Full Year Results

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Bowleven plc ('Bowleven' or 'the Company')

Full Year Results

Bowleven, the Africa focused oil and gas exploration group with key interest in Cameroon, today announces its audited full year results for the year ended 30 June 2023. Terms not otherwise defined have the meanings given to them in the glossary at the end of this announcement.

HIGHLIGHTS

Operational

Etinde, offshore Cameroon

- In June 2022, New Age announced that it had signed a conditional agreement to sell operatorship and their 37.5% gross stake in Etinde to Perenco SA ('Perenco') for an undisclosed sum, subject to the resolution of a number of conditions precedent, including regulatory approval from SNH. This transaction has not yet completed.

- The contractual 'long stop' date of 12 months from signature passed in July 2023; New Age and Perenco informally agreed to extend this date until completion is possible. We understand that the conditions precedent have yet to be met with formal approval of the transaction by the Government of Cameroon being the most significant issue. We continue to believe that governmental approval will be forthcoming and the transaction will complete either in late 2023 or more likely early 2024. However, this has remained outstanding for a significant period and Bowleven reminds stakeholders that there can be no guarantee that it will complete, nor as to the timing of completion.

- Whilst the New Age/Perenco transaction is awaiting completion, a limited 'care and maintenance' Etinde Permit work plan and budget for 2023 has been approved by the JV partners on a quarter-by-quarter basis. New Age have proposed that the JV partners submit a similar proposal for FY2024 at the next OCM meeting with SNH.

Financial

- The loss for the financial year was $2.0 million.
- Bowleven closed the year with $0.9 million of cash and a financial investment of $0.6 million giving a total value of available funds of $1.5 million. The cash balance at 31 October 2023 was $1.0 million with the remaining financial investment having been sold and its value realised subsequent to the year end.
- In the current situation, where the Perenco transaction has yet to be completed and our working capital

funds are depleting, Bowleven has previously communicated a pressing need to raise additional equity to fund our operations. The Group's cash flow forecasts and projections indicate a material risk that Bowleven will fully utilise its existing cash resources in spring/summer 2024 without new investment. This gives rise to a material uncertainty regarding the going concern status of the Group.

- The Board has spent considerable time discussing and evaluating future debt and/or equity fundraising options during 2023, having implemented actions to reduce our cash burn and preserve the business' cash resources during the year.
- The Board has been in discussions with the Company's major shareholder in relation to the provision of new equity capital and has been considering an indicative proposal which contemplates it providing equity capital at a very substantial discount to the current market price of Bowleven's ordinary shares. The Board considers it appropriate to ensure it has explored all available options before pursuing this proposal. The availability of any new equity capital, and the final terms of such an equity raise, is highly uncertain, as is the timing.
- Following further discussion with our major shareholder, the Board has agreed that the Directors will defer the receipt of their emoluments to the extent there is insufficient liquidity within the business over the course of the following 12 months. This will prioritise the funding of costs necessary to retain going concern status whereby the Directors' emoluments will be accrued until such time the liquidity situation improves or there is a capital raise. In addition, the major shareholder of the Group has provided a comfort letter confirming their intention to provide financial support to the extent that cash resources are not otherwise available for a period of not less than twelve months from the date the FY2023 financial statements are authorised or the date the audit report is signed, whichever is later. This will allow the Group to discharge its liabilities primarily relating to general and administrative expense and Etinde monthly cash calls. In the Board's opinion, this should provide sufficient time for it to seek and formalise new equity investment.

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

"While clearly, we find ourselves in a challenging financial situation, Bowleven remains on the verge of a significant turning point with a new Etinde operatorship offering a renewed focus and clearer vision to the monetisation of the asset. The timing of the completion of Perenco's acquisition of New Age's interest at Etinde is still not clear and while we stay in somewhat of a holding pattern, our focus is on the careful management of our balance sheet so that we remain funded for the foreseeable future. I am still confident that within a manageable timeframe we will see progress within the Etinde JV and be in a position to accelerate our timetable towards hydrocarbon production at Etinde for the benefit of all the JV Partners."

ENQUIRIES

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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 and the Market Abuse Regulations, 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 asset in Cameroon, whilst maintaining capital discipline and employing a rigorously selective approach to other value-enhancing opportunities.

Bowleven holds a strategic equity interest in the offshore, shallow water Etinde permit (currently operated by New Age) in Cameroon.

CEO & CHAIRMAN STATEMENT

DEAR SHAREHOLDERS,

FY2023 has been a year of anticipation for both our Etinde joint venture and indeed for all upstream E&P companies. At Bowleven, our focus has been to align ourselves with the changing Etinde partnership given the proposed incoming Operator for Etinde. After many years of false starts we had hoped the last 12 months would see Etinde emerge energised and well-positioned to deliver sustainable returns to shareholders going forward.

Since 2017, we have restructured the business to reduce operational and financial volatility. We have reduced capital spend, aligned our cost base with our strategic singular exploitation of Etinde, and improved our stewardship over our assets. Our strategic intention remains, to:

- monetise contingent resource;
- reduce any expenditure, both capital and operational, not consistent with Etinde's exploitation; and
- focus exclusively on shareholder returns.

As detailed in our Annual Report for 2022 the conditional Sale and Purchase Agreement for New Age's divestment of its interest to a subsidiary of Perenco was a turning point for the Etinde Joint Venture. This transaction, whilst subject to various approvals, was and is expected to close in the coming months. Notwithstanding the expiration of the long stop date, we have reason to believe that the intention of all counterparties is to proceed with closing this transaction. At the time of writing, the customary regulatory approvals by the Government of Cameroon are yet to be completed.

ETINDE OUTLOOK

The narrative in the mainstream media remains of a sector that is poised for permanent decline, albeit with natural gas being the key green energy transition enabler in the medium term. It is said that current high oil and gas prices are likely to eventually dissipate in the coming years. Indeed, the most recent projections from the International Energy Agency is that the age of unbridled growth will come to an end this decade. The turning point is the subject of much debate as increasingly government policy is geared towards energy transition and climate change. Together with the slowing growth outlook for China, the increasing accessibility of electric vehicles and the structural shifts due to the recent pandemic all suggest that any growth outlook for oil is waning and that the 'Golden Age of Gas' is being undermined by the cost and supply of renewable energy alongside the geopolitical risk of dependency on Russia that Europe is seeking to mitigate. Nonetheless, the demand for such fuel is not linear. The African region's appetite for both oil and gas has not subsided despite the structural shift in energy supply that is underway in more developed economies. The need for significant investment in oil and gas supply is more pressing than ever given the years of underinvestment, the role of electricity in Africa's industrialisation and the predictably fast decline in existing fields.

The associated economic and financial risks with new development are amplified for many E&P companies. The difference for Bowleven is that we have historically invested heavily to mitigate much of the exploration risk. We were extremely disappointed that we were unable to deliver FID for Etinde during FY2023, but we ended the year having positioned ourselves for the incoming change of operator. Our Etinde field is moving into a new phase, where changing stakeholders, given the passage of time, must recalibrate the assumptions and the consensus process. This has already taken longer than expected and the Board is of the view it may still take some time given the pace of progress thus far. Nonetheless, it remains clear that if we are to monetise Etinde, we must ensure that the share price reflects the Etinde proposition.

CAPITAL RAISE

Given the current situation, where the Perenco transaction has yet to complete, and where there is uncertainty as to the likely timing of completion, if it completes at all, and whilst its working capital funds are depleting, Bowleven has an urgent need to raise additional equity funding. The Board's preference would be to recapitalise the business in such a way that all shareholders are provided with an opportunity to participate whilst ensuring that Bowleven retains its stake in Etinde whilst our investment hypothesis is realised. This would allow Bowleven to continue to fund its ongoing operations and general corporate overheads, as well contribute its share of the potential expenditure at Etinde in the period between Perenco becoming Etinde Operator and a FID date (which the Board now expects to be in late 2024 at the earliest, subject to the New Age/Perenco transaction completing in late 2023 or early 2024).

The Board has spent considerable time discussing and evaluating future debt and/or equity fundraising options. It has also taken actions to reduce our cash burn and preserve the business' cash resources. As part of this process, the Directors have temporarily reduced UK staff costs and eliminated office and associated costs. The Company's current expenditure run rate is approximately $125,000 to $175,000 per month. The Board expects some of these cost-reduction measures to be temporary until the New Age/Perenco transaction completes and/or until new finance is raised.

Continuing as a going concern depends on a series of actions, including seeking fresh capital, controlling costs and catalysing stakeholders towards the development of Etinde. The Directors had discussions with the Group's largest shareholder in relation to a potential issue of new shares to increase the business' cash position to allow it to continue to finance its working capital needs, as well as to provide for further project expenditure at the Etinde Permit on the basis of an underwritten open offer to all shareholders at a small discount to the share price. However, our major shareholder has since been concerned at the potential high level of risk relating to the closure of the Perenco acquisition as well as other geopolitical issues and has subsequently communicated an indicative proposal to provide new equity capital at a very significant discount to current market price of Bowleven's shares. As a result, the Board considers it appropriate to ensure it has explored all available options before pursuing this proposal.

Therefore, currently the Board is also pursuing other options to raise equity capital. The final form of such an equity raise is unclear, as is the timing, but the Board would seek to provide an opportunity for existing shareholders to contribute to an equity raise should they so choose. The Board is also actively considering measures with the potential to reduce current Bowleven expenditure levels in order to create more time to find new equity investors.

Following further discussion with our major shareholder, the Board has agreed that the Directors will defer the receipt of their emoluments to the extent there is insufficient liquidity within the business over the course of the following 12 months. This will prioritise the funding of costs necessary to retain going concern status whereby the Directors emoluments will be accrued until such time the liquidity situation improves or there is a capital raise. In addition, the major shareholder of the Group has confirmed in a comfort letter their intention to provide financial support to the extent that money is not otherwise available for a period of not less than twelve months from the date the FY2023 financial statements are authorised or the date the audit report is signed, whichever is later in order for the Group to discharge its liabilities, which primarily relate to general and administrative expenses and Etinde monthly cash calls.

The Board is mindful of our continued fiduciary obligation to all shareholders to ensure every effort is expended to finance Bowleven towards the receipt of the FID payment of $25 million. Funding ourselves means ensuring we have sufficient working capital and the resources to contribute to possible future development activity.

OPERATIONS

Whilst the New Age/Perenco transaction has been awaiting completion, a limited 'care and maintenance' Etinde Permit work plan and budget for 2023 have been approved by the JV partners on a quarter-by-quarter basis. New Age intends to formally submit this to Société Nationale des Hydrocarbures (SNH) for approval. Monthly expenditure at Etinde remains low as New Age continues to operate the business on a largely suspended operational basis. New Age's actual cash calls for the ongoing period (prior to the completion of its sale of interest to Perenco) have been approximately $50,000 to $100,000 per month.

However, the Board needs to anticipate and assume that, following completion of the New Age/Perenco transaction, Perenco will quickly commence development-planning activity. The Company's Etinde project expenditure going forward will be determined by this work plan that will be presented by the incoming Operator, Perenco.

Bowleven considers that Perenco may wish to review the previous JO partner-agreed Equatorial Guinea based development scheme, propose alternative(s), and update the front-end engineering design to reflect any change in the approved development scheme and to reflect current cost inflation for FID purposes. Any changes will need to be approved by the joint venture partners as a group as well as SNH, as regulator, before implementation. Whilst the timing and impact of this remains uncertain, its impact on current expenditure levels is expected by the Company is likely to be substantial.

FINANCIAL AND OTHER MATTERS

At 30 June 2023, the Company's balance sheet had cash of $0.9 million and liquid financial investments of $0.6 million, giving available funds of $1.5 million.

At the time of writing, we have an SNH approved budget to the end of 2022 with JV partner expenditure levels agreed to the end of 2023 with the outgoing Operator. New Age have prepared a draft work plan and budget for 2024, on the current 'care and maintenance' basis adopted for 2023 expenditure. After that, we expect a substantial increase in monthly expenditure at Etinde based on an expected update to the current draft work plan to be proposed by the incoming Operator, Perenco Cameroon S.A.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FOCUS

Building a robust social licence is a fundamental principle of the Company's objectives. Through our Operator, we engage the support of our host government and communities. The development of Etinde will enable us to undertake the technical, infrastructural and logistical work associated with the exploitation, development and production at Etinde, both onshore and offshore. Focal areas of engagement with the Limbe region will include stakeholder engagement, management of community problems, and land/sea access. We intend to support the new Operator which has a history of Cameroonian stakeholder engagement in this regard.

MOVING INTO 2024

Earlier this year we had to reset our operating model and restructure working relationships with team members that were critical to the stewardship of our business over the recent years. This involved redundancies and we would like to take the opportunity to thank these people for the support that they have provided in circumstances that have been challenging for all. Our hope is that we can secure funding and that FID materialises during 2024, opening up opportunities for future possible re-engagement.

The Board continues to anticipate that the acquisition of the New Age stake by Perenco will complete by early 2024 and this represents a catalyst for the fund-raising effort and the monetisation of Etinde. The pace of development to date has been unfortunate of course, but we remain of the belief that the operational credibility and project backing of Perenco for Etinde should be a positive outcome for all stakeholders that will reset the business into the coming years.

Eli Chahin	***Jack Arnoff***
Chief Executive Officer	***Chairman***
9 November 2022	***9 November 2022***

GROUP INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Audited 2023 $000	Audited 2022 $000
Revenue		-
Administrative expenses	**(2,156)**	**(2,376)**
Operating loss	**(2,156)**	**(2,376)**
Finance and other income	136	(108)
Loss before taxation	**(2,020)**	**(2,484)**
Taxation	**-**	**-**
Loss for the year	**(2,020)**	**(2,484)**
Basic and diluted loss per share ($/share) from continuing operations	**(0.01)**	**(0.01)**

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Audited 2023 $000	Audited 2022 $000
Comprehensive Loss for the year	**(2,020)**	**(2,484)**

GROUP BALANCE SHEET
30 JUNE 2023

	Audited 2023 $000	Audited 2022 $000
Non-current assets		
Intangible exploration assets	**155,543**	155,433
Property, plant and equipment	**3**	13
	155,546	**155,446**
Current assets		
Financial investments	**644**	2,251
Inventory	**1,180**	1,180
Trade and other receivables	**1,739**	1,858
Cash and cash equivalents	**906**	1,273
	4,469	6,562
Total assets	**160,015**	**162,008**
Current liabilities		
Trade and other payables	**(695)**	(668)
Total liabilities	**(695)**	**(668)**
Net assets	**159,320**	**161,340**
Equity		
Share capital	**56,517**	56,517
Share premium	**1,599**	1,599
Foreign exchange reserve	**(69,857)**	(69,857)
Other reserves	**2,767**	2,767
Retained earnings	**168,294**	170,314
Total equity	**159,320**	**161,340**

COMPANY BALANCE SHEET
30 JUNE 2023

	Audited 2023 $000	Audited 2022 $000
Non-current assets		
Property, plant and equipment	**3**	12
Investments in Group undertakings	**145,099**	145,099
	145,102	145,111
Current assets		
Financial investments	**644**	2,251
Trade and other receivables	**13,765**	13,142
Cash and cash equivalents	**891**	1,264
	15,300	16,657
Total assets	**160,402**	**161,768**
Current liabilities		
Trade and other payables	**(389)**	(311)
Total liabilities	**(389)**	**(311)**
Net assets	**160,013**	**161,457**
Equity		
Share capital	**56,517**	56,517
Share premium	**1,599**	1,599
Foreign exchange reserve	**(147,715)**	(147,715)
Other reserves	**(2,470)**	(2,470)
Retained earnings	**252,082**	253,526
Total equity	**160,013**	**161,457**

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 $1,444,000 (2022: loss of $1,821,000).

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Audited 2023 $000	Audited 2022 $000
Cash flows from operating activities		
Loss before tax	**(2,020)**	**(2,484)**
Adjustments to reconcile Group loss before tax to net cash used in operating activities:		
Depreciation of property, plant and equipment	**10**	18
Finance (income)/costs	**(136)**	108
Equity-settled share based payment transactions	**-**	80
Loss on sale of property, plant and equipment		-
Adjusted loss before tax prior to changes in working capital	**(2,146)**	(2,278)
Decrease/(Increase) in trade and other receivables	**80**	(18)
Increase/(Decrease) in trade and other payables	**34**	(170)
Net cash used in operating activities	**(2,032)**	**(2,466)**
Cash flows used in investing activities		
Acquisition of intangible exploration assets	**(102)**	(572)
Sale of financial investments	**1,584**	-
Interest received	**9**	-
Dividends received	**174**	220
Net cash from/(used in) investing activities	**1,665**	**(352)**
Cash flows used in financing activities		
Lease repayments	-	(3)
Net cash flows used in financing activities	-	**(3)**
Net decrease in cash and cash equivalents	**(367)**	**(2,821)**
Cash and cash equivalents at the beginning of the year	**1,273**	**4,094**
Net decrease in cash and cash equivalents	**(367)**	**(2,821)**
Cash and cash equivalents at the year end	**906**	**1,273**

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Audited 2023 $000	Audited 2022 $000
Cash flows from operating activities		
Loss before tax	**(1,444)**	**(1,821)**
Adjustments to reconcile Company loss before tax to net cash used in operating activities:		
Depreciation of property, plant and equipment	**10**	18
Finance (income)/costs	**(130)**	87
Equity-settled share based payment transactions	-	80
Adjusted loss before tax prior to changes in working capital	**(1,564)**	(1,636)

Decrease/(Increase) in trade and other receivables	**13**	(14)
Increase in trade and other payables	**89**	9
Net cash used in operating activities	**(1,462)**	(1,641)
Cash flows used in investing activities		
Increase in inter-company funding	**(678)**	(1,398)
Sale of financial investments	**1,584**	-
Interest received	**9**	-
Dividends received from financial investments	**174**	220
Net cash used in investing activities	**1,089**	**(2,819)**
Cash flows used in financing activities		
Lease payments	-	(3)
Net cash flows used in financing activities	-	**(3)**
Net decrease in cash and cash equivalents	**(373)**	**(2,822)**
Cash and cash equivalents at the beginning of the year	**1,264**	**4,086**
Net decrease in cash and cash equivalents	**(373)**	(2,822)
Cash and cash equivalents at the year end	**891**	**1,264**

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share capital $000	Share premium $000	Foreign exchange reserve $000	Other reserves $000	Retained earnings $000	Total equity $000
At 1 July 2021 (audited)	**56,517**	**1,599**	**(69,857)**	**2,687**	**172,798**	**163,744**
Loss for the year	-	-	-	-	(2,484)	(2,484)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(2,484)**	**(2,484)**
Share based payments	-	-	-	80	-	80
At 30 June 2022 (audited)	**56,517**	**1,599**	**(69,857)**	**2,767**	**170,314**	**161,340**
Loss for the year	-	-	-	-	(2,020)	(2,020)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(2,020)**	**(2,020)**
Share based payments	-	-	-	-	-	-
At 30 June 2023 (audited)	**56,517**	**1,599**	**(69,857)**	**2,767**	**168,294**	**159,320**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

Attributable to owners of Parent Company	Share capital $000	Share premium $000	Foreign exchange reserve $000	Other reserves $000	Retained earnings $000	Total equity $000
At 1 July 2021 (audited)	**56,517**	**1,599**	**(147,715)**	**(2,550)**	**255,347**	**163,198**
Loss for the year	-	-	-	-	(1,821)	(1,821)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(1,821)**	**(1,821)**
Share based payments	-	-	-	80	-	80
At 30 June 2022 (audited)	**56,517**	**1,599**	**(147,715)**	**(2,470)**	**253,526**	**161,457**
Loss for the year	-	-	-	-	(1,444)	(1,444)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(1,444)**	**(1,444)**
Share based payments	-	-	-	-	-	-
At 30 June 2023 (audited)	**56,517**	**1,599**	**(147,715)**	**(2,470)**	**252,082**	**160,013**

NOTES TO THE FULL YEAR FINANCIAL STATEMENTS
For the year ended 30 June 2023

(1) Accounting Policies

Basis of preparation

The financial information in the financial statements has been extracted from the statutory accounts which have been prepared in accordance with UK Adopted International Accounting Standard (UK IAS) and in conformity with the requirements of the Companies Act 2006. The Company financial statements have been prepared in accordance with UK Adopted International Accounting Standard (UK IAS) as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements comply with those parts of the Companies Act 2006 applicable to companies reporting under UK Adopted International Accounting Standard (UK IAS).

The announcement has been prepared on a basis consistent with the accounting policies applied to the statutory accounts for the year ended 30 June 2023.

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 will be published as soon as they are available.

On the statutory accounts for the year ended 30 June 2023, the auditor gave an unqualified opinion 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 2022 have been filed with the Registrar of Companies.

(1) Going concern

Global market conditions have largely recovered from the direct impact of the COVID-19 (coronavirus) pandemic. However, there remains a range of after effects, including shortages of raw materials and production delays, which have combined with cost inflation, the ongoing green energy transition and the various impacts deriving from the ongoing Russian-Ukraine war and the international political response to create significant market uncertainty. These factors have helped create a period of relatively high price inflation. The resulting political and economic climate is one of considerable volatility and ongoing uncertainty.

The most significant sources of material uncertainty facing the Bowleven Group today relate to:

(i) the timing of completion of the transaction between Perenco Group and New Age relating to the transfer of operatorship of the Etinde joint operation;
(ii) whether the transaction between Perenco and New Age will complete at all;
(iii) the level of spending required under the 2024 Etinde WPB, which is currently an unapproved draft which has yet to be submitted to SNH for approval;
(iv) the timing of FID and the receipt of the $25 million FID payment from LUKOIL and New Age (or Perenco in due course); and
(v) the raising of additional finance to fund Bowleven's ongoing operations.

The draft 2024 work plan and budget has been prepared on a minimal 'care & maintenance' expenditure basis by New Age, acting as Operator. Preparing a revised 2024 WPB and agreeing that plan with ourselves, LUKOIL and SNH, should be the first significant task facing Perenco when they become Operator at completion of their transaction with New Age. Whilst the timing of completion of the New Age transaction with Perenco is unknown, our working assumption is that this will occur by Spring 2024 at the latest and consider that the existing JO members will not be able to continue with the current impasse for much longer.

Whatever happens in the immediate future, progress towards FID has remained much slower than we ever anticipated. Whilst the existing JO members determined that the Equatorial Guinea (EG) option, was the most likely economically viable development scenario, there remains uncertainty as to the development plan which will be adopted. We expect Perenco may reconsider all options and may well have their own proposal, which will need to be presented and approved by the JO partners as a whole. In addition, there remain considerable commercial and regulatory issues which will require resolution before FID can be attained. The timing of resolution of these formalities cannot be accurately predicted as many of them are not within the Etinde JO partners' direct control. Our current expectation is that these will be resolved no earlier than 31 December 2024, but we recognise that it may happen at an even later date.

In this uncertain environment, Bowleven's existing working capital resources will be extinguished, most likely before Summer 2024, although this will critically depend on the level of activity at Etinde and the point in time at which the proposed transaction between New Age and Perenco completes.

The Directors have considered a number of different operational scenarios for the remainder of 2023, 2024 and thereafter in order for us to prepare short and medium-term cash flow forecasts and projections for the Etinde development project and hence the Bowleven Group.

Current cash expenditure levels of the Group are around $1.5 million to $1.8 million per annum. On this basis, the minimum amount of new capital required in the short term is between $0.5 million and $2 million based on the current level of activity. However, on completion of the Perenco transaction, we expect a new project team to be put in place and the current or an alternative development scheme to be fully developed for presentation and then submitted for approval to SNH and the Government of Cameroon. This is likely to take at least 12 months to complete. Currently, we are not able to estimate the likely expenditure levels that might be proposed.

The Directors have taken these and other potential issues into consideration when determining the scenarios to use in their assessment of the going concern status of the Group. These scenarios ranged from no FID being achieved in 2024 through to modelling the impact of a number of different development options on budgeted, forecasted and projected cash flows until December 2025.

We have made our own assessment and used data available based on various assumptions regarding the steps and actions that Perenco may take and the speed at which they may progress the development plan towards FID. We have assumed FID will occur in late 2024 or later for cash flow modelling purposes in our base scenario.

Our assumption is that Perenco will most probably choose to conduct a new assessment of Etinde development options and these steps will most likely include a new FEED process. By their nature, our expenditure projections for 2024 onwards and later are highly uncertain at this point in time. We believe that we have adopted a more conservative approach to costs and potentially a more rapid implementation timetable than Perenco may adopt in practice.

A new equity raise is essential to secure the future of Bowleven at this time, as the current level of capitalisation will fall short of the level needed in the immediate future. Over the last 12 months, the Board has been considering a range of financing options. The Directors have had discussions with Bowleven's largest shareholder in relation to a potential issue of new shares to increase the business' cash position to allow it to continue to finance our working capital needs, as well as provide for further project expenditure at the Etinde Permit, whilst allowing all current shareholders to participate at the same price. However, the potential high level of risk relating to the closure of the Perenco acquisition, together with various global geopolitical risks, has meant that they are minded to make an indicative and non-binding financing proposal which would be at a very significant discount to the current market price of Bowleven shares. As a result, the Board considers it appropriate to ensure it has explored all available options before pursuing this proposal and accordingly, it has also been seeking other sources of new equity capital.

The Board is mindful that the majority of shareholders are long-term investors in Bowleven and the potential of the Etinde asset. The availability of any new equity capital, and the final terms of such an equity raise is highly uncertain, as is the timing, but alongside any new equity financing available, the Board will seek to provide an opportunity for existing shareholders to contribute should they so choose.

The Board has also been actively evaluating measures to reduce current Bowleven expenditure levels in order to create more time to identify and complete an equity raise. Following further discussion with our major shareholder, the Board has agreed that the Directors will defer the receipt of their emoluments to the extent there is insufficient liquidity within the business over the course of the following 12 months. This will prioritise the funding of costs necessary to retain going concern status, whereby the Directors' emoluments will be accrued until such time the liquidity situation improves or there is a capital raise. In addition, the major shareholder of the Group has provided a comfort letter confirming their intention to provide financial support to the extent that cash resources are not otherwise available for a period of not less than twelve months from the date the 30 June 2023 financial statements are authorised or the date the audit report is signed, whichever is later, in order for the Group to discharge its liabilities which primarily relate to general and administrative expenses and Etinde monthly cash calls.

As the timing of progress towards FID is not within the control of the Group, we have concluded that it is highly likely that Bowleven may need to raise additional short-term funding to bridge expenditure to FID. The amount of additional finance that will be required will depend on the status of the Etinde development and the likely time period to FID as well as any anticipated risk to this being further delayed beyond our expectation.

At FID, Bowleven is due to receive $25 million from our JO partners under the terms of the 2015 farm-in agreement. The Directors do not anticipate any timing issue relating to receipt of these funds when they fall due but note that any failure to receive these funds promptly may also cause further funding issues for the Bowleven Group.

The Directors consider the risk of the Government of Cameroon removing the Etinde PSC contract from the Etinde JO partners is low at the current time, for the following reasons:

- the issue of the January 2021 licence expiry date has not been raised as a formal concern by SNH, and SNH has approved all annual work programmes and budgets up to and including the year ending 31 December 2022 (2023 is pending action by New Age);
- we will request the Government of Cameroon eliminate this contractual uncertainty as part of the FID regulatory approval process; and
- the expected addition of Perenco to the JO as Operator, in place of New Age, is likely to reduce practical risk of the Government of Cameroon entering default proceedings.

After taking the preceding funding risks into account, the Directors are satisfied that the Group would be able to secure additional debt and/or equity funding in order to finance its share of the Etinde development.

The Directors are nevertheless conscious that the issues discussed above create a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Whilst acknowledging this material uncertainty, the Directors remain confident of raising finance in 2023/24. 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.

The financial statements do not include any adjustments that might result if the Group were unable to continue as a going concern.

(2) Etinde Valuation

In the previous financial year, we considered that the proposed acquisition of New Age's 37.5% gross share of the Etinde joint operations, by Perenco setting a potential external valuation of the Etinde asset as a whole, represents a triggering event as defined under IFRS accounting standards, requiring the Directors to formally value Bowleven Group's share of the Etinde project. This was completed in FY2022 and the results are disclosed in that set of financial statements. No further valuation impairment provision was considered necessary at that point in time.

We have updated various assumptions made as part of the FY2022 Etinde valuation assessment as part of our FY2023 accounting close processes and reassessed the valuation of the Etinde intangible asset.

Etinde Impairment Review in 2022 and 2023

Etinde Impairment Review in 2023

The proposed transaction between New Age and Perenco setting a potential external valuation of the Etinde asset has not yet completed and there is considerable uncertainty when this might happen at the current time. This represents a triggering event as defined under IFRS, requiring the Directors to update the impairment assessment carried out in 2022. Accordingly, we have reassessed and updated the 2022 impairment review assumptions in light of the ongoing situation.

The principle changes in assumptions are:

- Oil price, which has increased;
- Timing of FID and first revenue is now assumed to be the end of 2024 and January 2027 respectively; and
- A cost inflation assumption to update FEED based expenditure assumptions to current day base line (of 10%)

In addition, we have modelled and assessed scenarios for the main development options with an additional one and two year delay to FID and first revenue as sensitivity cases.

Otherwise, our key assumptions, as set out below (and in the 2022 annual report and accounts), remain unchanged.

Our base line financial modelling demonstrates that the 1 January 2024 value of Bowleven Group's 20% share of the Etinde development project ranges from $177 million to over $200 million at $75 Brent, $6 LNG export price and $3 domestic gas price points.

The key sensitivities in our valuation models include:

- Oil price. Increasing oil export price to $80 per bbl has a positive impact of around $10 million to $15 million increase in NPV, depending on the development scenario;
- Discount rates. Increasing risk-weighted discount rates from 15% to 17%, reduces NPV by around

$20 million to $25 million, depending on the development scenario; and

- Delaying FID and first revenue to 2028 decreased valuation by around $25 million.

On this basis, the Board has concluded that the current net book value of the Etinde intangible asset (at $156 million) is not impaired at the current date. However, in reaching this conclusion we do note that there are potential material uncertainties and that we cannot rule out further impairment triggering events arising in future periods and that a lower valuation may be estimated at that point.

Impairment charges were previously recognised in both 2015 and 2016 totalling $136.7 million (2016: $60.7 million; 2015: $76 million).

Etinde Impairment Review in 2022

The discounted cash flow model was used in 2022 to determine our best estimate of the expected value of the development of the Etinde asset taking into consideration the following factors and assumptions:

- the macroeconomic environment globally and in Cameroon;
- prevailing market conditions in the oil and gas industry;
- a conservative and phased inclusion of the hydrocarbon resource available for development;
- the commercial and governmental situation in Cameroon;
- the JO partner approved EG development scenario, plus additional consideration of potential alternate approaches that Perenco, as incoming Operator, might propose at a future date;
- that the development will seek to maximise production from the outset giving due consideration to the potential for supplying gas to both Cameroon domestic and export supply;
- that condensate can be supplied to either the global or domestic markets for the same value;
- differential gas and LNG process for the Cameroon domestic and LNG-based European gas export market;
- infrastructure capital and operating costs estimates are based on FEED and pre-FEED engineering studies undertaken or assessed between 2019 and 2021, except where pricing data was not available; and
- the Etinde asset is considered to be a single cash-generating unit and includes historic exploration costs incurred on the Etinde Permit in line with the treatment of those costs for cost recovery purposes.

Until the JO partners and the Government of Cameroon issue FID and gain the necessary approvals, any valuation of Etinde will include many uncertainties and risks. Any financial model that is prepared at this stage of the process, in the period immediately prior to the point in time that development consent is given and approvals issued, is inherently uncertain. The most significant uncertainties impacting the valuation model include:

- reaching commercial agreement with potential off-takers and receiving governmental approval to export gas;
- agreeing the development solution with joint venture partners and other stakeholders;
- raising finance to fund development post-FID; and
- any impact arising from FID date and the subsequent governmental approval of the revised field development plan. The current PSC terminates in 2045, however, failure to complete the initial work programme set out in the Presidential decree and EEA documentation within the first six years after approval in January 2015 may be used to provide grounds under which the Government of Cameroon can proceed to terminate the Etinde development licence early at their discretion, following the process set out in the Cameroon Petroleum Code.

We have applied a risk-weighted discount rate of 15% to the projected Etinde cash flows, based on FID in late 2024, with first revenue projected to occur after 2026, with the date depending on the development scenario considered. All capex costs include a project contingency of 20% and allow for EPIC contract costs of 15% and 5% withholding tax applied on imports under Cameroon fiscal code. The largest single risk factor included in the discount rate reflects the risk relating to government approval of the EG development option and a likely longer period to reach the approval.

We have used a reasonable range of condensate, Cameroon domestic and European export gas (LNG) pricing taking due account of currently available long-term oil and gas price forecasts prepared by internationally reputable bodies such as the IMF, World Bank and US EIA, as well as other oil and gas businesses and market commentators. We have used a range of recovered oil and gas reserves from various discovered oil and gas condensate fields based on the latest reservoir modelling information prepared by New Age on a C2 (P50) resource basis. Our base line financial modelling demonstrates that the 1 January 2023 value of Bowleven Group's 20% share of the Etinde development project ranges from $158 million to over $200 million at $65 Brent, $6 LNG export price and $3 domestic gas price points.

Whilst we have prepared financial forecasts for alternate development scenarios that Perenco may propose to the JO partners, we note that any such alternative will require the formal approval of at least LUKOIL as well as SNH and the Government of Cameroon to become official JO policy. Due to the nature of these alternate potential developments, our forecasts have a higher degree of uncertainty as they have not been studied in detail as part of FEED or pre-FEED activities. In general terms, these scenarios tend to have higher initial capital development costs (which may be reduced by sale and lease back arrangements) and higher operating costs, giving rise to a lower calculated NPV range. Offsetting this, the risk weighting attached to the time/approval of any Cameroon focused development is materially lower than for the EG option. Using lower discount rates partially offsets the impact of higher costs. In any case, the Board of Bowleven remain adamant that we will not approve any alternate development scenario that provides a significantly lower economic return to Bowleven's shareholders.

(3) 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 (2022: nil).
c) As at 30 June 2023, 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.

(4) 2023 Annual Report and Accounts

Full accounts together with a notice of AGM are scheduled to be posted on [ ] November 2023 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 after publication. 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

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 or bbl	barrel of oil
bcf or bscf	billion standard cubic feet of gas
Board of Directors	the Directors of the Company
boe	barrels of oil equivalent
Bomono Permit/Licence	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 that production sharing contract relates
Bowleven or Bowleven plc	Bowleven plc (LSE: BLVN) and/or its subsidiaries as appropriate
CAMOP	New Age Cameroon Operating Company
CFA	Central African Francs
Companies Act 2006 (the Act)	the United Kingdom Companies Act 2006 (as amended)
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
EBT	employee benefit trust
EEFA	Etinde Exclusive Exploitation Agreement
EG	Equatorial Guinea
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 with an initial six-year period ending January 2021, by which time development must commence. SNH have informed the JO of their intention to exercise their right to back into this licence, but have not signed the Participation Agreement and funded their share of cash calls in accordance with the requirements set out in the PSC
EurOil	EurOil Limited, an indirectly wholly owned subsidiary of Bowleven plc, incorporated in Cameroon
FEED	Front End Engineering Design
FID	final investment decision
FLNG	Floating liquefied natural gas
G&A	general and administration
GIIP	gas initially in place
Host Government	Government of Cameroon
Group	the Company and its direct and indirect subsidiaries
HSSE	health, safety, security and environment
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Intra Isongo	nomenclature used to describe a sequence of sedimentary rocks in the Etinde licence area
JO, JV or JV partners	an unincorporated joint operation. Joint Venture partners are the financial investors who jointly own and operate the unincorporated joint operations
km	kilometres
km2	square kilometres
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LTIP	long-term incentive plan
LUKOIL	LUKOIL Overseas West Project Limited, a subsidiary undertaking of OAO LUKOIL
Macquarie	Macquarie Capital (Europe) Limited
mmbbls	million barrels
mmboe	million barrels of oil equivalent
MMBtu	Metric Million British Thermal Unit
mmscf	million standard cubic feet of gas
mscf	thousand standard cubic feet of gas
New Age	New Age (African Global Energy) Limited, a privately held oil and gas company
New Age Group	New Age and its subsidiaries

NOMAD	nominated advisor
ordinary shares	ordinary shares of 10 pence each in the capital of the Company
P10 (3C)	10% probability that volumes will be equal to or greater than stated volumes
P50 (2C)	50% probability that volumes will be equal to or greater than stated volumes
P90 (1C)	90% probability that volumes will be equal to or greater than stated volumes
PSC	production sharing contract
Q1, Q2 etc.	first quarter, second quarter etc.
scf	standard cubic feet.
shareholders	means holders of ordinary shares and 'shareholder' means any one of them
SNH	Société Nationale des Hydrocarbures, the national oil and gas company of Cameroon
tcf	trillion cubic feet
TCM	Technical Committee Meeting
US	United States of America
$, US Dollars, USD	United States of America Dollars
£, GB Pounds, GBP	Great Britain Pounds Sterling
WPB	Work plan and budget

Notes:

Prospective resources, contingent resources and reserves shall have the meanings given to them by the guidance on petroleum resources classification contained in the 2007.

SPE Petroleum Management System published jointly by the Society of Petroleum Engineers, The American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers.

For the purposes of this announcement, 6mscf of gas has been converted to 1boe.

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