternative arrangements.

The Group has also undertaken a review of its cash investment strategy. The purpose of the review was to consider how to increase the rate of return earned on its cash deposits without any major shift in the risk profile of the investments. Historically the Group has invested its cash deposits on short term Money Market deposits and in various investment grade cash funds. Following the review, the Board has decided to invest a proportion of the available funds in higher rate of return investments such as corporate debt funds and investments in specific businesses operating within the wider oil and gas value chain. By their nature, these will have a higher risk profile than the existing investment grade deposits currently being used. However, the Group will only invest in low risk, non-speculative investments.

OPERATIONS REVIEW

Etinde Exploitation, Offshore Cameroon (20% equity interest)

In late 2017, the Etinde Joint venture comprising NewAge (operator), Lukoil and Bowleven reached agreement to implement a two well appraisal drilling programme in 2018. SNH, the Cameroon oil and gas regulator, has previously approved the concept.

The first well, IM-6, is targeting the southern boundary of the "Intra-Isongo Marine" gas condensate field discovered by the IM-5 well in 2015. The primary objective is to firm-up the volume of petroleum resources in the field. The Gross Contingent Resources, on a P50 (2C) basis of the various fields have been determined at c0.9 tcf of gas with c95 million bbls of condensate (100 % basis). The IM-6 well is targeting an additional 0.7 tcf of gas in place on a 2C basis.

The IM-6 well has a secondary target of clipping the geographical edge of a stratigraphically higher and lower sand packages that look to be similar to the existing Intra-Isongo discovery. The chance of success of the IM-6 well has been assessed as circa 50 %.

The IM-7 well targets the main body of both these additional sand packages and has the potential to add a further 1.3 tcf of gas in place (on a 2C basis) to the overall resources.

The IM-6 well has a target spud date in late Q2 2018. The entire programme is expected to complete in December 2018.

The Joint Venture partners have previously agreed that a commercially viable FLNG scheme with a domestic gas offtake could present a credible forward development plan. The timing of this development activity is largely dependent on which development scheme the joint venture proceeds with. Bowleven remains committed to progressing development activities with the number one priority being the earliest possible monetisation of the Etinde asset.

Bomono, Onshore Cameroon (100% equity interest)

On 6 March 2017, Bowleven announced that it had signed a farm-out agreement relating to the Bomono Permit, with Victoria Oil & Gas plc ("VOG"), subject to completion, including regulatory approval by the relevant authorities in Cameroon. Whilst the contractual long stop date was extended to 31 December 2017, as envisaged by the original contract, to provide additional time, full regulatory approval was not forthcoming. The farm-out agreement terminated as at that date. The Group and VOG continue to hold informal discussions with each other and the regulator regarding progressing the proposed partnership. The Group is also exploring all other available options.

Bowleven was awarded a two year extension to the Bomono Exploration licence (to 12 December 2018) in late 2016 and as stipulated by the Cameroon authorities an application for a Provisional Exploitation Authorisation was subsequently made. This application is currently under review by the authorities.

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

Volumetric Update

P50 (C2) net contingent resources to Bowleven are unchanged at 58 mmboe.

Net contingent resources do not currently include any contingent resource volumes for the Bomono Permit. An update to Etinde volumes is anticipated post appraisal drilling activity.

FINANCE REVIEW

The Group has reported a loss of $2.7 million (H1 2017: profit of $3.4 million) for the six months ended 31 December 2017. The H1 2017 profit was due to higher Finance income, principally arising from foreign exchange gain.

The results for the period include administrative expenses of $2.3 million (H1 2017: $4.4 million). Current year administrative expenses have reduced compared to prior year due to cost control processes combined with the reduction in head count following the one-off restructuring exercise undertaken in May/June 2017.

The Group's current G&A charge (excluding one off costs) is estimated at approximately $0.35 million per month (H1 2017: $0.6 million). In addition to the Group's controllable G&A expenditure, the Group also incurs its share (25 % currently) of the Etinde project's own G&A cost. During H1 2018, this averaged approximately $0.1 million per month. We expect the monthly amount to increase during H2 2018 due to incremental management costs arising from the appraisal drilling programme. Managing controllable G&A costs continues to be a priority for the Group.

Finance income comprises interest income of $0.6 million and foreign exchange gain of $0.2 million. This contrasts with the equivalent period in FY 2016/17, where $7.4 million foreign exchange gains arising from the recognition of foreign exchange differences under IFRS on US dollar cash balances. Interest income in H1 2017 was $0.3 million.

Capital expenditure cash flows during the period were $5,000 (H1 2017: $2.9 million). The Group is carried for its share of the budgeted cost of the two well Etinde 2018 appraisal drilling programme, up to a maximum amount of $40 million. The Group consider that, barring any major unforeseen event during the drilling programme, the two well programme will not result in any cash expenditure during the period. Technical and other studies (excluding results testing) performed after the completion of each well are generally not subject to the carry. The value of the carry is recognised as an asset in the balance sheet as deferred consideration. As at 31 December 2017 its value is $39.6 million (H1 2017: $39.7 million). The deferred consideration is transferred to intangible fixed assets on utilisation. Any surplus will be released to the profit and loss account on termination of the 2018 drilling programme.

At 31 December 2017, Bowleven had $83.7 million of cash and no debt (H1 2017: $95.1 million and no debt). Under the terms of the Etinde farm-out transaction that completed in March 2015, the Group also has access to a further $25 million which is receivable on achieving Etinde FID. This is held as a contingent asset pending further clarity around Etinde project sanction/FID.

BOARD CHANGES

Prior to the Annual General Meeting on 13 December 2017, Mr David Clarkson, Operations Director announced his retirement and intention to stand down from the Board at the AGM. At the AGM itself, Mr Joseph Darby, non-executive director, who was up for re-election was not reappointed to the Board. Subsequent to the completion of the AGM, Mr Chris Ashworth (non-executive Chairman) resigned from the Board. The Company is continuing its search to appoint a new non-executive Chairman.

OUTLOOK

During the remainder of FY 2017/18, the Group does not expect to incur any meaningful change in activity compared to the first 6 months of the financial year. The Etinde drilling programme will utilise the majority of deferred consideration asset of $39.6 million. The Board does not expect to incur any further drilling related costs unless there is a significant unplanned event(s).

PRINCIPAL RISKS AND UNCERTAINTIES

The most financially significant risk during the second half of the financial year is an unplanned well control event occurring during the drilling of either of the two Etinde appraisal wells. Whilst NewAge has taken full account of previous results from prior drilling within the licence area when designing the two appraisal wells, there always remains a risk of an unexpected event.

The Bomono licences terminates in December 2018. Whilst we remain in discussion with SNH the regulator, and other commercial parties to find a way to develop the Moambe and Zingana gas discoveries, we may not be able to obtain the necessary exploitation licence from SNH.

RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in a manner consistent with lAS 34 'Interim Financial Reporting' and the full year end accounts; and
- the interim management report includes a fair review of the important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year

Eli Chahin
Chief Executive Officer
28 March 2018

GROUP INCOME STATEMENT
For the 6 months ended 31 December 2017

	6 months ended 31 December 2017 (Unaudited) $000	6 months ended 31 December 2016 (Unaudited) $000	Year ended 30 June 2017 (Audited) $000
Revenue	-	-	-
Administrative expenses	(2,391)	(4,368)	(10,701)
Impairment of Intangible fixed assets	-	-	(45,589)
Impairment of Inventory	(1,179)	-	(1,019)
Operating loss before financing costs	**(3,570)**	**(4,368)**	**(57,309)**
Finance income	795	7,727	3,617
(Loss)/Profit from continuing operations before taxation	**(2,775)**	**3,359**	**(53,692)**
Taxation	-	-	-
(Loss)/Profit for the Period from Continuing Operations	**(2,775)**	**3,359**	**(53,692)**
(Loss)/Profit attributable to:			
Owners of the parent undertaking	(2,775)	3,361	(53,692)
Non-controlling interest	-	(2)	-
Basic and diluted earnings/(loss) per share ($/share) from continuing operations	(0.01)	0.01	(0.17)

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the 6 months ended 31 December 2017

	6 months ended 31 December 2017 (Unaudited) $000	6 months ended 31 December 2016 (Unaudited) $000	Year ended 30 June 2017 (Audited) $000
(Loss)/Profit for the period	(2,775)	3,359	(53,692)
Other comprehensive income:			
Items that will be reclassified to profit and loss:			
Currency translation differences	(700)	(7,978)	(3,183)
Total Comprehensive Loss for the Period	**(3,475)**	**(4,619)**	**(56,875)**
Attributable to:			
Owners of the parent undertaking	(3,475)	(4,617)	(56,875)
Non-controlling interest	-	(2)	-

GROUP BALANCE SHEET
As at 31 December 2017

	31 December 2017 (Unaudited) $000	**31 December 2016 (Unaudited) $000**	**30 June 2017 (Audited) $000**
Non-current Assets			
Intangible exploration assets	172,744	216,604	172,698
Property, plant and equipment	155	337	177
	172,899	216,941	172,875
Current Assets			
Inventory	1,179	3,392	2,353
Trade and other receivables	1,894	2,402	2,242
Deferred consideration	39,633	39,661	39,679
Bank deposits	500	500	500
Cash and cash equivalents	83,307	94,569	85,307
	126,513	140,524	130,081
Total Assets	**299,412**	**357,465**	**302,956**
Current Liabilities			
Trade and other payables	(823)	(2,775)	(1,511)
Total Liabilities	**(823)**	**(2,775)**	**(1,511)**
Net Assets	**298,589**	**354,690**	**301,445**
Equity			
Called-up share capital	56,390	55,594	56,186
Share Premium	1,276	113	861
Foreign exchange reserve	(72,543)	(76,638)	(71,843)
Other reserves	4,730	10,995	4,730
Retained earnings	308,736	364,597	311,511
	298,589	**354,661**	**301,445**
Attributable to:			
Owners of the parent undertaking	298,589	354,661	301,445
Non-controlling interest	-	29	-
Total Equity	**298,589**	**354,690**	**301,445**

GROUP CASH FLOW STATEMENT
For the 6 months ended 31 December 2017

	6 months ended 31 December 2017 (Unaudited) $000	6 months ended 31 December 2016 (Unaudited) $000	Year ended 30 June 2017 (Audited) $000
Cash Flows from Operating Activities			
(Loss)/Profit before tax	(2,775)	3,359	(53,692)
Adjustments to reconcile Group profit/(loss) before tax to net cash used in operating activities:			
Depreciation of property, plant and equipment	27	131	249
Impairment of intangible exploration assets	-	-	45,589
Finance income	(795)	(7,727)	(3,617)
Equity-settled share based payment transactions	-	408	802
Loss on sale of property, plant and equipment	-	-	310
Adjusted loss before tax prior to changes in working capital	(3,543)	(3,829)	(10,359)
Decrease/(Increase) in inventory	1,179	169	1,297
Decrease/(Increase) in trade and other receivables	42	505	1,209
(Decrease)/Increase in trade and other payables	(462)	409	(246)
Exchange differences	(456)	(21)	93
Net Cash used in Operating Activities	**(3,240)**	**(2,767)**	**(8,006)**
Cash Flows from/(used in) Investing Activities			
Deferred consideration from sale of intangible exploration assets	-	15,000	15,000
Purchases of property, plant and equipment	(5)	(78)	(292)
Purchases of intangible exploration assets	-	(2,826)	(5,675)
Receipts from sale of property, plant and equipment	-	431	443
Receipts from sale of inventory	-	88	-
Interest received	657	258	659
Net Cash from/(used in) Investing Activities	**652**	**12,873**	**10,135**
Cash Flows from/(used in) Financing Activities			
Net proceeds from issue of ordinary shares	619	203	1,543
Shares purchased by EBT	-	(711)	(3,434)
Purchase of Treasury Shares	-	(2,566)	(2,566)
Net Cash Flows from/(used in) Financing Activities	**619**	**(3,074)**	**(4,457)**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(1,969)**	**7,032**	**(2,328)**
Effect of exchange rates on cash and cash equivalents	(31)	(489)	(391)
Cash and cash equivalents at the beginning of the period	85,307	88,026	88,026
Cash and Cash Equivalents at the Period End	**83,307**	**94,569**	**85,307**

GROUP STATEMENT OF CHANGES IN EQUITY

For the 6 months ended 31 December 2017

Represented from prior year	Equity Share Capital $000	Share Premium $000	Foreign Exchange Reserve $000	Other Reserves $000	Retained Earnings $000	Attributable to owners of parent company $000	Non-controlling interest $000	Total Equity $000
At 1 July 2016	**55,504**	**-**	**(68,660)**	**15,102**	**359,998**	**361,944**	**31**	**361,975**
Profit/(Loss) for the period	-	-	-	-	3,361	3,361	(2)	3,359
Other comprehensive income for the period	-	-	(7,978)	-	-	(7,978)	-	(7,978)
Total comprehensive income for the period	-	**-**	**(7,978)**	**-**	**3,361**	**(4,617)**	**(2)**	**(4,619)**
Proceeds from issue of share capital	90	113	-	-	-	203	-	203
Purchase of Treasury Shares	-	-	-	(2,566)	-	(2,566)	-	(2,566)
Shares purchased by EBT	-	-	-	(711)	-	(711)	-	(711)
Share based payments	-	-	-	408	-	408	-	408
Transfer between reserves	-	-	-	(1,238)	1,238	-	-	-
At 31 December 2016	**55,594**	**113**	**(76,638)**	**10,995**	**364,597**	**354,661**	**29**	**354,690**
Loss for the period	-	-	-	-	(57,053)	(57,053)	(29)	(57,082)
Other comprehensive income for the period	-	-	4,795	-	-	4,795	-	4,795
Total comprehensive income for the period	**-**	**-**	**4,795**	**-**	**(57,053)**	**(52,258)**	**-**	**(52,258)**
Proceeds from issue of share capital	592	748	-	-	-	1,340	-	1,340
Purchase of Treasury Shares	-	-	-	-	-	-	-	-
Shares purchased by EBT	-	-	-	(2,723)	-	(2,723)	-	(2,723)
Share based payments	-	-	-	394	-	394	-	394
Transfer between reserves	-	-	-	(3,936)	3,967	31	-	31
At 30 June 2017	**56,186**	**861**	**(71,843)**	**4,730**	**311,511**	**301,445**	**-**	**301,445**
Loss for the period	-	-	-	-	(2,775)	(2,775)	-	(2,775)
Other comprehensive income for the period	-	-	(700)	-	-	(700)	-	(700)
Total comprehensive income for the period	-	**-**	**(700)**	**-**	**(2,775)**	**(3,475)**	**-**	**(3,475)**
Proceeds from issue of share capital	204	415	-	-	-	619	-	619
Purchase of Treasury Shares	-	-	-	-	-	-	-	-
Shares purchased by EBT	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	-	-	-	-
At 31 December 2017	**56,390**	**1,276**	**(72,543)**	**4,730**	**308,736**	**298,589**	**-**	**298,589**

NOTES TO THE INTERIM STATEMENTS
For the 6 months ended 31 December 2017

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 2017, on which the auditors gave an unqualified opinion and no statements under section 498 (2) or (3), have been filed with the Registrar of Companies.

2. Going Concern

The financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Group has sufficient funds 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.

3. Other Notes

a) The basic earnings per ordinary share is calculated on a loss of $2,775,000 (H1 2017: profit of $3,359,000) on a weighted average of 325,531,910 (H1 2017: 325,075,375) ordinary shares.
b) In respect of the 6 months to 31 December 2017, the diluted earnings per share is calculated on a loss of $2.775 million on 325,531,910 ordinary shares. 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.
c) No dividend has been declared (2017: nil).

4. Electronic Shareholder Communication

As per the prior year Interim Results and recognising increased automation in shareholder communications, the Group no longer produces hard copy Interim Reports. The Annual Report will also be distributed electronically unless shareholders specifically elect to receive a hard copy. Copies can be obtained from the Company on request.

5. Interim Report

This announcement represents the Interim Report and half yearly results of Bowleven plc. The announcement will be available to download from the Company website www.bowleven.com.

GLOSSARY

AGM	annual general meeting
AIM	the market of that name operated by the London Stock Exchange
Board of Directors	the Directors of the Company
boe	barrels of oil equivalent
Bomono Permit	the production sharing contract between the Republic of Cameroon and EurOil Limited, dated 12 December 2007, in respect of the area of approximately 2,328km² 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
Companies Act 2006 (‘the Act’)	the United Kingdom Companies Act 2006 (as amended)
Company	Bowleven plc
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
EBT	employee benefit trust
Etinde Permit	the Etinde Exploitation Authorisation (EA). The Etinde EA, granted on 29 July 2014, covers an area of approximately 461km² (formerly block MLHP-7) and is valid for an initial period of 20 years. Currently SNH have exercised their right to back into this licence, but this is subject to completion
FID	final investment decision
FLNG	floating liquefied natural gas
G&A	general and administration
GIIP	Gas initially in place, the volume of gas in a reservoir before production
Group	the Company and its direct and indirect subsidiaries
H1, H2 etc.	first half of the financial year, second half of the financial year etc.
IFRS	International Financial Reporting Standards
km²	square kilometres
LNG	liquefied natural gas
mmboe	million barrels of oil equivalent
NewAge	NewAge (African Global Energy) Limited, a privately owned oil and gas company
ordinary shares	ordinary shares of 10p each in the capital of the Company

PEA	provisional exploitation authorisation
PSC	production sharing contract
P50	50% probability that volumes will be equal to or greater than stated volumes
P90	90% probability that volumes will be equal to or greater than stated volumes
Q1, Q2 etc.	first quarter, second quarter etc.
SNH	Société Nationale des Hydrocarbures, the national oil and gas company of the Republic of Cameroon
tcf	trillion cubic feet
US	United States of America
$ or US Dollars	United States of America Dollars
£ or GB Pounds	Great Britain Pounds Sterling