

MAKING STRATEGIC PROGRESS

BOWLEVEN IS A WEST AFRICA FOCUSED OIL AND GAS EXPLORATION GROUP TRADED ON AIM SINCE 2004

Bowleven holds a 75% equity interest in the Etinde Permit, being three shallow-water blocks offshore Cameroon, West Africa: namely blocks MLHP-5, MLHP-6 and MLHP-7. The Etinde Permit covers approximately 2,316 km² of exploration acreage located across the Rio del Rey and Douala Basins. As well as contingent resources on blocks MLHP-7 and MLHP-5, the acreage has very attractive exploration potential. Bowleven also holds a 100% equity interest in the Bomono Permit, onshore Cameroon, comprising approximately 2,328 km² in the Douala Basin. Both Permits are operated by Bowleven through its wholly owned subsidiary EurOil Limited.

There is an extensive multi-well appraisal and exploration programme planned on its acreage during 2012.

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HIGHLIGHTS & OBJECTIVES

“We are pleased with the progress we have made towards our dual objectives of converting resources to reserves and further exploring the significant potential of the Douala Basin.”

HIGHLIGHTS

Operational

- Sapele-2 and Sapele-3 exploration wells encountered significant hydrocarbon intervals at multiple levels, our fourth and fifth successful wells in the Douala Basin:
 - Sapele-2 tested high quality light oil from Deep Omicron interval with a peak flow rate of 2,738 boepd;
 - Sapele-3 further extended the Deep Omicron and Epsilon fairways, with oil encountered in both intervals, 16 kilometres from the original Sapele-1 discovery well.
- Substantial upgrade of Sapele Deep Omicron in place hydrocarbon volumes following Sapele-3 well results. Deep Omicron P50 STOIP and Associated GIIP now estimated as 615 mmbbls and 1.5 tcf respectively. Resource revision ongoing.
- Significant progress made towards finalising the Etinde development concept, with the preferred approach based on a hub and spoke development.
- Jack-up rig contracted for two firm plus two optional wells on Etinde.
- 2D seismic data set on the onshore Bomono Permit acquired in 2011 now fully integrated into existing dataset and first exploration well location identified.
- 4C OBC 3D seismic acquired over parts of block MLHP-7. Interpretation to support appraisal/development activities now ongoing.

Corporate

- Equity placing in November 2011 raised \$123 million (net).
- Group cash balance \$124 million at 31 December 2011, no debt.
- Fully funded for current exploration and appraisal programme on Etinde and Bomono.
- Bomono farm-out discussions ongoing.
- EOv disposal nearing completion.

2012 OUTLOOK

- Ongoing exploration and appraisal/development activity in Cameroon is to include:
 - Further drilling activities on Etinde discoveries, with two firm wells and two contingent wells in 2012/13, beginning with IM-5 appraisal well on block MLHP-7;
 - Commencement of exploration drilling programme onshore Bomono with our first well, subject to rig availability, planned for the second half of 2012; and
 - Refinement of block MLHP-5 volumetrics for future appraisal and development wells.
- Further significant progress to be made towards development sanction on Etinde including:
 - Signature of MoU for gas sales agreement with SNH and Ferrostaal;
 - Concept selection and Pre-FEED activities for combined hub and spoke development;
 - Submission of exploitation authorisation application to be made to the Cameroon authorities; and
 - Establish development finance availability via bank debt and/or farm-out.

TAKING POSITIVE STEPS TOWARDS THE REALISATION OF OUR STRATEGY

The recent period has seen increased activity at Bowleven with drilling and evaluation operations continuing apace alongside significant work on Etinde development plans. Significant progress has been made towards the Group's two overarching near term objectives, namely:

- 1) Converting "Resources to Reserves" through the ongoing appraisal and subsequent anticipated development sanction of the IE, IF and IM discoveries on block MLHP-7 and the Sapele discoveries on block MLHP-5 of the Etinde Permit; and
- 2) Further "Exploring the Douala Basin in Cameroon" and unlocking the potential of our acreage position in this relatively unexplored area, encompassing both our onshore Bomono Permit and a substantial part of the offshore Etinde Permit.

These key objectives remain the primary focus of the business as we endeavour to create significant additional value for our stakeholders.

The high levels of operational activity in 2011, including drilling and evaluation work across both Cameroon permits, continue in 2012. We have an extensive exploration and appraisal work programme that we believe will result in further progress towards development sanction and unlocking the potential of our onshore and offshore acreage.

The operational highlights of the 2012 programme are likely to include:

- Appraisal drilling on our existing Etinde discoveries, commencing with the IM-5 well on block MLHP-7;
- Finalisation of Etinde exploitation/development concept and negotiating the terms of one or more gas sales agreements;
- Submission of the Etinde exploitation authorisation application;
- Drilling of our first exploration well, subject to rig availability, on the onshore Bomono Permit; and
- Refinement of the block MLHP-5 reservoir model to identify the potential development locations for future expansion.

RESOURCES TO RESERVES

Our activity in the period has led to a significant increase to in place hydrocarbon volumes. The Sapele-3 Deep Omicron well results have increased the fairway P50 STOIP and Associated GIP volumes to 615 mmbbls and 1.5 tcf respectively, up from 171 mmbbls and 425 bcf. Deep Omicron is now established as a stratigraphically trapped reservoir system within the Douala Basin. Estimation of likely recoverable reserves is ongoing but ultimate reserve levels will be defined by production history, well geometry and completion type.

“We look forward to what will be a significant period for Bowleven as we submit our Etinde exploitation authorisation application to the Cameroon government and continue exploratory drilling and appraisal of the Douala Basin.”

Kevin Hart
Chief Executive

Ronnie Hanna
Chairman



CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW CONTINUED

The Group remains focused on converting resources to reserves and plans significant appraisal activity across the Etinde Permit in 2012. This includes the drilling of up to four appraisal wells, commencing with the IM-5 well on block MLHP-7, and the submission of the Etinde exploitation authorisation application. The 4C OBC 3D seismic, which was acquired over a large portion of the Etinde Permit in 2011, is currently being interpreted and will support the location of the subsequent appraisal wells in the current programme.

Further volumetric updates are anticipated as appraisal and exploration activity is carried out on Etinde and Bomono respectively during 2012. The submission of a draft exploitation authorisation application for Etinde is imminent, and the Group anticipates that a final application will be made to the Cameroon authorities by the end of 2012.

In addition to the contingent resource noted above, there remains a significant prospective resource inventory across the Etinde and Bomono permits.

EXPLORING THE DOUALA BASIN

Bowleven was extremely active in the Douala Basin in 2011, drilling the four successful Sapele exploration wells on the Etinde Permit and undertaking further seismic activity both onshore (Bomono) and offshore (Etinde).

The results of the Sapele-2 and Sapele-3 wells in the second half of 2011 extended the known extent of the Deep Omicron oil bearing interval discovered by Sapele-1 and Sapele-1ST drilled earlier in the year. The Sapele-2 well, drilled to appraise the Lower and Deep Omicron intervals, was successfully completed despite compromised well bore conditions and operational issues. Drill stem tests produced high quality light oil from the Deep Omicron interval. The Sapele-3 well, located circa. 16 kilometres north-west of Sapele-1 and circa. 13 kilometres north-west of the D-1r well, encountered significant hydrocarbons at multiple levels. This significant step-out from the existing Sapele discoveries considerably extended the previously defined Deep Omicron and Epsilon fairway boundaries.

The success of the four Sapele wells demonstrates significant progress towards one of our two key objectives. It is anticipated that the appraisal and development of Deep and Lower Omicron hydrocarbons discovered in MLHP-5 will form part of the second phase of the Etinde hub and spoke development. Our discoveries in the period, in addition to the Cretaceous prospectivity drilled at Sapele-1 (for which geological and geophysical evaluation is ongoing), confirmed our belief that the Douala Basin has the potential to become a major hydrocarbon producing area in the future.

The near term Douala Basin exploration focus is onshore Bomono. Extensive seismic acquired by the Group during 2011 has now been evaluated and highlights significant resource potential on the acreage. Drilling, subject to rig availability, is planned for the second half of 2012.

OPERATIONS

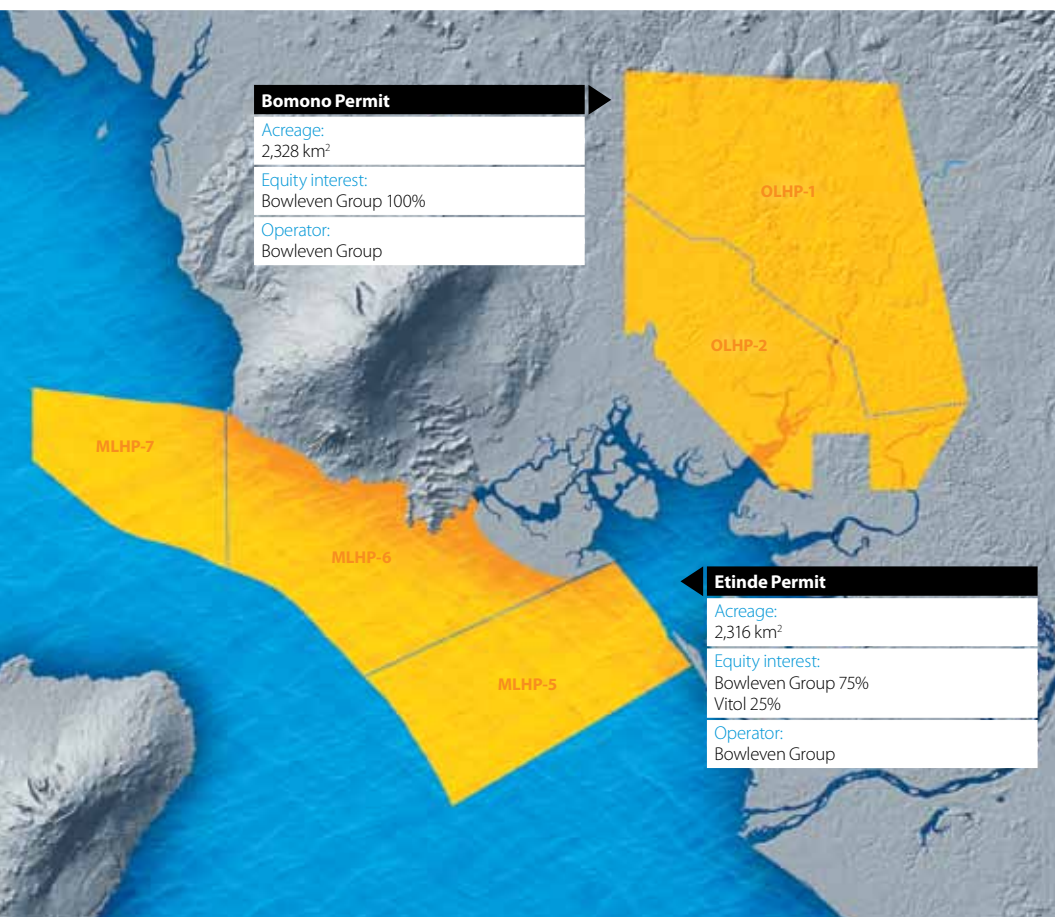
It has been an active period for the Group. Along with the appraisal and exploration activities on the shallow water Etinde Permit we also acquired further seismic data on the Bomono Permit. Preparations for the 2012 drilling campaign on Etinde and our first well on the Bomono Permit have also been ongoing in the period.

Cameroon – Etinde Permit

Drilling and Testing

Drilling and testing activity in the period centered on investigating the potential of the Group's acreage through high impact exploration wells on block MLHP-5 (Sapele). Earlier in 2010/11 Sapele-1 and Sapele-1ST wells delivered positive results and confirmed the presence of hydrocarbons in the offshore Douala Basin.





The Group remains focused on converting resources to reserves and plans significant appraisal activity across the Etinde Permit in 2012.

The Sapele-2 well was drilled to a TD of 3,479 metres in a water depth of 25 metres and encountered net hydrocarbon pay within the Deep and Lower Omicron intervals. The results of drill stem tests, producing gas and oil from both the Deep and Lower Omicron intervals, with high quality light oil at the Deep Omicron level confirmed the potential of the Omicron fairways and allowed updates to our view of in place system volumetrics.

CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW CONTINUED

The Sapele-3 well was drilled to a TD of 4,480 metres and encountered net hydrocarbon pay at the Deep Omicron interval and in the deeper Epsilon system reservoirs. Immediate testing of the Epsilon interval was not possible, as downhole temperatures exceeded the temperature rating of the available surface equipment, but gas chromatography ratio analysis and shows while drilling indicate that the sands are likely to be oil-bearing.

The drilling programme on MLHP-5 found that Lower and Deep Omicron reservoir intervals are laterally extensive/connected and are marked by substantial pressure inversions. Although this made drilling operations more difficult than anticipated, the Sapele-3 well was successfully drilled without significant formation invasion.

On 23 March 2012 Vitol, Bowleven's co-venturer in Etinde and holder of a 25% participating interest in the Permit, notified Bowleven that it will not exercise the option (which was to expire on 31 March 2012) to acquire an additional 10% participating interest in block MLHP-7.

The Etinde forward programme for 2012, for which a rig has been secured, will focus on appraisal of existing discoveries and includes two firm wells and a further two contingent wells. It is anticipated that drilling will commence mid 2012.

Our exploration of the Douala Basin continues to indicate its potential to become a major hydrocarbon producing province. This area, in combination with our earlier discoveries in Cameroon, now forms part of a permit-wide development scheme.



From the top:

1. Vantage Sapphire rig on block MLHP-5, with Noble Tommy Craighead rig in background.
2. Monitoring data acquisition onboard 3D seismic vessel, on operation on Etinde Permit.



Seismic

Processing of data from the 3D 4C OBC development seismic acquired over parts of Etinde Permit was completed in early 2012. The data, covering both IE and IF fields, has improved imaging through the IF gas chimney and volcanic carapace above the IE field. Interpretation is ongoing and combining the results of this with the existing dynamic reservoir model over IE will allow the selection of the optimal appraisal drilling locations for the current programme.

Appraisal/Development

In addition to further appraisal activities on MLHP-7 (including processing of 3D 4C OBC seismic mentioned above), significant progress has been made towards finalising the preferred Etinde development concept. A hub and spoke development with processing facilities onshore (the hub) linked to offshore producing wells (the spokes) is the preferred concept. Importantly, this route will allow phased development across different blocks of the Etinde Permit, potentially facilitating early liquids production and also allowing more spokes to be added as further discoveries are made. The hub and spoke concept is integral to the draft exploitation authorisation, which the group will be submitting to the Cameroon authorities imminently.

Cameroon Gas Monetization

With significant volumes of gas present across the Permit, in addition to the multiple liquids discoveries, it is recognised that identifying a route for the gas is key to optimising future development plans for the liquids. With this in mind a number of solutions for the sale of gas to a third party (supplied through the hub and spoke development concept) have been advanced.

The sale of gas to a proposed fertilizer plant is being actively pursued, with Bowleven expecting to sign a MoU for a ten year supply of gas with the owner/operator of the plant (Ferrostaal and SNH) imminently, allowing FEED sanction for the plant in 2012. A gas sales term sheet is also under discussion and is expected to complete mid 2012. It is envisaged that the IE and IM fields on block MLHP-7 will be key potential contributors to the proposed scheme and first gas delivery is anticipated in 2015.

The existing GDF Suez and SNH initiative to advance the monetisation of the substantial undeveloped gas resource within Cameroon via an in-country gas aggregation scheme to supply a LNG facility continues to progress. Following the agreement of a term sheet, covering the sale and purchase of gas, commercial negotiations between the partners are expected to commence shortly with FEED sanction scheduled for 2013.

In addition, alternative in-house potential solutions (including a methanol plant, a small-scale LNG plant and gas reinjection) are being considered in parallel with the third party led solutions mentioned above.

Cameroon – Bomono Permit

Processing and interpretation of 2D seismic over the Bomono Permit, onshore Douala Basin, was completed in the period and results reveal multiple Tertiary and Cretaceous prospects and leads. Planning and preparation for drilling activities is advanced, with the first exploration well, subject to rig availability, planned for the second half of 2012. Planning for immediate follow up appraisal wells is also ongoing. The Group is also in discussions regarding a farm-out in respect of part of its interest in the Bomono Permit.

CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW CONTINUED

Gabon – EOY Permit

Agreement with a third party for disposal of the Group's entire interest in the EOY Permit, offshore Gabon, remains in place. We continue to engage with the various authorities in Gabon in order to formalise the disposal and completion is currently anticipated in the first half of 2012.

Proceeds are expected to include a cash consideration of \$35 million and a working capital adjustment from the effective date of the transaction.

Gabon – Epaemeno Permit

The Epaemeno Permit, onshore Gabon, has been formally relinquished following a joint technical review of prospectivity carried out by the Operator and Bowleven.

Possible Offer

On 17 February 2012 Dragon Oil Plc announced that it was in the preliminary stages of exploring a possible offer for the Company. On 28 February 2012, 11 days after its initial announcement, Dragon Oil announced that it was no longer exploring making an offer for the Company. Bowleven did not hold detailed discussions with Dragon Oil and no due diligence information was provided during the potential offer period.

We have an extensive exploration and appraisal work programme that we believe will result in further progress towards development sanction and unlocking the potential of our onshore and offshore acreage.

New Ventures/Farm-Out Opportunities

Bowleven continues to review potential opportunities to acquire additional acreage in Africa, and to review farm-out opportunities to optimise the exploitation of its overall portfolio for shareholders.

FINANCE

The Group has reported a loss of \$5.5 million for the six months ended 31 December 2011 (H1 2010: loss of \$15.7 million). The results for the period include net finance income, arising principally on intra-group funding, of \$3.0 million (H1 2010: net finance costs of \$8.0 million) offset by administrative expenses of \$4.9 million (H1 2010: \$7.7 million) and unsuccessful exploration costs of \$3.6 million (relating to the relinquishment of the Epaemeno acreage in Gabon).

On 8 November 2011, Bowleven issued 77.5 million ordinary shares at a price of £1.03 per share, raising net proceeds of \$123 million.

Capital expenditure cashflows during the period were \$82.5 million (H1 2010: \$16.2 million). The majority of this expenditure was on exploration and appraisal activities, predominantly drilling activity on the Etinde Permit. At 31 December 2011, Bowleven had \$124.4 million of cash and no debt. The Group is well placed to fund its planned 2012 work programme.

One of the primary objectives of the work programme in 2012 will be appraisal of the Group's assets to move the existing resource base to reserves, which in turn increases opportunities to access alternative sources of development funding. In addition, the high equity interest retained in Etinde and Bomono affords the opportunity to bring in additional farm-in partners if deemed appropriate.





OUTLOOK

Our exploration of the Douala Basin continues to indicate its potential to become a major hydrocarbon producing province. This area, in combination with our earlier discoveries in Cameroon, now forms part of a permit-wide development scheme.

The initial development focus will be on the IM, IE and IF fields of block MLHP-7. These resources have the potential for optimised liquids yield and rapid capital recovery. When combined with the associated onshore processing facilities, this first phase will help enable the low cost incremental appraisal and development of the potentially considerable Sapele volumes of block MLHP-5.



We have maintained the momentum of 2011 into the current year and we believe our 2012 work programme and persistent focus on pursuing the development of Etinde will help us make significant progress in returning value to our stakeholders.

RONNIE HANNA

Chairman
26 March 2012

KEVIN HART

Chief Executive

From the top:

1. Vantage Sapphire rig, Etinde Permit.
2. Surface geochemistry survey, Bomono Permit.

GROUP INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	6 months ended 31 December 2011 (Unaudited) \$'000	6 months ended 31 December 2010 (Unaudited) \$'000	Year ended 30 June 2011 (Audited) \$'000
Revenue	–	–	–
Administrative expenses	(4,889)	(7,743)	(13,218)
Unsuccessful exploration costs	(3,572)	–	(41,704)
Operating loss before financing costs	(8,461)	(7,743)	(54,922)
Finance income	2,966	326	700
Finance costs	–	(8,298)	(22,594)
Loss from continuing operations before taxation	(5,495)	(15,715)	(76,816)
Taxation	–	–	–
Loss for the Period From Continuing Operations Attributable to Equity Shareholders of the Parent Undertaking	(5,495)	(15,715)	(76,816)
Basic and diluted loss per share (\$/share)	(0.02)	(0.08)	(0.37)

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	6 months ended 31 December 2011 (Unaudited) \$'000	6 months ended 31 December 2010 (Unaudited) \$'000	Year ended 30 June 2011 (Audited) \$'000
Loss for the period	(5,495)	(15,715)	(76,816)
Other Comprehensive Income:			
Currency translation differences	(4,190)	6,382	23,668
Total Comprehensive Income for the Period			
Attributable to Equity Shareholders	(9,685)	(9,333)	(53,148)

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2011

	As at 31 December 2011 (Unaudited) \$'000	As at 31 December 2010 (Unaudited) \$'000	As at 30 June 2011 (Audited) \$'000
Non-current Assets			
Intangible exploration assets	412,806	327,166	340,637
Property, plant and equipment	642	758	802
	413,448	327,924	341,439
Current Assets			
Inventory	6,633	8,657	8,180
Trade and other receivables	23,864	14,147	24,390
Cash and cash equivalents	124,385	189,389	96,621
	154,882	212,193	129,191
Assets held-for-sale	42,041	–	41,624
Total Assets	610,371	540,117	512,254
Current Liabilities			
Trade and other payables	(25,655)	(24,614)	(38,673)
Liabilities related to disposal unit held-for-sale	(470)	–	(588)
Total Liabilities	(26,125)	(24,614)	(39,261)
Net Assets	584,246	515,503	472,993
Equity			
Called-up share capital	50,247	37,807	37,881
Share premium	730,178	619,437	619,729
Foreign exchange reserve	(59,377)	(72,473)	(55,187)
Shares held by employee benefit trust	(1,661)	(944)	(580)
Other reserves	12,461	12,925	12,341
Retained deficit	(147,602)	(81,249)	(141,191)
Total Equity Attributable to the Equity Shareholders	584,246	515,503	472,993

GROUP CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	6 months ended 31 December 2011 (Unaudited) \$'000	6 months ended 31 December 2010 (Unaudited) \$'000	Year ended 30 June 2011 (Audited) \$'000
Cash Flows Used in Operating Activities			
Loss before tax	(5,495)	(15,715)	(76,816)
<i>Adjustments to reconcile Group loss before tax to net cash used in operating activities:</i>			
Unsuccessful exploration costs	–	–	41,704
Depreciation and impairment of property, plant and equipment	245	215	462
Finance income	(2,966)	(326)	(700)
Finance costs	–	8,298	22,594
Equity-settled share based payment transactions	797	849	1,788
Adjusted loss before tax prior to changes in working capital	(7,419)	(6,679)	(10,968)
Decrease/(increase) in inventory	1,547	(1,731)	(1,657)
Increase in trade and other receivables	(1,851)	(607)	(686)
(Increase)/decrease in trade and other payables	(927)	2,571	1,940
Exchange differences	35	57	(437)
Net Cash Used in Operating Activities	(8,615)	(6,389)	(11,808)
Cash Flows From/(Used in) Investing Activities			
Purchases of property, plant and equipment	(82)	(226)	(524)
Purchases of intangible exploration assets	(82,464)	(15,965)	(85,182)
Refund of spend incurred on behalf of joint venture partner	–	22,052	–
Interest received	280	312	732
Net Cash From/(Used in) Investing Activities	(82,266)	6,173	(84,974)
Cash Flows From/(Used in) Financing Activities			
Net proceeds from issue of ordinary shares	122,815	112,426	112,792
Purchase of own shares	(2,674)	–	–
Net Cash Flows From/(Used in) Financing Activities	120,141	112,426	112,792
Net Increase in Cash and Cash Equivalents	29,260	112,210	16,010
Net increase in cash and cash equivalents	29,260	112,210	16,010
Effect of exchange rates on cash and cash equivalents	(1,537)	(1,973)	1,511
Cash and cash equivalents at the beginning of the period	96,673	79,152	79,152
Cash and Cash Equivalents at the Period End	124,396	189,389	96,673

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash and cash equivalents held in assets held-for-sale.

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Equity share capital \$'000	Foreign exchange reserve \$'000	Shares held in trust \$'000	Other reserves \$'000	Retained deficit \$'000	Total equity \$'000
At 1 July 2010	544,818	(78,855)	(944)	12,076	(65,534)	411,561
Loss for the period	-	-	-	-	(15,715)	(15,715)
Other comprehensive income for the period	-	6,382	-	-	-	6,382
Total comprehensive income for the period	-	6,382	-	-	(15,715)	(9,333)
Proceeds from issue of share capital	115,110	-	-	-	-	115,110
Cost of issue of share capital	(2,684)	-	-	-	-	(2,684)
Share based payments	-	-	-	849	-	849
At 31 December 2010	657,244	(72,473)	(944)	12,925	(81,249)	515,503
Loss for the period	-	-	-	-	(61,101)	(61,101)
Other comprehensive income for the period	-	17,286	-	-	-	17,286
Total comprehensive income for the period	-	17,286	-	-	(61,101)	(43,815)
Proceeds from issue of share capital	367	-	-	-	-	367
Cost of issue of share capital	(1)	-	-	-	-	(1)
Share based payments	-	-	-	939	-	939
Transfer between reserves	-	-	364	(1,523)	1,159	-
At 30 June 2011	657,610	(55,187)	(580)	12,341	(141,191)	472,993
Loss for the period	-	-	-	-	(5,495)	(5,495)
Other comprehensive income for the period	-	(4,190)	-	-	-	(4,190)
Total comprehensive income for the period	-	(4,190)	-	-	(5,495)	(9,685)
Proceeds from issue of share capital	125,938	-	-	-	-	125,938
Cost of issue of share capital	(3,123)	-	-	-	-	(3,123)
Share based payments	-	-	-	797	-	797
Transfer between reserves	-	-	1,593	(677)	(916)	-
Shares purchased by Employee Benefit Trust	-	-	(2,674)	-	-	(2,674)
At 31 December 2011	780,425	(59,377)	(1,661)	12,461	(147,602)	584,246

NOTES TO THE INTERIM STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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 2011, on which the auditors gave an unqualified report with an emphasis matter on going concern, have been filed with the Registrar of Companies.

In making their going concern assessment for the statutory accounts for the year ended 30 June 2011 the Directors recognised in order to finance future exploration and appraisal activities it would be necessary to raise additional funds. As additional funding had not been secured unconditionally at the date of signing the statutory accounts there was a material uncertainty which may have cast significant doubt about the Company's ability to continue as a going concern. The uncertainty was removed on 8 November 2011, when the Company raised funds by way of an equity placing as discussed in note 3d below.

2. GOING CONCERN

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. In making this assessment, the Directors have considered the Group budgets, the cash flow forecasts and associated risks and the future financing for the organisation.

3. OTHER NOTES

- a) The basic earnings per ordinary share is calculated on a loss of \$5,495,000 (H1 2010: loss of \$15,715,000) on a weighted average of 239,294,876 (H1 2010: 197,099,783) ordinary shares.
- b) 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. The exercise of share options would have the effect of reducing the loss per share and consequently is not taken into account in the calculation for diluted loss per share.
- c) No dividend has been declared (2010: nil).
- d) On 8 November 2011, the Company issued 77.5 million ordinary shares at a price of £1.03 per share with a nominal value of \$12.2 million. The remaining movement in share capital of \$0.2 million relates to the issue of shares to satisfy share based payment awards. The total aggregate increase in the share premium reserve from the issue on 8 November 2011 was \$110.4 million, after deducting \$3.1 million in expenses.
- e) Following the relinquishment of the Epaemeno permit a termination payment of \$3.5 million in respect of full and final settlement of GGPC Gabon (Epaemeno) Limited's obligations under remaining work programme commitments, has been recognised as unsuccessful exploration costs in the period.
- f) Assets and liabilities relating to GGPC Gabon (EOV) Limited continue to be classified as held-for-sale on the Balance Sheet in anticipation of the completion of the disposal of the company.

4. INTERIM REPORT

This document represents the Interim Report and half yearly results of Bowleven plc. Copies of the Interim Report will be sent to shareholders and can be obtained, free of charge, from the Company at 1 North St Andrew Lane, Edinburgh, EH2 1HX for a period of one month.

GLOSSARY OF TERMS

AIM: Alternative Investment Market

bcf: billion standard cubic feet of gas

BOE or boe: barrels of oil equivalent

boepd: barrels of oil equivalent per day

Bomono Permit: the production sharing contract between the Republic of Cameroon and EurOil dated 12 December 2007 in respect of the area of approximately 2,328 km² comprising former blocks OLHP-1 and OLHP-2 onshore Cameroon; or, as the context may require, the contract area to which this production sharing contract relates

Companies Act 2006: the United Kingdom Companies Act 2006 (as amended)

Bowleven: Bowleven plc and/or its subsidiaries as appropriate

EOV Permit: the exploitation and production sharing contract between the Republic of Gabon and GGPC Gabon (EOV) Limited (an indirectly wholly-owned subsidiary of the Company) dated 16 February 2004; or, as the context may require, the contract area to which this production sharing contract relates

Epaemeno Permit: the exploitation and production sharing contract between the Republic of Gabon and GGPC Gabon (Epaemeno) Limited (an indirectly wholly-owned subsidiary of the Company) dated 17 November 2004, in respect of an area of approximately 1,340 km² onshore Gabon; or, as the context may require, the contract area to which this production sharing contract relates

Etinde Permit: the production sharing contract between the Republic of Cameroon and EurOil dated 22 December 2008 in respect of the area of approximately 2,316 km² comprising former blocks MLHP-5, MLHP-6 and MLHP-7, offshore Cameroon; or, as the context may require, the contract area to which this production sharing contract relates

EurOil: EurOil Limited, an indirectly wholly owned subsidiary of the Company, incorporated in Cameroon

FEED: front end engineering and design

GDF: GDF Suez S.A.

GIIP: gas initially in place

Group: the Company and its direct and indirect subsidiaries

H1: first half

IE: the Isongo E Field area, block MLHP-7, Etinde Permit

IF: the Isongo F Field area, block MLHP-7, Etinde Permit

IM: the Isongo Marine Field area, block MLHP-7, Etinde Permit

IFRS: International Financial Reporting Standards

km: kilometres

km²: square kilometres

LNG: liquefied natural gas

mmbbls: million barrels

mmboe: million barrels of oil equivalent

MoU: memorandum of understanding

Pre-FEED: preliminary front end engineering and design

prospect, lead & play: a play is an exploration concept or idea that is conducive to the identification of leads that may, in turn, become prospects when they are ready to be drilled

PSC: production sharing contract

P50: 50% probability that volumes will be equal to or greater than stated volumes

SNH: Société Nationale des Hydrocarbures, the national oil company of Cameroon

STOILP: stock tank oil initially in place

tcf: trillion cubic feet

TD: total depth

Vitol: Vitol E&P Limited

2D: two dimensional

3D: three dimensional

4C OBC: four component ocean bottom cable

\$: United States of America Dollars

£: Great Britain Pounds Sterling

COMPANY INFORMATION

Board of Directors

Ronnie Hanna
Non-Executive Chairman

Kevin Hart
Chief Executive Officer

John Brown
Finance Director

Caroline Cook
Non-Executive Director

Tim Sullivan
Non-Executive Director

Chief Tabetando
Chairman of EurOil

Philip Tracy
Non-Executive Director

Ed Willett
Exploration Director

Peter Wilson
Director/General Counsel

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