8 November 2018

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 2018.

HIGHLIGHTS

Operational

Etinde, offshore Cameroon

- Ongoing operator evaluation of development options, including scope for early-stage development plans that align with the Government's preferred offtake solutions.
- Two carried appraisal well locations agreed with our partners targeting additional in-place volumes of gas and associated liquid resource; drilling commenced in May 2018 using Vantage's Topaz Driller. Programme completed in October 2018.
- The drilling results have provided an incremental resource uplift and will allow the JV partnership to better understand the asset ahead of development.

Bomono, onshore Cameroon

- In the absence of a financially compelling small scale domestic development project, it is likely that the licence for this asset will terminate in December 2018.

Corporate

- Group cash balance at 30 June 2018 of $63 million; no debt. No outstanding work programme commitments.
- Investment of $19 million in publicly traded limited partnership interests and debt.
- Under the Etinde transaction, access to $25 million at FID.
- Significant reduction in general and administration (G&A) cost.

Outlook

Key objectives are to continue to deliver on our revised strategy in FY2019 which includes:

- Ongoing focus maintaining the reduction in G&A costs in FY2019.
- Ensuring our capital is rigorously guarded to maximise value of every dollar invested for our shareholders.
- Working with our partners on Etinde development options with the aim of Etinde project FID in FY2019.

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

"The completion of the Etinde appraisal programme, for which Bowleven was fully carried, is the latest milestone in the process of understanding and monetising our core asset. The successful delineation of the gas/water contact and the potential resource uplift has further derisked Etinde as we work with our partners to identify the best development option.

Our focus in 2019 will be in further progressing Etinde whilst maintaining a robust balance sheet and lean corporate structure to deliver maximum value for shareholders."

ENQUIRIES

For further information, please contact:

Bowleven plc	
Eli Chahin, Chief Executive	00 44 131 524 5678
Celicourt Communications Ltd	
Mark Antelme	00 44 207 520 9261
Henry Lerwill	
Stockdale Securities Ltd (NOMAD and Broker)	
Robert Finlay	00 44 207 601 6100
Antonio Bossi	
David Coaten	

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 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 assets in Cameroon, whilst maintaining capital discipline and employing a rigorously selective approach to other value-enhancing opportunities.

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:

1. The technical information in this release has been reviewed by Dr Michael Clancy, who is a qualified person for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Dr Michael Clancy, Reserves Engineering consultant for Bowleven plc, is a Petroleum Engineer with more than 30 years oil and gas industry experience and is a member of the Society of Petroleum Engineers.
2. The information in this release reflects the views and opinions of Bowleven and has not been reviewed in advance by its joint venture partners.

CHAIRMAN'S REVIEW

Dear Shareholder,

In 2018 we adhered strictly to the cost, expense and cash maintenance principles we installed following the changes to the Board. We also pursued our goal of progressing the Etinde opportunity.

The stated objectives articulated in the previous year's Annual Report have been delivered in as far as the strategic, financial, organisational and operational milestones. As for Etinde, after a few years of anticipation, two appraisal wells were finally drilled in the 2018 calendar year. Despite some disappointment on the targeted results anticipated from the appraisal drilling campaign, we continue to believe in the merits of the various development plans currently under consideration. The Board has a keen desire to accelerate shareholder returns.

Key Stakeholder Dialogue

The Board is tasked with ensuring dialogue with key constituents. These include appreciating shareholder goals, challenging upstream partners on the field asset development plans, liaising with host country authorities on building consensus and encouraging communication with the capital markets to better understand the Company's value proposition. The Board is confident it can achieve these goals.

Etinde development plan evolution

A key component of the Company's value proposition is the need to ensure the Etinde field development plan is commensurate with the appraisal drilling results, project deliverability and a risk-adjusted return. In light of the contingent resource shortfall to underpin a new build FLNG offtake, there are a few alternatives which are currently being assessed in consultations with various stakeholders, including our host government.

Continued financial strength

The Board's vigilance on capital deployment and cost control is key to our successful transformation of the business. The legacy of value destruction in recent years is a poignant reminder of the desire to deliver results. The current principles to use our capital are:

(a) to preserve a 'pay to play' option on the development of Etinde surface infrastructure once FID has been secured. Once we have a better view of what FID will look like, we will know the required cash needs of the Company and what amount could be returned to shareholders; and

(b) to earn a better risk adjusted return on our cash reserves to cover much of our G&A costs.

We have the processes and procedures in place to allocate our cash towards investments commensurate with our risk-return hurdles, liquidity and other criteria that keep intact the strength of our balance sheet. After obtaining a satisfactory return on the few bond investments we made in the oil and gas sector, now with US treasuries providing attractive returns, US treasuries are currently the home for nearly all of the portfolio.

Governance effectiveness

In the current circumstances the Directors do not deem it appropriate to have the size of Board that Bowleven has had in the past, being mindful that this did not mitigate the historic value destruction that resulted during that period of stewardship. Given the non-operator status at the Etinde JV, the downsized operations, the in-house requisite skills, and the key objective of cost control, this smaller Board composition is likely to continue.
As a small, focused management team, Bowleven encourages direct, open and critical communication from its employees. Our offices in London are 'open-plan' which provides ease in communication, interaction and mutual oversight. We require that each employee and contractor comply with all applicable laws. This small, collegial, interactive team creates a mutual monitoring which lowers the risk of any such violations.

The Board and the new executive team recognise the need to accelerate the value creation process from Etinde, to keep costs down, and to secure a satisfactory return on its liquid assets to maintain capital strength. We have listened to shareholders across the spectrum and think our strategy and actions are aligned with the views of the vast majority. We hope in reading our Annual Report you will share this view as well. The small executive team in place has adapted well and the delivery to date deserves appreciation for the contribution they have made to the Company.

Matt McDonald
Chairman
7 November 2018

CHIEF EXECUTIVE'S REVIEW

Ensuring an Economically Robust and Value Realising Development Plan

The improving macro environment, in particular the rising hydrocarbon prices during 2018, means Bowleven is better positioned to capitalise on the cyclical upturn. This improved outlook is also due to the successful transition the business has been through, adopting a fit for purpose operating model that is better aligned to delivering shareholder value.

The Etinde appraisal drilling programme that commenced in late May 2018, was completed at a very low cost, due to rig rates being at an unprecedented low. The Etinde JV benefitted from Tier 1 contractors who had best in class technical expertise, geographical experience and an excellent health and safety record to ensure the budgets and timeframe were achieved. As a result, the $40 million net carry covered the cost of drilling. The operator currently forecasts that the financial value of Bowleven's carry will actually be around $20 million due to the combination of lower cost than expected in 2015 and a reduced level of well testing than planned.

The Etinde JV drilling campaign targeted an additional 1-2 tcf of resource to the existing 1 tcf in place. Whilst the IM-6 well result did not materially increase the resource estimates, it did achieve a key objective of delineating the wet gas/water contact location within the Intra Isongo 410 sand reservoir, providing the JV with crucial understanding ahead of future development.

Alongside the anticipated target outcome for IE-4, the likely addition to the contingent resource base of c 1.1 tcf is an appreciable resource uplift. The IE-4 well was drilled in close proximity to the previous IE-3 well which had indicated the presence of hydrocarbons and a success case is eagerly anticipated to provide further uplift.

The interpretation of the data obtained from the appraisal programme derisks the resource estimate and enables a progressive evaluation of the Etinde reservoir. This will ensure an economically robust and value realising development plan. As the Etinde JV Operator completes the necessary studies, the plans initially envisaged for floating liquefied natural gas (FLNG) will require re-assessment. The JV may explore options involving a reduced surface infrastructure and an investment case that requires less capex funding. This may leave FLNG as a medium-term gas export solution whilst the other near-term development phases are agreed with the Etinde JV stakeholders.

The outcome of the drilling campaign to date validates the importance of the Board's determination to maintain a derisked corporate strategy, a strong balance sheet, and focus on securing a FID in 2019, warranting a receipt of the additional $25 million to Bowleven.

Throughout 2018, the Company has been focused on the various work-streams within the Etinde JV. The key deliverables for the remainder of the year and into 2019 are: the completion of the appraisal drilling programme, data testing, the sanctioning of a reservoir-fit development project, front end engineering and design (FEED) studies and detailed engineering, contracting, and funding. All the Etinde upstream partners will be measured by the successful agreement and execution of these key milestones.

Attention has also been paid to the Bomono licence. We have actively considered developing a small scale gas to power generation scheme using the discovered resources in conjunction with a significant international partner without success. In light of the existing PSC licence terminating in December 2018, we consider it likely that the asset will return to the Government, although discussions with the regulator, SNH, continue.

Operationally, with a significantly reduced headcount, we have positioned a credible network of commercial and technical capabilities to ensure we have continued access to the requisite skills and knowledge to manage Etinde. External advisors support our review of Etinde and assist us in undertaking assessments on optionality, which is an important catalyst to the Company share price.

Commencing in 2018 the Board agreed a policy of apportioning a moderate percentage of our cash resources to make investments in publically traded debt instruments and equity in the form of limited partnership structures along the oil and gas value chain, with the principle objective of achieving higher return on capital to cover the Company's annual G&A expenses.These investments were predominantly in listed or quoted entities with a typical capitalisation in excess of US$200 million.

As the Company focuses increasingly on a development plan commensurate with the reserves in place, our operating model will transition towards organic cash generation in the coming years. The current Company structure and the nascent stage of the Etinde development cycle does not at this stage warrant a costly corporate overhead structure.

Outlook

After many years of little meaningful activity, 2018 has seen the Company gain significant momentum with the completion of the long-touted appraisal programme. The Company successfully captured the bottom of the drill cost cycle and the programme has been executed flawlessly. At this point in the asset life cycle, the results of the IE-4 and IM-6 wells appear to have fallen short of the incremental resource expected to deliver a standalone new build FLNG development. The necessary studies on the data obtained will undoubtedly provide some uplift to a significant resource that is already in place. The next stage of the Etinde evolution is to increase our 2C contingent resources, obtain FID on a revised development plan, secure surface capex funding, and generate project cash flows.

The scale of this ambition cannot be overestimated however, under the new management team, the transformative 2018 has not been insignificant in terms of protecting shareholder value. The Group's loss after tax has been substantially reduced to $7.0 million. Going forward, management is motivated to deliver a break-even result for the Group in 2019 supported by the prudent investment of funds.

An unleveraged balance sheet, strong cash position, a proven high quality asset and progress towards development planning within the Etinde JV all bodes well for another transformational year in 2019. The commercial opportunity with the already discovered hydrocarbons is exciting. And with the continued support of our staff, upstream partners, contractors, Government entities and drilling service providers, we look forward to another promising year ahead.

Eli Chahin
Chief Executive Officer
7 November 2018

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	2018 $000	2017 $000
Revenue	-	-
Administrative expenses	(6,294)	(11,720)
Impairment charge	-	(45,589)
Operating loss before financing costs	(6,294)	(57,309)
Finance and other (expense)/income	(748)	3,617
Loss from continuing operations before taxation	(7,042)	(53,692)
Taxation	-	-
Loss for the year from continuing operations	**(7,042)**	**(53,692)**
Loss attributable to:		
Owners of the parent undertaking	(7,042)	(53,692)
Basic and diluted loss per share ($/share) from continuing operations	(0.02)	(0.17)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

Group

	2018 $000	2017 $000
Loss for the year	(7,042)	(53,692)
Other Comprehensive Income:		
Items that will be reclassified to profit and loss:		
Currency translation differences	1,986	(3,183)
Total comprehensive loss for the year	**(5,056)**	**(56,875)**
Attributable to:		
Owners of the parent undertaking	(5,056)	(56,875)

Company

	2018 $000	2017 $000
Loss for the year	**(3,821)**	(49,460)
Other Comprehensive Income:		
Items that will be reclassified to profit and loss:		
Currency translation differences	6,937	(7,905)
Total comprehensive loss for the year	**3,116**	**(57,365)**

GROUP BALANCE SHEET

30 JUNE 2018

	2018 $000	2017 $000
Non-current assets		
Intangible exploration assets	199,712	172,698
Property, plant and equipment	39	177
	199,751	172,875
Current assets		
Financial investments	19,073	-
Inventory	746	2,353
Trade and other receivables	2,903	2,242
Deferred consideration	12,984	39,679
Bank deposits	500	500
Cash and cash equivalents	62,734	85,307
	98,940	130,081
Total assets	**298,691**	**302,956**
Current liabilities		
Trade and other payables	(1,066)	(1,511)
Total liabilities	**(1,066)**	**(1,511)**
Net assets	**297,625**	**301,445**
Equity		
Called-up share capital	56,517	56,186
Share premium	1,599	861
Foreign exchange reserve	(69,857)	(71,843)
Other reserves	1,076	4,730
Retained earnings	308,290	311,511
Total equity	**297,625**	**301,445**
Attributable to:		
Owners of the parent undertaking	297,625	301,445
Total equity	**297,625**	**301,445**

COMPANY BALANCE SHEET

30 JUNE 2018

	2018 $000	2017 $000
Non-current assets		
Property, plant and equipment	36	171
Investments	221,758	216,602
	221,794	216,773
Current assets		
Financial investments	19,073	-
Trade and other receivables	3,216	1,180
Bank deposits	500	500
Cash and cash equivalents	62,700	84,936
	85,489	86,616
Total assets	**307,283**	**303,389**
Current Liabilities		
Trade and other payables	(539)	(997)
Total Liabilities	**(539)**	**(997)**
Net assets	**306,744**	**302,392**
Equity		
Called-up share capital	56,517	56,186
Share premium	1,599	861
Foreign exchange reserve	(147,715)	(154,652)
Other reserves	(2,446)	1,246
Retained earnings	398,789	398,751
Total equity	**306,744**	**302,392**

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 result for the Company for the year was a loss of $3,821,000 (2017: loss of $49,460,000).

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	2018 $000	2017 $000
Cash flows from operating activities		
Loss before tax	**(7,042)**	**(53,692)**
Adjustments to reconcile Group loss before tax to net cash used in operating activities:		
Depreciation of property, plant and equipment	88	249
Impairment charge	-	45,589
Inventory impairment	1,607	-
Finance expense/(income)	748	(3,617)
Equity-settled share based payment transactions	167	802
Loss on sale of property, plant and equipment	17	310
Adjusted loss before tax prior to changes in working capital	**(4,415)**	**(10,359)**
Decrease in inventory	-	1,297
(Increase)/decrease in trade and other receivables	(629)	1,209
(Decrease) in trade and other payables	(445)	(246)
Exchange differences	(418)	93
Net cash used in operating activities	**(5,907)**	**(8,006)**
Cash flows (used in)/from investing activities		
Net proceeds from deferred consideration arising from sale of intangible exploration assets in prior years	-	15,000
Purchases of property, plant and equipment	(6)	(292)
Purchases of intangible exploration assets	(319)	(5,675)
Purchases of financial investments	(19,075)	-
Receipts from sale of property, plant and equipment	91	443
Dividends received	194	-
Interest received	1,262	659
Net cash (used in)/from investing activities	**(17,853)**	**10,135**
Cash flows from/(used in) financing activities		
Proceeds from issue of share capital	1,069	1,543
Purchase of Treasury shares	-	(2,566)
Shares purchased by EBT	-	(3,434)
Net cash Flows from/(used in) financing activities	**1,069**	**(4,457)**
Net decrease in cash and cash equivalents	**(22,691)**	**(2,328)**
Cash and cash equivalents at the beginning of the year	85,307	88,026
Effect of exchange rates on cash and cash equivalents	118	(391)
Net decrease in cash and cash equivalents	(22,691)	(2,328)
Cash and cash equivalents at the year end	**62,734**	**85,307**

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	2018 $000	2017 $000
Cash Flows from Operating Activities		
Loss before tax	**(3,821)**	**(49,460)**
Adjustments to reconcile Company loss before tax to net cash used in operating activities:		
Depreciation of property, plant and equipment	86	236
Impairment of investment	-	58,147
Finance expense/(income)	417	(3,609)
Equity-settled share based payment transactions	167	753
Dividend received	-	(15,000)
Loss on disposal of fixed assets	61	264
Adjusted loss before tax prior to changes in working capital	**(3,090)**	**(8,669)**
(Increase)/decrease in trade and other receivables	(1,832)	578
Decrease in trade and other payables	(459)	(278)
Exchange differences	(418)	73
Net (Cash used) in operating activities	**(5,799)**	**(8,296)**
Cash flows (used in)/from investing activities		
Dividend from subsidiary undertaking	-	15,000
Purchases of financial investments	(19,075)	
Proceeds from the sale of fixed assets	-	11
Funding to subsidiaries by investment in ordinary shares	-	(4,635)
Loan to subsidiary in respect of Employee Benefit Trust funding	-	(2,715)
Purchases of property, plant and equipment	(5)	(291)
Dividends received from financial investments	194	-
Interest received	1,262	659
Net Cash (used in)/from investing activities	**(17,624)**	**8,029**
Cash flows from/(used in) financing activities		
Proceeds from issue of share capital	1,069	1,543
Purchase of treasury shares	-	(2,566)
Net cash flows from/(used in) financing activities	**1,069**	**(1,023)**
Net decrease in cash and cash equivalents	**(22,354)**	**(1,290)**
Cash and cash equivalents at the beginning of the year	84,936	86,605
Effect of exchange rates on cash and cash equivalents	118	(379)
Net decrease in cash and cash equivalents	(22,354)	(1,290)
Cash and cash equivalents at the year end	**62,700**	**84,936**

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Called-up 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 interests $000	Total equity $000
At 1 July 2016	**55,504**	**-**	**(68,660)**	**15,102**	**359,998**	**361,944**	**31**	**361,975**
Loss for the year	-	-	-	-	(53,692)	(53,692)	-	(53,692)
Other comprehensive income for the year	-	-	(3,183)	-	-	(3,183)	-	(3,183)
Total comprehensive income for the year	**-**	**-**	**(3,183)**	**-**	**(53,692)**	**(56,875)**	**-**	**(56,875)**
Proceeds from issue of share capital	682	861	-	-	-	1,543	-	1,543
Share based payments	-	-	-	802	-	802	-	802
Transfer between reserves	-	-	-	(6,788)	6,819	31	(31)	-
Transfer from EBT reserve	-	-	-	1,614	(1,614)	-	-	-
Purchase of Treasury shares	-	-	-	(2,566)	-	(2,566)	-	(2,566)
Shares purchased by EBT	-	-	-	(3,434)	-	(3,434)	-	(3,434)
At 30 June 2017	**56,186**	**861**	**(71,843)**	**4,730**	**311,511**	**301,445**	**-**	**301,445**
Loss for the year	-	-	-	-	(7,042)	(7,042)	-	(7,042)
Other comprehensive income for the year	-	-	1,986	-	-	1,986	-	1,986
Total comprehensive income for the year	**-**	**-**	**1,986**	**-**	**(7,042)**	**(5,056)**	**-**	**(5,056)**
Proceeds from issue of share capital	331	738	-	-	-	1,069	-	1,069
Share based payments	-	-	-	167	-	167	-	167
Transfer between reserves	-	-	-	(3,821)	3,821	-	-	-
At 30 June 2018	**56,517**	**1,599**	**(69,857)**	**1,076**	**308,290**	**297,625**	**-**	**297,625**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

Attributable to Owners of Parent Company	Called-up share capital $000	Share premium $000	Foreign exchange reserve $000	Other reserves $000	Retained earnings $000	Total equity $000
At 1July 2016	**55,504**	**-**	**(146,747)**	**9,798**	**443,037**	**361,592**
Loss for the year	-	-	-	-	(49,460)	(49,460)
Other comprehensive income for the year	-	-	(7,905)	-	-	(7,905)
Total comprehensive income for the year	**-**	**-**	**(7,905)**	**-**	**(49,460)**	**(57,365)**
Proceeds from issue of share capital	682	861	-	-	-	1,543
Share based payments	-	-	-	802	-	802
Purchase of Treasury shares	-	-	-	(2,566)	-	(2,566)
Transfer between reserves	-	-	-	(6,788)	6,788	-
Transfer from EBT	-	-	-		(1,614)	(1,614)
At 30 June 2017	**56,186**	**861**	**(154,652)**	**1,246**	**398,751**	**302,392**
Loss for the year	-	-	-	-	(3,821)	(3,821)
Other comprehensive income for the year	-	-	6,937	-	-	6,937
Total comprehensive income for the year	**-**	**-**	**6,937**	**-**	**(3,821)**	**3,116**
Proceeds from issue of share capital	331	738	-	-	-	1,069
Share based payments	-	-	-	167	-	167
Transfer between reserves	-	-	-	(3,859)	3,859	-
At 30 June 2018	**56,517**	**1,599**	**(147,715)**	**(2,446)**	**398,789**	**306,744**

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 30 June 2018

(1) Accounting Policies

<u>Basis of preparation</u>

The financial information in the preliminary financial statements has been extracted from the statutory accounts which 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 2018.

Change in Functional Currency
Up to 31 December 2017, the Company operated using a functional currency of GB Pounds. Following the completion of the Company's operations strategy review, a review of the Company's accounting policies was undertaken.As a result of the review, the Company's functional currency needed to be changed to US Dollars. As an oil and gas investment holding company, the future operations of the Company would have a very significant reduction in the size and value of the Group's UK holding company activity. As a result, expenditure in GBP has reduced significantly and the importance of USD in respect of both balance sheet and profit and loss account activities increased considerably. In addition, the Company mainly holds or has investments in USD functional currency businesses and no longer holds an appreciable amount of GBP denominated assets and liabilities. The change in functional currency was effective from 1 January 2018.

The functional currency of the Company's investments in subsidiaries and JV are USD. The presentational currency of the Group is USD.

Early Adoption of IFRS 9 'Financial Instruments'
During 2018, the Group has acquired a number of investments in debt and equity instruments for the first time, consistent with the change in Treasury investments implemented during the year. The Group has decided to adopt IFRS 9 *'Financial Instruments'* early rather than apply the accounting principles set out in IAS 39 *'Financial Instruments: Recognition and Measurement'* for this financial year and then make any necessary changes as required on adoption of IFRS 9 *'Financial Instruments'* in the subsequent accounting period.

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 19 November 2018 and will be filed with the Registrar of Companies in due course. On the statutory accounts for the year ended 30 June 2018 and 30 June 2017, the auditor gave an unqualified opinion that did not contain an emphasis of matter and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The statutory accounts for the year ended 30 June 2017 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 has sufficient funds to meet 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.

(2) 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 or warrants would have the effect of reducing the loss per share and consequently are 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 (2017: nil).
c) As at 30 June 2018 there is a current financial asset of $12.9 million (2017: $39.6 million) arising from the Etinde farm-out. The amount relates to the remaining deferred consideration relating to the appraisal drilling carry.
d) As at 30 June 2018, a contingent asset of $25 million is disclosed for the FID consideration relating to the Etinde farm-out and will be credited to intangible exploration assets once further clarity around Etinde project sanction/FID is obtained.

(3) 2018 Annual Report and Accounts

Full accounts are scheduled to be posted on 19 November to shareholders who elected to continue to receive a hard copy report and can be obtained, free of charge, at the Company's registered office, 50 Lothian Street, Edinburgh, EH3 9WJ for a period of one month. For shareholders who opted to receive the annual report electronically notification will be provided when the annual report is available to access from the company website www.bowleven.com.

GLOSSARY

ABI	Association of British Insurers
Adamantine	Adamantine Energy (Kenya) Limited, the operator of, and holder of a 50% participating interest in block 11B
AGM	annual general meeting
AIM	the market of that name operated by the London Stock Exchange
Articles of Association	the internal rules by which a company is governed
bbl	barrel of oil
bcf or bscf	billion standard cubic feet of gas
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 km² 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
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
Bowleven (Kenya) Limited / Bowleven Kenya	Bowleven (Kenya) Limited, an affiliate of the Company, incorporated in Scotland
CFA	Central African CFA Francs
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
CSOP	Company share option plan
EBT	employee enefit trust
Etinde Permit	the Etinde Exploitation Authorisation (EA) area. 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
EurOil	EurOil Limited, an indirectly wholly-owned subsidiary of Bowleven plc, incorporated in Camroon
FID	final investment decision

First Oil	First Oil Expro Limited, a private UK independent exploration and production company based in Aberdeen. On 19 February 2016 First Oil went into administration
FLNG	floating liquefied natural gas
G&A	general and administration
GIIP	gas initially in place
Government	Cameroon Government
Group	the Company and its direct and indirect subsidiaries
HSSE	health, safety, security and environment
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IM	the Isongo Marine Field area, block MLHP-7, Etinde Permit
km^2	square kilometres
LNG	liquefied natural gas
LUKOIL	LUKOIL Overseas West Project Ltd, a subsidiary undertaking of OAO LUKOIL
mmboe	million barrels of oil equivalent
mmscfd	million standard cubic feet of gas per day
NewAge	New Age (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
VOG	Victoria Oil & Gas Plc
2D	two dimensional
$ or US Dollars	United States of America Dollars
£ or GB Pounds	Great Britain Pounds Sterling