

## Interim Results

Released : 30 Mar 2021 07:00

RNS Number : 8655T  
Bowleven plc  
30 March 2021

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### **Bowleven plc**

('Bowleven' or 'the Group' or 'the Company')

### **Interim Results**

Bowleven, the Africa focused oil and gas, Exploration and Production Company with key interests in Cameroon, today announces its unaudited interim results for the six months ended 31 December 2020.

#### **HIGHLIGHTS**

- The Operating Committee through its resolution dated 11 December 2020 has given the JV partners permission to negotiate a new Etinde Exclusive Exploitation Authorisation ('EEA' or 'EEEE'). The current EEA will continue until replaced.
- Group cash balance at 31 December 2020 was circa \$6.4 million with a further \$2.1 million held in financial investments, with no debt and material financial commitments.
- Front End Engineering Design ('FEED') completed in January 2021 marking a very significant milestone in progressing Etinde towards FID and development approval.
- Ongoing market volatility caused by the COVID-19 global pandemic in 2020, and the associated fall in global oil prices, has continued to slow down and impact negatively on progressing Etinde development overall. This has particularly impacted various commercial and legal/regulatory approval negotiation processes. As a result, FID is likely to slip into 2022.
- The recent oil price recovery significantly helps project economics.
- The JV partners continue to place a high priority on maximising project NPV and minimising capital development costs as we conclude Etinde development and commercial options.

#### **Operational**

##### *Etinde*

- In December 2020 the Operating Committee gave the JV partners permission to apply for and negotiate a replacement EEA. The current licence continues to be in force until replaced. The new agreement would reflect a change in the development plan, focussing on the Cameroon gas thermal power generation sector as the base level use of Etinde gas.
- During 2020, the JV partners completed:
  - FEED on the development facilities and associated pipeline infrastructure combined with Health, Safety, Security and Environment ('HSSE'), pipeline route surveys, reservoir risk analysis and mitigation and the preparation of the initial sub-surface drilling plan
  - FEED builds on previously completed extensive pre-FEED studies undertaken in 2019
  - Reprocessed the Seismic data for the entire licence area.
- The JV partners have also undertaken to continue commercial activities focused around a liquids-based development alongside discussion of sales terms with potential gas, condensate and LPG off-takers.
- New Age and Bowleven jointly appointed Cofarco (a Paris based financial advisory business) as lead advisor in relation to raising debt finance to fund Etinde development.

#### **Corporate**

- Group cash balance at 31 December 2020 was circa \$6.4 million with a further \$2.1 million held in financial investments, with no debt and material financial commitments.

- Bowleven considers the value of cash and investment of \$8.5 million to be sufficient to meet the Group's financial requirements for at least the next 12 months.
- The loss for the 6 month period was \$0.9 million compared to \$1.4 million in the equivalent period last year.
- Management continues to diligently manage costs and minimise cash burn to support G&A up to FID, focused on continuing to work alongside the Etinde JV partners during the rest of 2021 to explore both commercial opportunities and related development engineering designs and costs, with a view to having a sufficiently detailed, costed development plan to reach FID before end of Q1 2022.

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

*"During 2020, we were pleased with the progress made towards achieving FID at Etinde. We have completed a significant number of the most important technical work streams and made strong progress on a number of other important project development related work streams. Certain hurdles persist, predominantly around agreeing the many commercial aspects of the development with SNH, the Government of Cameroon and other interested parties. The principal outstanding requirements to achieving FID are now almost entirely commercial and regulatory approvals relating to the development concept we will propose.*

*Currently, the facilities development cost, relative to the production levels we can achieve due to commercial and regulatory approval issues relating to the sale or utilisation of methane gas production, can be improved upon. Whilst the proposed 'Base Case' development concept tested by FEED provides a positive outcome, the economic value is lower than the minimum level the JV partners consider desirable. The JV Partners are confident that further discussions with the Government of Cameroon, represented by SNH, can progress to a stage whereby a development concept with significantly increased economics for all parties can be agreed upon.*

*At a time of considerable market turbulence, we are fortunate to benefit from a robust financial position, with in excess of \$8 million of cash and investments on the balance sheet and no debt. Coupled with our low-cost base, we remain well funded to reach FID, after which we will be in a position to receive the \$25 million contingent consideration from the JV partners, instantly giving the Company a significant cash injection.*

*Although the ongoing macro-economic conditions seen in 2020 and beyond have negatively impacted the timing of the Etinde project, we welcome the recent oil price strength and we continue to work towards achieving FID as quickly as possible. We look forward to keeping all of our stakeholders apprised on progress over the coming months."*

**ENQUIRIES**

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**A copy of this announcement is available on the Bowleven website [www.bowleven.com](http://www.bowleven.com)**

**Notes to Editors:**

Bowleven plc is an African focused oil and gas group, based in London and traded on AIM. It is dedicated to realising material shareholder value from its Etinde asset in Cameroon, whilst maintaining capital discipline and employing a rigorously selective approach to other value-enhancing opportunities. Bowleven holds a strategic equity interest in the offshore, shallow water Etinde permit (operated by New Age) in Cameroon.

**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**

Calendar year 2020 has been one of mixed fortunes for the Etinde development project. The current COVID-19 pandemic environment, with its global reduction in economic activity and, widespread lockdown measures has left us and the wider industry facing a difficult operational environment. When this is combined with the reduction in global hydrocarbon demand and pricing and the increasing political and commercial priority to seek a faster global transition to a greener energy generation future, circumstances have created challenging economic conditions. In many ways, this has actually acted to clarify much of our thinking, as our development work has factored in the tough market conditions seen in 2020; when taking into account recent oil price strength, this puts the Etinde project in a stronger position.

We have seen significant technical progress made during the year, which has brought the commencement of development closer. Although there has also been limited movement on many of the critical commercial issues, along with disruptions on the economic front, we are confident of the Company's ability to progress during 2021 and progress Etinde towards FID.

The technical aspects of the surface and sub-surface development and facilities aspects of the Etinde development concept have progressed well during 2020. FEED has been completed on the gas processing facilities alongside related environmental and pipeline route studies, where the sea floor was surveyed for potential geo-hazards along the planned routes for the sea floor surface pipeline infrastructure. Combined with this, we have made further advances on de-risking the geotechnical aspects of the development, which we expect to further enhance during 2021 by the application of the newly reprocessed seismic data.

With FEED completed, the financial, engineering and construction aspects of the gas, LPG and condensate processing and storage facilities are now very well understood from a planning and budgetary cost point of view. Indeed, the JV partners stand ready to proceed to the next stage of the process, which would be to seek pre-qualification from potential EPCI providers and the identification of construction and engineering partners. In addition, we now have a very clear understanding of the likely cost of the initial and subsequent capital investment demand, how these may be financed and the likely ongoing operating cost of the facilities.

Although significant advancements were seen from a technical aspect in the period, much less progress has been made than we had expected regarding the various open commercial issues. In part, this is due to the impact of COVID-19 related measures adversely impacting on the JV partners and other Government and interested commercial parties due to the difficulty of arranging face to face meetings and international travel. It also reflects the large number of different Cameroon and international partners involved in different aspects of the Cameroon domestic environment for utilising natural gas. Progress has continued nonetheless, and we look forward to making further progress during 2021 as COVID-19 restrictions abate.

The Etinde JV partners, SNH and the Government of Cameroon have agreed that the first priority for Etinde gas will be given to supplying the domestic marketplace and that 'surplus' gas can be exported. However, limited progress has been made on filling out the commercial details around this broad understanding during 2020. For the Etinde JV partners, we require firm long-term gas demand projections and supporting commercial agreements with minimal technical or commercial uncertainty before FID. Moving from conceptual understanding to commercial agreements remains a slow and exacting process. The JV Partners remain committed to advancing these during the year.

As a result of the challenging conditions the hydrocarbon sector experienced during the period, we are re-evaluating our existing development concepts with a view to seeking to further de-risk the economic and financial aspects of the development. This can be achieved by seeking to further reduce the initial capital investment cost and/or increasing the initial and long-term production levels and lower corporate taxation payments.

All JV partners agree that higher than previously expected initial production levels are now necessary and that generating this increase has become an immediate priority. There are several different options, which could be used to accommodate our requirements, but they will be subject to regulatory approval and commercial agreements, which remain the subject of much multi-party discussion. With positive, ongoing discussions between the JV Partners, SNH and the Government of Cameroon, we are encouraged that a commercially beneficial development plan can be agreed upon for all stakeholders in the coming months.

### **Final Investment Decision for Etinde**

We continue to make significant progress towards this very important milestone. For the issues which the JV partners are solely responsible, progress has been steady and significant. The ongoing global COVID-19 response is likely to continue to impede faster process on resolving commercial issues than we would prefer, however we are monitoring the situation closely.

In addition, many of the most important considerations relating to the domestic gas marketplace involve a wide range of different national and international partners, of which we are not the most significant in controlling the future timetable.

Whilst a late 2021 FID decision remains a plausible outcome, we consider that the relatively slow progress resolving commercial issues that lie outside the JV partners' immediate remit, but upon which we are dependent, will impact on the eventual date. Accordingly, we consider 2022 to be more likely. It is also important to remember that once these decisions are finalised, dealing with the likely impact of the financial aspects of the Etinde development as well as agreeing all of the necessary regulatory permissions and approvals we require, will still take some months to resolve.

## **OPERATIONS REVIEW**

### **Etinde Exploitation, Offshore Cameroon (25% equity interest)**

#### ***Etinde Exclusive Exploitation Authorisation ('EEA' or 'EEEE')***

SNH, acting as regulator, has supported the JV partners' application to negotiate a new EEA to replace the existing Authorisation, which came into legal force in January 2015. We expect the terms of the new agreement to largely follow those set out in the existing agreement, but with a change in the authorised basis of development from 2015's Fertiliser project based development to one focused on supplying gas to domestic power generation projects once the necessary infrastructure is available. SNH's support is set out in the Operating Committee Resolution stipulation:

"Authorise the Operator to apply for a new EEA for the production of hydrocarbons including the delivery of gas to thermal power plants, or any other projects confirmed by the State."

We also hope that we will receive permission to export 'surplus' gas production. It is likely that the new EEA agreement will be agreed alongside a revised field development plan and the Final Investment Decision. SNH have reiterated that they have no intention of taking steps to use the clauses in the existing EEA to terminate the Etinde EEA. The current EEA remains in force until replaced.

#### ***FEED***

The JV partners appointed Technip after a competitive tender in Spring 2020. FEED proper commenced in July 2020 and was completed in early December 2020 except for some further work commissioned under contract variation orders. This work was largely completed in January 2021.

FEED was managed by the Operator using a joint project team comprising a mixture of New Age and LUKOIL staff and individual specialist consultants hired by New Age for the project. New Age's geological and reservoir engineering specialists and New Age's existing Drilling advisors supported FEED activity. FEED focused on detailed design and development implementation planning of the proposed Limbe gas processing facility concept. Earlier pre-FEED studies concluded that this development concept was the optimum solution based on our economic and technical assumptions.

The facilities concept is designed around either 1 or 2 wet gas processing lines within a common support infrastructure. The design is intended to be modular to allow a phased development based, initially, on a single gas processing train. The two-train facility is designed to have a name plate capacity to process c150 mmscf/d of wet gas. However, the modular design allows a single processing train, when fully optimised, to process up to 90 mmscf/d of wet gas. Allowing for shrinkage and the different condensate/gas ratios of the reservoir fluids (which also vary over time with production) a single train facility will produce around 75 mmscf/d of dry gas.

The initial 'base case' field development concept studied during FEED comprised an IM only development with a single well head platform, field gathering system and a high pressure pipeline to transport wet gas to the Limbe processing facility. The Limbe facility is designed to process wet gas into dry natural gas (mostly comprising Methane), LPG, Propane and Condensate as well as handling water and other by-products arising from processing. The facility also includes storage capacity for condensate. The design assumes that any storage for LPGs and methane gas will be the responsibility of the end users. The initial design concept would use a small amount of produced gas to self-generate electricity and to utilise an Etinde specific Conventional Buoy Mooring ('CBM') facility to load condensate onto Tankers. The Limbe facilities condensate storage capacity would be flexed based on the likely condensate offtake schedule and tanker capacity. We have placed an illustrative video representation of the Limbe facility and associated design, prepared by Technip as part of FEED, on our website.

FEED is based around specific commercial assumptions provided by SNH. The most important of these is that 20 to 25 mmscf/d of gas production would initially be supplied to the domestic Cameroon market to provide gas for the proposed thermal power station to be designed and run by Akxa at Bekoko near to the city of Douala, some 60 km from Limbe depending on pipeline route. In addition, SNH has indicated their intention to acquire all LPG production to supply to the domestic market to reduce current LPG imports. The domestic requirement would require SNH or others to build further facilities to store and transport LPG and gas from our Limbe facility. Whilst there will be a certain level of Etinde owned facilities (such as metering and connectivity), FEED assumed the point of sale would be at the Limbe facility itself. SNH has further indicated that they see Etinde gas being provided to the proposed Limbe 350 MW thermal power generation project, which was subject to an Expression of Interest process initiated by the Government in Spring 2020.

The IM well head platform has been designed to minimise installation and logistics costs using suction piles and a 3-leg jacket design with 6 well slots. Two further well slots would be added by the combination of using splitter well technology and 36-inch diameter conductor fixed onto the external support framework of the platform, giving a design capacity to drill 8 to 9 wells.

Sub-sea Pipeline route surveys and environmental studies were initiated during 2020 as part of the wider FEED related development activity. The route surveys and a significant proportion of the environmental studies were completed during 2020. This information will

feed into the Field Development Plan and other regulatory approval processes during 2021.

The Operator has proposed that c50 mmscf/d of dry gas produced could be re-injected back into the Upper Isongo and Intra-Isongo reservoirs in a dry gas reinjection and recycling scheme. Gas reinjection has the advantage of increasing condensate recovery rates but comes at a substantial additional capital cost. This would include 2 gas reinjection wells, gas compression system and a high-pressure dry gas pipeline from Limbe to the IM well head platform. Reservoir engineering modelling suggests that gas breakthrough is likely to be relatively quick for the Upper Isongo reservoir (2 to 3 years). Whilst gas breakthrough is much less likely for the Intra-Isongo reservoir, which has higher condensate levels, the higher initial pressure would require the Intra-Isongo reservoir to be produced for 1 to 2 years to reduce reservoir pressure to enable gas reinjection to occur.

During FEED a number of potential design changes and other design optimisation considerations were identified. The FEED team has currently identified these potential optimisation changes to potentially reduce capital costs.

Following an initial consideration, the JV partners have collectively agreed that the capital cost of initial base case development scenario, based on IM only and 1 processing train, is too high for the given level of production resulting in a sub-optimal project NPV and too low rate of return on investment in the current economic environment.

Collectively, we agree that the initial investment cost must be further reduced and ideally production and revenue increased significantly to the benefit of the project and Bowleven's shareholders. There are multiple options available to the JV partners depending on commercial and regulatory approval considerations. These include negotiating commercial and fiscal terms with SNH, a different approach to the development of the field, export of excess gas and bringing forward the development of the IE field combined with higher volumes of dry gas reinjection than currently proposed.

As we suggested in the 2020 annual report, we always envisaged a significant and uncertain period post FEED completion due to the number of different work streams and the need to complete commercial negotiations with SNH and other potential offtakers. The legal and regulatory steps alone comprised the replacement EEA, the Field Development Plan documentation and regulatory approval, the participation agreement with SNH and the Government to permit SNH to take up its potential 20% share of the Etinde field ownership amongst other steps. We now envisage this commercial and regulatory approval process to take some additional months in respect of some of the potential ways we might opt to mitigate development costs. We consider FID is now more likely to occur during 2022 than 2021 with the final decision reliant on the unanimity of the Joint Venture partners and the decisions reached by the Government of Cameroon.

### ***Seismic reprocessing project***

The seismic reprocessing project was completed on budget in December 2020. The COVID-19 pandemic slightly delayed completion due to its delaying of project initialisation and additional processing activities undertaken following better than expected results from earlier data processing steps.

The reprocessed data has significantly reduced the noise and other data artifacts (mostly arising from the presence of younger volcanic deposits), which significantly reduced the quality of the seismic data from an analysis standpoint. Removal of seismic reflection multiples alongside much better imaging of faults and stratigraphical structures should allow a significant enhancement in the accuracy of the seismic and geological interpretation for the various Etinde fields. The immediate priority for 2021 is to revisit the IM field interpretation with an aim to using the improved seismic data quality to enhance the analysis of the field and hopefully provide new data that mitigates or eliminates the known uncertainties that exist in the data. This will provide more accurate reservoir analysis, improve the accuracy of reserve and resource estimates and help de-risk the subsurface development plan.

Later in 2021, we intend to use the improved data to re-analyse the various ID/IE well discoveries. The improved data quality should enable us to correlate wells more accurately and to identify and trace the extent of uncertain reservoir horizons (especially in the IE 3 and IE 4 wells where there are multiple discoveries). The thin bed study completed in 2020 focused on the ID and IE wells, has already provided strong evidence that there is higher hydrocarbon content than previously estimated in certain horizons.

It is also hoped that further analysis of the higher quality data will permit water and hydrocarbon bearing reservoirs to be better identified using the seismic data itself.

### ***Commercial developments***

#### **Domestic Gas sales**

The Government of Cameroon has stated its preference for a mixed hydroelectricity/gas power thermal electricity generation system with roughly 70% of electricity generation supply coming from the hydrothermal sector. To this end the Government launched an expression of interest in early 2020 for a contract under which a third party would build and operate a 350 MW power plant close to Limbe. Whilst we understand several bids were submitted by the end of August 2020, there has not been any further public comment. Encouragingly, SNH informed us in mid-2020 that they and the Government seek to utilise Etinde gas to supply this facility.

On the previously approved Aksa 150 MW thermal power plant based at Bekoko, close to the city of Douala, we understand there

have been detailed discussions between Akxa, SNH, ENEO and Victoria Oil and Gas plc ('VOG'). We understand that an electricity price may have been agreed and that some commercial discussions have been undertaken on matters such as gas demand and pipeline tariffs. As part of the Gas Master Plan for the country, SNH have confirmed they will build a pipeline between Limbe and Bekoko to transport gas purchased from Etinde to supply to the Akxa power plant in Bekoko and other potential customers in the Port of Douala vicinity. There have been no discussions on gas supply agreements between us, SNH, Akxa and VOG. We expect these to progress in 2021.

SNH has also indicated that they consider there may be some further supply opportunities that they are discussing. We believe these may relate to conversion of existing heavy oil fuelled power stations to gas and other industrial developments. Whilst supply logistics infrastructure, pricing and demand considerations are likely to be significant in assessing whether these projects can be supplied by Etinde gas at a commercially viable domestic gas price, we are encouraged by this development. SNH anticipates the Bekoko and Limbe projects to ultimately require about 70 mmscf/d with each contract likely to be 20 years in duration.

COVID-19 and its associated delays have hampered progress during the year, along with the complex and multi-faceted set of commercial negotiations between different commercial organisations, various parties in the Government of Cameroon and SNH.

Whilst we anticipate significant further progress in 2021, it is clear that New Age and Bowleven need to raise external finance to fund the Etinde development. Factors, which must be agreed before FID, include the timetable for implementation and development, all Governmental approvals, agreed commercial terms for gas supply and certainty over project financing.

In respect of LPG supply, we have had preliminary discussions with SNH who have set out their key parameters on pricing (in general terms) and their requirement to be the sole customer for Etinde LPG, to substitute some existing LPG imports. Whilst we have pressed for more substantive commercial discussions, these have yet to happen.

Bowleven and New Age jointly appointed Cofarco to act as lead advisor in respect of potential debt financing requirements. They have undertaken some preliminary economic modelling for valuation purposes and had some 'no name' discussions with several potential finance sources regarding the general position. One strong theme was the importance of environmental and social issues as part of our development, up to and including the need for any development to be Carbon neutral in the long-term. These discussions were preliminary in nature and there is an ongoing Operator led work stream looking to appoint an advisor to support the environmental development aspect of our field development plan.

#### **Bomono, Onshore Cameroon (100% equity interest)**

The Government of Cameroon has formally withdrawn the Bomono licence. Legally, we may continue to have some potential liabilities until we have had a formal licence closeout meeting with SNH. This was expected to occur during 2020 but has not been scheduled as yet due to COVID-19 and other time constraints. Updates will be provided as and when appropriate.

#### **Volumetric Update**

P50 (C2) net contingent resources to Bowleven on the current 25% licence interest are 61 mmmboe following the Resource reassessment undertaken by D&M in late 2019. The next resource update is likely to be undertaken as part of the field development plan process to formerly re-categorise Etinde IM field Contingent Resources to Reserves. Following completion of the seismic reprocessing of the IC and IE areas, later in 2021 or thereafter, there may be an associated update to the contingent resources of those fields as well.

#### **FINANCE REVIEW**

The Group reports a loss of \$0.9 million (H1 2019: loss \$1.4 million) for the six months ended 31 December 2020.

The Group's current G&A charge was \$1.3 million compared to \$2.3 million for the equivalent period last year. This includes \$0.4 million of G&A costs relating to the Etinde project (H1 2019: \$0.5 million) charged by the Operator. This represents a decrease of \$0.9 million on Bowleven controllable G&A expenditure in the first half of FY2020/21 compared to the equivalent period last year in line with our strong focus on cost control.

The reduction in the Etinde Opex cost recharge from the Operator is principally due to lower corporate activity combined with cost reductions due to office closures following COVID-19 lockdown measures in Cameroon and the UK. In addition, Expat staff based in Cameroon were repatriated throughout the period.

Bowleven is likely to incur slightly higher costs going forward reflecting both our in-house activity and the Etinde Operators G&A relating to the pre-FID Etinde development project.

Finance income comprises interest and dividend income of \$0.1 million (H1 2019: \$0.2 million), foreign exchange gain of \$0.2 million (H1 2019: gain \$0.2 million) and a mark to market gain of \$0.1 million (H1 2019: gain \$0.6 million) arising from the revaluation of the

Group's financial investment.

Capital expenditure cash flows during the 6 month period were \$1.8 million (H1 2019: \$0 million) all of which relates to Bowleven's share of the Etinde geological and FEED related project expenditure recharged by the Operator.

The main elements of FEED expenditure incurred during the calendar year 2020 after allowing for the forecast costs to complete in early 2021 was around \$12.5 million in total, which is less than budgeted and broadly in agreement with the approved project AFEs. Bowleven's total share of the main FEED elements will be around \$3.1 million in total. Environmental and pipeline route studies alongside reservoir engineering and geological risk mitigation studies and development of the field drilling plan concepts added a further c\$4 million of FEED related capital expenditure during this calendar year.

At 31 December 2020, Bowleven had \$6.4 million of cash and cash equivalents and no debt (H1 2019: \$10.9 million and no debt) plus \$nil (H1 2019: \$0.5 million) of bank deposits relating to security for bank guarantees issued in respect of the Bomono licence. Bowleven continues to own \$2.1 million of financial investment in preference shares (H1 2019: \$2.2 million), which generates a reasonable financial return at relatively low investment risk.

Under the terms of the Etinde farm-out transaction 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 the sanctioning of the Etinde project.

## OUTLOOK

During the remainder of 2021, the Group expects to continue to work alongside the other Etinde JV partners, exploring both commercial opportunities and related development engineering designs and costs, with a view to having a sufficiently detailed, costed development plan to reach FID. The level of capital expenditure is expected to remain at a relatively low level during 2021, although it may well increase later in the year as we approach FID. Such costs will be associated with the preparation of legal agreements, the revised field development plan and project finance documentation.

## PRINCIPAL RISKS AND UNCERTAINTIES

The ultimate development of the Etinde wet gas and light oil discoveries is likely to be technically and commercially dependent on the extent to which the JV will be able to fully utilise the volume of gas potentially produced by onshore processing of the production gas and liquids as this is the most significant controlling factor, which governs project NPV. The most significant associated risks are:

- Raising sufficient debt and equity finance by both Bowleven and our JV partners, to finance the initial cost of the development,
- Sufficiency of gas reinjection and recycling,
- Domestic market demand for natural gas and the ability to monetise this demand,
- Commercial terms and government permission to export gas, and
- Governmental approval of a revised field development plan.

Finalising the Bomono licence hand back may give rise to a potential charge(s) being levied by SNH.

## RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge, 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**  
**29 March 2021**

## GROUP INCOME STATEMENTS

| 6 months<br>ending<br>31 December<br>2020 | 6 months<br>ending<br>31 December<br>2019 | Year ending<br>30 June<br>2020 |
|---|---|--------------------------------|
|---|---|--------------------------------|

|   | (unaudited)<br>\$000 | (unaudited)<br>\$000 | (audited)<br>\$000 |
|---|----------------------|----------------------|--------------------|
| Revenue   | -                    | -                    | -                  |
| Administrative expenses   | (1,284)              | (2,399)              | (3,260)            |
| Impairment  | -                    | -                    | -                  |
| Operating loss before financing   | (1,284)              | (2,399)              | (3,260)            |
| Finance and other income  | 350                  | 1,022                | 635                |
| Loss from operations before taxation                                      | (934)                | (1,377)              | (2,625)            |
| Taxation  | -                    | -                    | -                  |
| <b>Loss for the period/year from continuing operations</b>                | <b>(934)</b>         | <b>(1,377)</b>       | <b>(2,625)</b>     |
| Basic and diluted loss per share<br>(\$/share) from continuing operations | (0.00)               | (0.00)               | (0.01)             |

## GROUP STATEMENTS OF COMPREHENSIVE INCOME

|   | 6 months<br>ended<br>31 December<br>2020<br>(unaudited)<br>\$000 | 6 months<br>ended<br>31 December<br>2019<br>(unaudited)<br>\$000 | Year ended<br>30 June<br>2020<br>(audited)<br>\$000 |
|---|--|--|---|
| Loss for the year                                   | (934)  | (1,377)  | (2,625)   |
| Prior year adjustment - IFRS 16 adoption            | -  | -  | (5)   |
| <b>Total comprehensive loss for the period/year</b> | <b>(934)</b>   | <b>(1,377)</b>   | <b>(2,630)</b>                                      |

## GROUP BALANCE SHEETS

|                                  | 31 December<br>2020<br>(unaudited)<br>\$000 | 31 December<br>2019<br>(unaudited)<br>\$000 | 30 June<br>2020<br>(audited)<br>\$000 |
|----------------------------------|---|---|---------------------------------------|
| <b>Non-current assets</b>        |   |   |                                       |
| Intangible exploration assets    | 153,749                                     | 150,646                                     | 152,104                               |
| Property, plant and equipment    | 58  | 18  | 67                                    |
|                                  | <b>153,807</b>                              | <b>150,664</b>                              | <b>152,171</b>                        |
| <b>Current assets</b>            |   |   |                                       |
| Financial investments            | 2,133                                       | 2,284                                       | 2,010                                 |
| Inventory                        | 2,577                                       | 1,545                                       | 2,577                                 |
| Trade and other receivables      | 1,165                                       | 1,253                                       | 1,272                                 |
| Bank deposits                    | -   | 500   | -                                     |
| Cash and cash equivalents        | 6,409                                       | 10,927                                      | 9,102                                 |
|                                  | 12,284                                      | 16,509                                      | 14,961                                |
| <b>Total assets</b>              | <b>166,091</b>                              | <b>167,173</b>                              | <b>167,132</b>                        |
| <b>Current liabilities</b>       |   |   |                                       |
| Trade and other payables         | (1,339)                                     | (365)                                       | (1,478)                               |
| Lease liabilities                | (13)  | -   | (34)                                  |
| <b>Total current liabilities</b> | <b>(1,352)</b>                              | <b>(365)</b>                                | <b>(1,512)</b>                        |
| <b>Long-term Liabilities</b>     |   |   |                                       |
| Lease liabilities                | (2)   | -   | (2)                                   |
| <b>Total liabilities</b>         | <b>(1,354)</b>                              | <b>(365)</b>                                | <b>(1,514)</b>                        |
| <b>Net assets</b>                | <b>164,737</b>                              | <b>166,808</b>                              | <b>165,618</b>                        |
| <b>Equity</b>                    |   |   |                                       |
| Called-up share capital          | 56,517                                      | 56,517                                      | 56,517                                |
| Share premium                    | 1,599                                       | 1,599                                       | 1,599                                 |
| Foreign exchange reserve         | (69,857)                                    | (69,857)                                    | (69,857)                              |
| Other reserves                   | 2,631                                       | 2,706                                       | 2,927                                 |
| Retained earnings                | 173,847                                     | 175,843                                     | 174,432                               |
| <b>Total equity</b>              | <b>164,737</b>                              | <b>166,808</b>                              | <b>165,618</b>                        |

## GROUP CASH FLOW STATEMENT

|   | 6 months ended<br>31 December<br>2020<br>(unaudited)<br>\$000 | 6 months ended<br>31 December<br>2019<br>(unaudited)<br>\$000 | Year ended<br>30 June<br>2020<br>(audited)<br>\$000 |
|---|---|---|---|
| <b>Cash Flows from Operating Activities</b>   |   |   |   |
| Loss before tax   | (934)   | (1,377)   | (2,625)   |
| <i>Adjustments to reconcile Company loss before tax to net cash used in operating activities:</i> |   |   |   |
| Depreciation of property, plant and equipment   | 27  | 5   | 50  |
| Non-cash operating costs  | 20  | 216   | -   |
| Finance (income)  | (350)   | (1,015)   | (635)   |
| Equity-settled share-based payment transactions   | 53  | 62  | 112   |
| Profit on disposal of financial investments   | -   | (7)   | (7)   |
| Loss on disposal of fixed assets  | -   | (3)   | (3)   |
| <b>Adjusted loss before tax prior to changes in working capital</b>                               | <b>(1,184)</b>  | <b>(2,119)</b>  | <b>(3,108)</b>                                      |
| Decrease/(increase) in trade and other receivables  | 13  | (48)  | 58  |
| Decrease/(increase) in trade and other payables   | 224   | (105)   | (23)  |
| <b>Net (Cash used) in operating activities</b>  | <b>(947)</b>  | <b>(2,272)</b>  | <b>(3,073)</b>                                      |
| <b>Cash flows used in investing activities</b>  |   |   |   |
| Proceeds from sale of Financial investments   | -   | 2,500   | 2,500   |
| Proceeds from the sale of fixed assets  | -   | 3   | -   |
| Transfer from bank deposits   | -   | -   | 500   |
| Purchase of intangible exploration assets   | (1,824)   | -   | (1,602)   |
| Purchase of property, plant and equipment   | -   | -   | (11)  |
| Dividends received from financial investments   | 110   | 149   | 259   |
| Interest received   | 8   | 65  | 87  |
| <b>Net Cash from/(used in) investing activities</b>   | <b>(1,706)</b>  | <b>2,717</b>  | <b>1,733</b>  |
| <b>Cash flows used in/from financing activities</b>   |   |   |   |
| Proceeds from issue of share capital  | -   | -   | -   |
| Lease payments  | (40)  | -   | (40)  |
| <b>Net cash flows from financing activities</b>   | <b>(40)</b>   | <b>-</b>  | <b>40</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                                       | <b>(2,693)</b>  | <b>445</b>  | <b>(1,380)</b>                                      |
| Cash and cash equivalents at the beginning of the period/year                                     | 9,102   | 10,482  | 10,482  |
| Net (decrease)/increase in cash and cash equivalents  | (2,693)   | 445   | (1,380)   |
| <b>Cash and cash equivalents at the period/year end</b>   | <b>6,409</b>  | <b>10,927</b>   | <b>9,102</b>  |

## GROUP STATEMENT OF CHANGES IN EQUITY

|  | Called-up<br>share capital<br>\$000 | Share<br>Premium<br>\$000 | Foreign<br>exchange<br>reserve<br>\$000 | Other<br>reserves<br>\$000 | Retained<br>earnings<br>\$000 | Total<br>equity<br>\$000 |
|--|-------------------------------------|---------------------------|---|----------------------------|-------------------------------|--------------------------|
| <b>At 30 June 2019</b>                           | <b>56,517</b>                       | <b>1,599</b>              | <b>(69,857)</b>                         | <b>2,354</b>               | <b>177,510</b>                | <b>168,123</b>           |
| Loss for the period                              | -                                   | -                         | -                                       | -                          | (1,377)                       | (1,377)                  |
| Other comprehensive income for the period        | -                                   | -                         | -                                       | -                          | -                             | -                        |
| <b>Total comprehensive income for the period</b> | <b>-</b>                            | <b>-</b>                  | <b>-</b>                                | <b>-</b>                   | <b>(1,377)</b>                | <b>(1,377)</b>           |
| Proceeds from issue of share capital             | -                                   | -                         | -                                       | -                          | -                             | -                        |
| Share based payments                             | -                                   | -                         | -                                       | 62                         | -                             | 62                       |
| Transfer between reserves                        | -                                   | -                         | -                                       | 290                        | (290)                         | -                        |
| <b>At 31 December 2019</b>                       | <b>56,517</b>                       | <b>1,599</b>              | <b>(69,857)</b>                         | <b>2,706</b>               | <b>175,843</b>                | <b>166,808</b>           |
| Loss for the period                              | -                                   | -                         | -                                       | -                          | (1,248)                       | (1,248)                  |
| Other comprehensive income for the period        | -                                   | -                         | -                                       | -                          | 8                             | 8                        |
| <b>Total comprehensive income for the period</b> | <b>-</b>                            | <b>-</b>                  | <b>-</b>                                | <b>-</b>                   | <b>(1,240)</b>                | <b>(1,240)</b>           |
| Special dividend                                 | -                                   | -                         | -                                       | -                          | -                             | -                        |
| Share based payments                             | -                                   | -                         | -                                       | 50                         | -                             | 50                       |
| Transfer between reserves                        | -                                   | -                         | -                                       | 171                        | (171)                         | -                        |
| <b>At 30 June 2020</b>                           | <b>56,517</b>                       | <b>1,599</b>              | <b>(69,857)</b>                         | <b>2,927</b>               | <b>174,432</b>                | <b>165,618</b>           |
| Loss for the period                              | -                                   | -                         | -                                       | -                          | (934)                         | (934)                    |
| Other comprehensive income for the period        | -                                   | -                         | -                                       | -                          | -                             | -                        |
| <b>Total comprehensive income for the period</b> | <b>-</b>                            | <b>-</b>                  | <b>-</b>                                | <b>-</b>                   | <b>(934)</b>                  | <b>(934)</b>             |
| Share based payments                             | -                                   | -                         | -                                       | 53                         | -                             | 53                       |
| Transfer between reserves                        | -                                   | -                         | -                                       | (349)                      | 349                           | -                        |

|                     |        |       |          |       |         |         |
|---------------------|--------|-------|----------|-------|---------|---------|
| At 31 December 2020 | 56,517 | 1,599 | (69,857) | 2,631 | 173,847 | 164,737 |
|---------------------|--------|-------|----------|-------|---------|---------|

## NOTES TO THE INTERIM STATEMENTS

### For the 6 months ended 31 December 2020

#### 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 2020, 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. Subsequent events

There have been no significant post balance sheet events other than the appointment of a new Director and Chairman following the retirement of the former Chairman.

#### 4. Other Notes

- a) The basic earnings per ordinary share is calculated on a loss of \$934,000 (H1 2019: loss \$1,377,000) on a weighted average of 327,465,652 (H1 2020: 327,465,652) ordinary shares.
- b) In respect of the 6 months to 31 December 2020 the diluted earnings per share is calculated on a loss of \$934,000 on 327,465,652 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 (January 2019: special dividend \$63.1 million).

#### 5. 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.

#### 6. 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](http://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 2,328km <sup>2</sup> comprising former blocks OLHP-1 and OLHP-2 onshore Cameroon; or, as the context may require, the contract area to which 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  |
| D&M                            | DeGolyer and MacNaughton, International Petroleum consultants  |
| EBT                            | employee benefit trust   |
| Etinde Permit                  | the Etinde Exploitation Authorisation (EA or EEA). The Etinde EA, granted on 29 July 2014, covers an area of approximately 461km <sup>2</sup> (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                |
| FEED                           | Front end engineering design processes. Basic Engineering which is conducted after completion of Conceptual Design or Feasibility Study. At this stage, before start of EPC (Engineering, Procurement and Construction), various studies take place to figure out technical issues and estimate rough investment cost.                     |
| 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.   |
| IM, IE, etc                    | Specific locations or areas where Miocene aged Intra-Isongo reservoirs horizons have been identified as actual or potential oil and gas condensate fields  |
| HSSE                           | Health, Safety, Security and Environmental matters   |
| IFRS                           | International Financial Reporting Standards  |
| km <sup>2</sup>                | square kilometres  |
| LNG                            | liquefied natural gas  |
| mmboc                          | million barrels of oil equivalent  |
| New Age                        | 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  |

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