8 November 2016

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 2016.

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 combined additional in-place volumes of up to 2 tcf of gas and associated liquids at the P90 level; drilling to progress once joint venture development alignment achieved.

Bomono, onshore Cameroon

- Drilling and testing of Moambe and Zingana exploration wells completed in the period, with wells suspended pre development.
- Ongoing discussion with Cameroon authorities on the award of a Provisional Exploitation Authorisation (PEA) to enable development progression; initial plans envisage the sale of gas for power generation or domestic supply.
- Prospect inventory compiled highlighting both Tertiary and Cretaceous prospectivity.

Other

- Focus on new venture opportunities with near-term production and infrastructure-led exploration.
- Portfolio rationalisation completed with the relinquishment of frontier exploration acreage in Kenya and Zambia.

Corporate

- Group cash balance at 31 October 2016 circa $99 million; no debt. No outstanding work programme commitments.
- Under the Etinde transaction, access to further $40 million (net) carry for two appraisal wells (including testing) and $25 million at FID.

- Year-on-year reduction (23%) in administrative expenses with further reduction initiatives ongoing.
- As per interim results, $134 million impairment/unsuccessful exploration charge following prolonged market downturn, reflecting revised commodity price ($65/bbl) and planning assumptions.
- Extensive screening of multiple new venture investment opportunities continues.
- Launched share buyback programme in August 2016 to purchase up to $10 million of shares with the purpose of reducing the outstanding issued share capital of the company; financial flexibility maintained.

OUTLOOK

Key objectives for the next 12 months include:

- Working with Etinde joint venture partners to determine the optimal development solution for stakeholders and enable earliest appraisal drilling and testing.
- Secure PEA for Bomono to enable development progression.
- Continue to evolve development planning, gas sales discussions and farm-out plans on Bomono.
- Active screening of new venture opportunities to augment the Group's existing asset base and build sustainability through entry into producing or near-term producing assets and infrastructure-led exploration.
- Protect balance sheet strength by maintaining a disciplined approach to further investment opportunities.

Kevin Hart, Chief Executive Officer of Bowleven plc, said:

"We have continued to make steady progress towards our objective of converting resources to reserves in Cameroon, despite the challenging macro environment.

The Etinde operator, NewAge, has prioritised advancing development plans with the Government over planned appraisal drilling activity. Bowleven remains eager to drill the two wells as soon as practicable, being covered for its share of drilling/testing via the $40 million net carry from the Etinde farm-out transaction. On Bomono, discussions are ongoing with the Cameroon authorities for a PEA to enable the progression of development activities.

The macroeconomic environment of prolonged lower oil prices has had sector-wide repercussions. The Group's strong balance sheet including $100 million in cash and no debt or outstanding work programme commitments means it is well positioned to manage the challenges faced by the industry and to exploit opportunities as they arise.

We have extensively screened multiple opportunities and the search is continuing. This is a time-consuming exercise that demands proper rigour be applied to the evaluation of any potential transaction to ensure value is created for shareholders whilst protecting our key differentiating feature of balance sheet strength.

Bowleven remains optimistic that portfolio-enhancing transactions will be identified and delivered alongside the progression of our existing asset base and we look forward to making further progress in the coming year."

ENQUIRIES

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Conference call:

Kevin Hart, Chief Executive Officer, will be hosting a conference call for analysts today at 09:00 GMT. Conference call details will be circulated separately. They can also be obtained directly from Brunswick.

A replay facility will be available from approximately 13:00 GMT today until end Monday 14th November 2016. To access this facility dial:

Replay dial-in: **+44 (0) 207 984 7568**

Replay passcode: **6535030**

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

Notes to Editors:

Bowleven is an African focused oil and gas exploration group, based in Edinburgh and traded on AIM. Bowleven's vision is to build an African focused exploration and production company focused on creating and realising material value through exploration-led organic growth and niche acquisitions. 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 Ed Willett and David Clarkson, both qualified persons for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Ed Willett, Exploration Director of Bowleven plc, is a geologist and geophysicist, a Fellow of the Geological Society (FGS) and a member of the Petroleum Exploration Society of Great Britain (PESGB) with extensive experience across a wide variety of petroleum provinces. David Clarkson, Chief Operating Officer of Bowleven plc, is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers with extensive oil and gas industry experience.
2. The information in this release reflects the views and opinions of Bowleven and has not been reviewed in advance by its joint venture partners.

CHAIRMAN'S AND CHIEF EXECUTIVE'S REVIEW

OVERVIEW

2016 has been another challenging year for the upstream oil and gas industry. The rapid decline in oil prices experienced during 2015 appears to have abated for now but this has been replaced with the view that the 'lower for longer' price scenario is the most likely macro outcome. Whilst there are suggestions of recovery this environment of prolonged weak commodity prices continues to demand ongoing industry-wide cost saving measures including substantial reductions in capital spending, with a number of upstream and service sector companies battling for survival. The resultant substantial worldwide reductions in exploration, appraisal and development activity has certainly put a strain on stakeholder relations, with Government and partner misalignment evident across much of the industry.

Bowleven, whilst in a far stronger financial position than many of its peers, is definitely not immune or insensitive to these influences. It is, as always, a challenging balancing act of maintaining an optimal fit-for-purpose, highly motivated and talented team, whilst doing everything possible to reduce the overall general and administrative (G&A) cost burden of the business. In this regard we have pared back manpower and non-essential expenditure wherever possible, resulting in a 23% year-on-year reduction in administrative expenses. We continue to address our cost base and expect further reductions in the future.

The organisation continues to be resolutely focused on the delivery of its strategy which remains a relatively straightforward one encompassing the following four key deliverables:

1. Maximise the value of Etinde by ensuring that the appraisal drilling is carried out as soon as possible and that FID is achieved quickly thereafter.
2. Secure the PEA and seek to farm-out Bomono in order to facilitate early cashflows and further appraisal/exploration activities.
3. Acquire an asset or business that provides sufficient production and associated free cash flow to cover our G&A, with continual review to ensure this is the right fit for the organisation as it evolves.
4. Find an exploration opportunity where we can deploy our existing resources with a view to creating material shareholder value through the drill-bit.

This strategy, whilst easy to write, is however proving more difficult to execute. The executive team have worked tirelessly during the course of the year, screening multiple opportunities, with many reaching advanced stages of diligence, but for a variety of reasons have failed to conclude. The Board acknowledge and thank the executive team for their high levels of energy and commitment and maintaining a positive outlook despite these disappointments.

Progress on both Bomono and Etinde in the period has been frustratingly slow. On Etinde the operator, NewAge, continues to push for a floating LNG scheme as their preferred development solution. Whilst the PSC and Exploitation Authorisation provide the right to adopt such an approach, SNH's preferred option thus far has been that the gas is first earmarked for the domestic market. While discussions continue with the Cameroon authorities, the potential for an early-stage development solution is also under consideration.

On Bomono, in December 2015, we submitted our Exploitation Authorisation Application (EAA) to both the Ministry of Mines and SNH. The legislation permits that an EA be granted for a period in excess of 25 years for a gas development and a negotiated solution has been established where a PEA may be granted to allow Bomono gas to be produced to a commercial offtake whilst further appraisal and drilling activities are executed. The process of getting all parties onside with this approach has been challenging and we now expect to have this formally agreed by the end of the year.

OPERATIONS

The Group's core value of safe, reliable operations based on the goal of 'No Incidents, No Accidents and No Harm to the environment' is expressed in all aspects of our business. In the last 12 months there were no major accidents, injuries, environmental, or security incidents recorded.

<u>Etinde Exploitation, offshore Cameroon (20% equity interest)</u>
Following the completion of the Etinde farm-out transaction, operatorship passed to NewAge who have since been focused on progressing Etinde development plans.

With a number of opportunities for gas in Cameroon and sufficient existing discovered resources on Etinde to support one initial offtake solution (fertiliser, power generation or LNG), the joint venture has been exploring all available development options.

The operator has proposed an FLNG solution and has been evaluating opportunities to utilise existing available vessels. This potential route has been highlighted to the Cameroon authorities, whose preference to utilise Etinde gas for fertiliser and gas-to-power projects, when ready, could also be supported under such a development scheme.

The joint venture is also investigating early-stage development solutions to facilitate the monetisation of the existing Etinde resource base. The combination of high well deliverability, a reduced cost environment and attractive fiscal terms means that project economics remain robust even at depressed oil price levels.

The challenging economic environment of sustained low oil prices has also affected the progress of the appraisal wells, with the allocation of joint venture capital impinging on drilling schedules.

The appraisal locations identified have the potential to add significant resources, with combined targeted un-risked P90 in-place volumes of up to 2 tcf of gas and associated liquids. Bowleven is eager to drill these wells as soon as practicable, being covered for its anticipated share of expenditure via the $40 million (net) carry. Given the upside potential identified, successful appraisal drilling could enable multiple offtake solutions for Etinde.

During the period, the joint venture undertook an exercise to reprocess the Etinde seismic data set with a focus on underpinning optimal field development.

<u>Bomono, onshore Cameroon (100% equity interest)</u>
Exploration drilling operations were completed in Q1 2016, with extended well tests carried out on the shallower reservoirs of both exploration wells prior to suspension pending development.

As previously advised, operations were impacted by the non-performance of the rig contractor during the preparation and operational phases of the drilling/testing programme and this is the subject of an ongoing arbitration process.

An EAA was submitted to the Cameroon authorities in December 2015 with clarifications sought during 2016. In the meantime, a one year extension to the exploration licence was awarded (to 12 December 2016) to enable these discussions to continue. At the recommendation of SNH, a PEA has been tabled, alongside the required request for an extension to the exploration licence. The PEA is issued under the framework of the exploration PSC, with an initial two year award envisaged followed by the opportunity to convert to a full EA award. Once granted, the PEA will enable the progression of development activities and anticipated sale of gas for either power generation or the domestic gas market.

Meanwhile, a detailed prospect inventory has been compiled for the Bomono Permit. This exercise has highlighted 146 bcf and 263 bcf of mean un-risked GIIP in the Tertiary and deeper Cretaceous reservoir intervals respectively.

Volumetric update
P50 net contingent resources are unchanged at 58 mmboe.

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

Frontier acreage: block 11B, onshore Kenya and Zambia (relinquished)
During the period, against the market backdrop of prolonged low oil prices, the Group carried out a strategic review of its asset base, in particular the higher risk, early-stage exploration acreage in Kenya and Zambia.

With a resulting preference for more mature infrastructure-led exploration opportunities in this environment, the Group decided not to progress its five block application for frontier exploration acreage in Zambia.

The Group also allowed its exploration licence in Kenya (block 11B) to lapse at expiry on 26 May 2016. With the financial obligations under the initial licence phase for this block met it was concluded that further investment in the licence was not merited. The majority of Bowleven's share of spend in Kenya was funded under a strategic partnership with First Oil.

There are no outstanding commitments in either Kenya or Zambia.

New ventures
We continue to work hard at screening new venture opportunities with a view to adding to the Group's existing asset base, in line with our Group strategy. This includes focus on near-term production to generate cashflows to cover G&A expenditure and infrastructure-led exploration opportunities that can be commercialised in the event of success. This is a very time-consuming activity which requires a substantial degree of rigour and discipline.

FINANCE

The Group has reported a loss of $129.3 million for the year ended 30 June 2016, including $122.3 million impairment charge and $11.8 million unsuccessful exploration costs (2015: $90.0 million loss; $76.0 million impairment).

As previously announced in the interim results, in the context of the challenging macro environment of prolonged lower oil prices faced by the oil and gas industry, the Group reviewed its key commodity price and planning assumptions used in assessing and calculating any impairment charge on intangible exploration assets (further detail is provided in the notes to the financials). This has resulted in impairment charges of circa $61 million each for Etinde and Bomono.

The block 11B Kenya licence expired on 26 May 2016 and all historic costs associated with the licence were written off as unsuccessful exploration costs. The majority of expenditure on block 11B was funded via an arrangement with First Oil.

The results for the year also include administrative expenses of $9.1 million (2015: $11.9 million). Finance income includes $13.5 million arising from foreign exchange movements on US cash balances under IFRS due to the parent Company's functional currency being GB Pounds (2015: loss of $2.4 million).

The Group's current G&A charge is estimated around $0.8 million per month (previous year $1.0 million per month). Managing and reducing G&A costs continues to be a priority for the Group and cost-saving initiatives continue to be implemented where appropriate.

Capital expenditure cash flows during the period were $48.2 million (2015: $35.1 million) and relate primarily to drilling and testing activities on two exploration wells on the Bomono Permit. Investing activities in the prior year included circa $160 million proceeds received from the Etinde farm-out transaction.

At 30 June 2016, Bowleven had $88.5 million of cash and bank deposits and no debt (2015: $145.3 million and no debt). Under the terms of the Etinde farm-out transaction that completed in March 2015, Bowleven received a further $15 million in cash on 30 September 2016.

The Group has no remaining work programme obligations following the completion of the two well exploration commitment on Bomono.

The Group had a cash balance of circa $99 million at 31 October 2016 and no debt. Under the terms of the Etinde farm-out transaction, Bowleven has access to a further $40 million net drilling and testing carry for two appraisal wells on Etinde (or cash alternative in 2020) and a further $25 million in cash proceeds at FID.

With a significant cash balance, the deferred consideration structure from the Etinde farm-out, and no debt or outstanding work programme commitments, the Group is well-placed to progress its strategic objectives. As the Group progresses towards the development of its assets it will continue to review all available financing options, including potential debt funding, to achieve the optimal funding mix for future activities. The Company implemented a share buyback programme in August 2016, under existing authorities granted by shareholders at the AGM on 16 December 2015, believing it to be accretive to net asset value per share whilst ensuring sufficient financial flexibility was retained to evaluate future growth options for the Group.

Bowleven has a firm financial foundation in place to support the advancement of the Group's existing asset base alongside potential portfolio enhancing opportunities and we look forward to making further progress in the coming year.

BOARD CHANGES

As planned, following the AGM in December 2015 both Ronnie Hanna and Caroline Cook stepped down from the Board, each having served nine years on the Board as Chairman of the Board and Audit Committee respectively.

In accordance with succession plans, Non-Executive Directors Billy Allan and John Martin were consecutively appointed as Chairman of the Board and Audit Committee respectively.

Following these changes the Bowleven Board compromises eight members, four Executive Directors and four Non-Executive Directors.

OUTLOOK

The near-term outlook for both Bowleven and the industry looks challenging as the imperative re-adjustment to a lower oil price environment takes precedence.

The resultant investment reduction in conventional upstream activity will, in our opinion, ultimately be reflected by a tightening of the supply/demand landscape. Should this occur and oil prices rebound, then provided we execute our strategy, Bowleven will be well-positioned to benefit from any such recovery.

Billy Allan, Chairman

Kevin Hart, Chief Executive

7 November 2016

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	2016 $'000	2015 $'000
Revenue	-	-
Administrative expenses	(9,085)	(11,868)
Impairment charge	(122,305)	(75,959)
Unsuccessful exploration costs	(11,816)	-
Operating loss before financing costs	(143,206)	(87,827)
Finance income	13,937	188
Finance costs	-	(2,380)
Loss from continuing operations before taxation	(129,269)	(90,019)
Taxation	-	-
Loss for the Year from Continuing Operations	**(129,269)**	**(90,019)**
Loss attributable to:		
Owners of the parent undertaking	(125,632)	(89,859)
Non-controlling interest	(3,637)	(160)
Basic and diluted loss per share ($/share) from continuing operations	(0.39)	(0.28)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

Group	2016 $'000	2015 $'000
Loss for the year	(129,269)	(90,019)
Other Comprehensive Income:		
Items that will be reclassified to profit and loss:		
Currency translation differences	(15,794)	1,854
Total Comprehensive Loss for the Year	**(145,063)**	**(88,165)**
Attributable to:		
Owners of the parent undertaking	(141,426)	(88,005)
Non-controlling interest	(3,637)	(160)

Company	2016 $'000	2015 $'000
Loss for the year	(57,735)	(93,687)
Other Comprehensive Income:		
Items that will be reclassified to profit and loss:		
Currency translation differences	(76,057)	(43,992)
Total Comprehensive Loss for the Year Attributable to Owners of the Parent Undertaking	**(133,792)**	**(137,679)**

GROUP BALANCE SHEET
30 JUNE 2016

	2016 $'000	2015 $'000
Non-current Assets		
Intangible exploration assets	213,669	304,662
Property, plant and equipment	853	1,896
	214,522	306,558
Current Assets		
Inventory	3,650	5,370
Trade and other receivables	2,955	6,431
Deferred consideration	54,688	54,977
Bank deposits	500	500
Cash and cash equivalents	88,026	144,751
	149,819	212,029
Total Assets	**364,341**	**518,587**
Current Liabilities		
Trade and other payables	(2,366)	(12,695)
Total Liabilities	**(2,366)**	**(12,695)**
Net Assets	**361,975**	**505,892**
Equity		
Called-up share capital	55,504	55,060
Share premium	-	-
Foreign exchange reserve	(68,660)	(52,866)
Shares held by EBT	(117)	(105)
Other reserves	15,219	15,414
Retained earnings	359,998	485,949
Total Equity	**361,944**	**503,452**
Attributable to:		
Owners of the parent undertaking	361,944	503,452
Non-controlling interest	31	2,440
Total Equity	**361,975**	**505,892**

COMPANY BALANCE SHEET

30 JUNE 2016

	2016 $'000	2015 $'000
Non-current Assets		
Property, plant and equipment	404	314
Investments	274,787	351,408
	275,191	351,722
Current Assets		
Trade and other receivables	1,084	2,116
Bank deposits	500	500
Cash and cash equivalents	86,605	141,575
	88,189	144,191
Total Assets	**363,380**	**495,913**
Current Liabilities		
Trade and other payables	(1,788)	(1,688)
Total Liabilities	**(1,788)**	**(1,688)**
Net Assets	**361,592**	**494,225**
Equity		
Called-up share capital	55,504	55,060
Share premium	-	-
Foreign exchange reserve	(146,747)	(70,690)
Other reserves	9,798	9,993
Retained earnings	443,037	499,862
Total Equity	**361,592**	**494,225**

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	2016 $'000	2015 $'000
Cash Flows from Operating Activities		
Loss before tax	(129,269)	(90,019)
Adjustments to reconcile Group loss before tax to net cash used in operating activities:		
Depreciation of property, plant and equipment	655	397
Impairment charge	122,305	75,959
Unsuccessful exploration costs	11,816	-
Finance income	(13,937)	(188)
Finance costs	-	2,380
Equity-settled share based payment transactions	1,332	1,949
Gain on sale of property, plant and equipment	21	-
Adjusted loss before tax prior to changes in working capital	(7,077)	(9,522)
Decrease in inventory	1,720	316
Increase in trade and other receivables	(423)	(1,429)
(Decrease)/Increase in trade and other payables	(807)	604
Exchange differences	(354)	(407)
Net Cash used in Operating Activities	**(6,941)**	**(10,438)**
Cash Flows (used in)/from Investing Activities		
Proceeds from sale of intangible exploration assets	-	165,000
Costs of sale of intangible exploration assets	-	(9,395)
Net proceeds from sale of intangible exploration assets	-	155,605
Receipts from working capital adjustment on sale of intangible exploration assets	-	5,083
Purchases of property, plant and equipment	(390)	(1,641)
Purchases of intangible exploration assets	(47,821)	(33,500)
Release funds on bank deposit	-	5,000
Reclassification of funds to bank deposit	-	(500)
Receipts from sale of property, plant and equipment	40	-
Receipts from sale of inventory	-	193
Interest received	450	139
Net Cash (used in)/from Investing Activities	**(47,721)**	**130,379**
Cash Flows (used in)/from Financing Activities		
Proceeds from issue of share capital	-	71
Net proceeds from issue of share capital	-	71
Shares purchased by EBT	(186)	-
Funding from non-controlling interests	-	4,323
Net Cash Flows (used in)/from Financing Activities	**(186)**	**4,394**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(54,848)**	**124,335**
Effect of exchange rates on cash and cash equivalents	(1,877)	(38)
Cash and cash equivalents at the beginning of the year	144,751	20,454
Cash and Cash Equivalents at the Year End	**88,026**	**144,751**

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	2016 $'000	2015 $'000
Cash Flows from Operating Activities		
Loss before tax	(57,735)	(93,687)
Adjustments to reconcile Company loss before tax to net cash used in operating activities:		
Depreciation of property, plant and equipment	231	234
Impairment of investment	64,148	246,000
Finance income	(14,337)	(164)
Finance costs	-	1,930
Equity-settled share based payment transactions	1,239	1,949
Dividend received	-	(164,472)
Adjusted loss before tax prior to changes in working capital	(6,454)	(8,210)
Decrease/(Increase) in trade and other receivables	910	(130)
Decrease in trade and other payables	(414)	(604)
Exchange differences	122	(6)
Net Cash used in Operating Activities	**(5,836)**	**(8,950)**
Cash Flows (used in)/from Investing Activities		
Dividend received from subsidiary undertaking	-	164,472
Funding to subsidiaries	(47,695)	(38,866)
Purchases of property, plant and equipment	(385)	(14)
Release funds on bank deposit	-	5,000
Reclassification of funds on bank deposit	-	(500)
Interest received	450	116
Net Cash (used in)/from Investing Activities	**(47,630)**	**130,208**
Cash Flows from Financing Activities		
Proceeds from issue of share capital	444	71
Net Cash Flows from Financing Activities	**444**	**71**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(53,022)**	**121,329**
Effect of exchange rates on cash and cash equivalents	(1,948)	(31)
Cash and cash equivalents at the beginning of the year	141,575	20,277
Cash and Cash Equivalents at the Year End	**86,605**	**141,575**

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Equity share capital* $'000	Foreign exchange reserve $'000	Shares held in trust $'000	Other reserves $'000	Retained earnings/ (deficit) $'000	Attributable to owners of parent company $'000	Non-controlling interests $'000	Total equity $'000
At 1 July 2014	**801,515**	**(54,720)**	**(489)**	**14,644**	**(174,730)**	**586,220**	**1,303**	**587,523**
Loss for the year	-	-	-	-	(89,859)	(89,859)	(160)	(90,019)
Other comprehensive income for the year	-	1,854	-	-	-	1,854	-	1,854
Total comprehensive income for the year	**-**	**1,854**	**-**	**-**	**(89,859)**	**(88,005)**	**(160)**	**(88,165)**
Proceeds from issue of share capital	71	-	-	-	-	71	-	71
Share based payments	-	-	-	1,949	-	1,949	-	1,949
Funding from non-controlling interests	-	-	-	-	3,026	3,026	1,297	4,323
Transfer between reserves	(746,526)	-	478	(1,464)	747,512	-	-	-
Exchange arising on transfer of EBT	-	-	32	-	-	32	-	32
Shares purchased by EBT	-	-	(126)	-	-	(126)	-	(126)
Grant of warrants	-	-	-	285	-	285	-	285
At 30 June 2015	**55,060**	**(52,866)**	**(105)**	**15,414**	**485,949**	**503,452**	**2,440**	**505,892**
Loss for the year	-	-	-	-	(125,632)	(125,632)	(3,637)	(129,269)
Other comprehensive income for the year	-	(15,794)	-	-	-	(15,794)	-	(15,794)
Total comprehensive income for the year	**-**	**(15,794)**	**-**	**-**	**(125,632)**	**(141,426)**	**(3,637)**	**(145,063)**
Proceeds from issue of share capital	444	-	(444)	-	-	-	-	-
Share based payments	-	-	-	1,332	-	1,332	-	1,332
Transfer between reserves	-	-	618	(1,527)	(319)	(1,228)	1,228	-
Shares purchased by EBT	-	-	(186)	-	-	(186)	-	(186)
At 30 June 2016	**55,504**	**(68,660)**	**(117)**	**15,219**	**359,998**	**361,944**	**31**	**361,975**

*Includes both share capital and share premium

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

Attributable to Owners of Parent Company	Equity share capital* $'000	Foreign exchange reserve $'000	Other reserves $'000	Retained earnings / (deficit) $'000	Total equity $'000
At 1 July 2014	**801,515**	**(26,698)**	**9,223**	**(153,963)**	**630,077**
Loss for the year	-	-	-	(93,687)	(93,687)
Other comprehensive income for the year	-	(43,922)	-	-	(43,992)
Total comprehensive income for the year	**-**	**(43,922)**	**-**	**(93,687)**	**(137,679)**
Proceeds from issue of share capital	71	-	-	-	71
Share based payments	-	-	1,949	-	1,949
Transfer between reserves	(746,526)	-	(1,464)	747,990	-
Transfer from EBT	-	-	-	(478)	(478)
Grant of warrants	-	-	285	-	285
At 30 June 2015	**55,060**	**(70,690)**	**9,993**	**499,862**	**494,225**
Loss for the year	-	-	-	(57,735)	(57,735)
Other comprehensive income for the year	-	(76,057)	-	-	(76,057)
Total comprehensive income for the year	**-**	**(76,057)**	**-**	**(57,735)**	**(133,792)**
Proceeds from issue of share capital	444	-	-	-	444
Share based payments	-	-	1,332	-	1,332
Transfer between reserves	-	-	(1,527)	1,527	-
Transfer from EBT	-	-	-	(617)	(617)
At 30 June 2016	**55,504**	**(146,747)**	**9,798**	**443,037**	**361,592**

*Includes both share capital and share premium

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
For the year ended 30 June 2016

(1) Accounting Policies

Basis of preparation
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 2016.

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

The disclosed figures are not statutory accounts in terms of section 434 of the Companies Act 2006. The statutory accounts give full disclosure of the Group accounting policies and are scheduled to be posted to shareholders on 21 November 2016 and will be filed with the Registrar of Companies in due course. On the statutory accounts for the year ended 30 June 2016 and 30 June 2015, 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 2015 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 (2015: nil).

c) As previously announced in the interim results at 31 December 2015, an impairment charge of circa $61 million on Etinde and circa $61 million on Bomono has been recognised following a review of the asset carrying values. In consideration of the current macroeconomic environment and prevailing market conditions in the oil and gas industry which has resulted in a prolonged period of lower global oil prices, an impairment review of the carrying value of intangible assets in the financial statements was carried out. In carrying out the impairment assessment of each asset, the recoverable amount of the asset is determined using a discounted cash flow model and is compared to the net book value of the intangible exploration asset in the financial statements. Given the market downturn, the Group’s long-term oil price assumption has been reduced to $65 per bbl from $80 per bbl (as disclosed in the annual report as at 30 June 2015). Similarly, a gas price of $7/mmscf has been utilised for Bomono, which considers the market downturn and is gauged against local market pricing in the absence of a gas sales agreement for the asset at this juncture. The impairment review resulted in impairment charges of circa $122 million being recognised in the year to 30 June 2016.

d) 30% of the shares in Bowleven (Kenya) Limited are held by First Oil. Bowleven Kenya is included in the group accounts as a subsidiary with the 30% First Oil shareholding recognised as a non-controlling interest. The licence interest in Kenya block 11B, the sole asset held in Bowleven Kenya (owned by Bowleven 70% and First Oil 30%), expired on 26 May 2016, the end of the initial phase of the exploration licence. Exploration costs of $11.8 million had been incurred on the licence ($8.8 million of which was funded by First Oil). The total carrying value of the asset ($11.8 million) has been written-off to the Income Statement as unsuccessful exploration costs.

e) As at 30 June 2016 there is a current financial asset of $54.7 million (2015: $55.0 million) arising from the Etinde farm-out. The amount relates to the deferred consideration relating to the appraisal drilling carry ($40 million) and cash payable on completion of appraisal drilling or the end of September 2016 at the latest ($15 million). The $15 million deferred cash consideration was received on 30 September 2016.

f) As at 30 June 2016, 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.

g) In the Company Balance Sheet, an impairment review of the carrying value of the investment in Bowleven Resources Limited was carried out following the impairment of the Etinde and Bomono assets in the year (both held by Bowleven Resources Limited) and unsuccessful exploration write-off for block 11B (held by Bowleven New Ventures Limited). As a result of the impairment review a charge of $60.5 million has been recognised against the investment in Bowleven Resources Limited and $3.6 million against the investment in Bowleven New Ventures Limited. This adjustment does not impact the Group results.

h) As announced, the Company initiated a share buyback programme on 19 August 2016 for a maximum aggregate consideration of up to $10 million, the purpose being to reduce the outstanding issued share capital of the Company. As at the date of this release, the Company has repurchased 2,432,614 shares into treasury, having a nominal value of £243,261. The aggregate amount of consideration paid by the Company for those shares was £662,590.

(3) 2016 Annual Report and Accounts

Full accounts are scheduled to be posted to shareholders who elected to continue to receive a hard copy report on Monday 21 November 2016 and can be obtained, free of charge, at the Company's registered office, 45 Leith Street, Edinburgh, EH1 3AT for a period of one month. 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

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
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
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
EA	Exploitation Authorisation
EAA	Exploitation Authorisation Application
E&P	exploration and production
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
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
Group	the Company and its direct and indirect subsidiaries
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
2D	two dimensional
$ or US Dollars	United States of America Dollars
£ or GB Pounds	Great Britain Pounds Sterling