

OPERATIONAL
MOMENTUM

BOWLEVEN OIL & GAS
ANNUAL REPORT AND ACCOUNTS 2012

BOWLEVEN
IS AN AFRICA
FOCUSED
OIL & GAS
EXPLORATION
GROUP

RIO DEL REY BASIN

OLHP-1

OLHP-2

MLHP-7

MLHP-6

MLHP-5

DOUALA BASIN

ETINDE PERMIT BLOCK MLHP-7 HIGHLIGHT

ONGOING
APPRAISAL ACTIVITY

Drilling operations on IM-5 appraisal/development well commenced September 2012. Interpretation of 4C OBC development seismic data ongoing.

Read more on pages 14 to 23.

ETINDE PERMIT HIGHLIGHT

ADVANCING
DEVELOPMENT

Phased hub and spoke development planned. Draft exploitation application submitted. Gas sales term sheet nearing finalisation. Strategic alliance agreement signed with Petrofac.

Read more on pages 14 to 23.

ETINDE PERMIT BLOCK MLHP-5 HIGHLIGHT

DRILLING SUCCESS
WITH SAPELE WELLS

Four wells all encountered hydrocarbons at multiple intervals highlighting acreage potential.

Read more on pages 14 to 23.

BOMONO PERMIT HIGHLIGHT

EXPLORATION DRILLING
PLANNED ON BOMONO

Multiple prospects identified from 2D seismic work. Well location identified and site preparation underway. Process of sourcing suitable rig ongoing.

Read more on pages 14 to 23.

FOCUS ON AFRICA

KENYA

NEW ACREAGE POSITION

The recent farm-in to 50% of Block 11B in Kenya, located in an emerging hydrocarbon province, brings additional exploration potential to Bowleven's portfolio.

Read more on pages 14 to 23.

Review of the Year

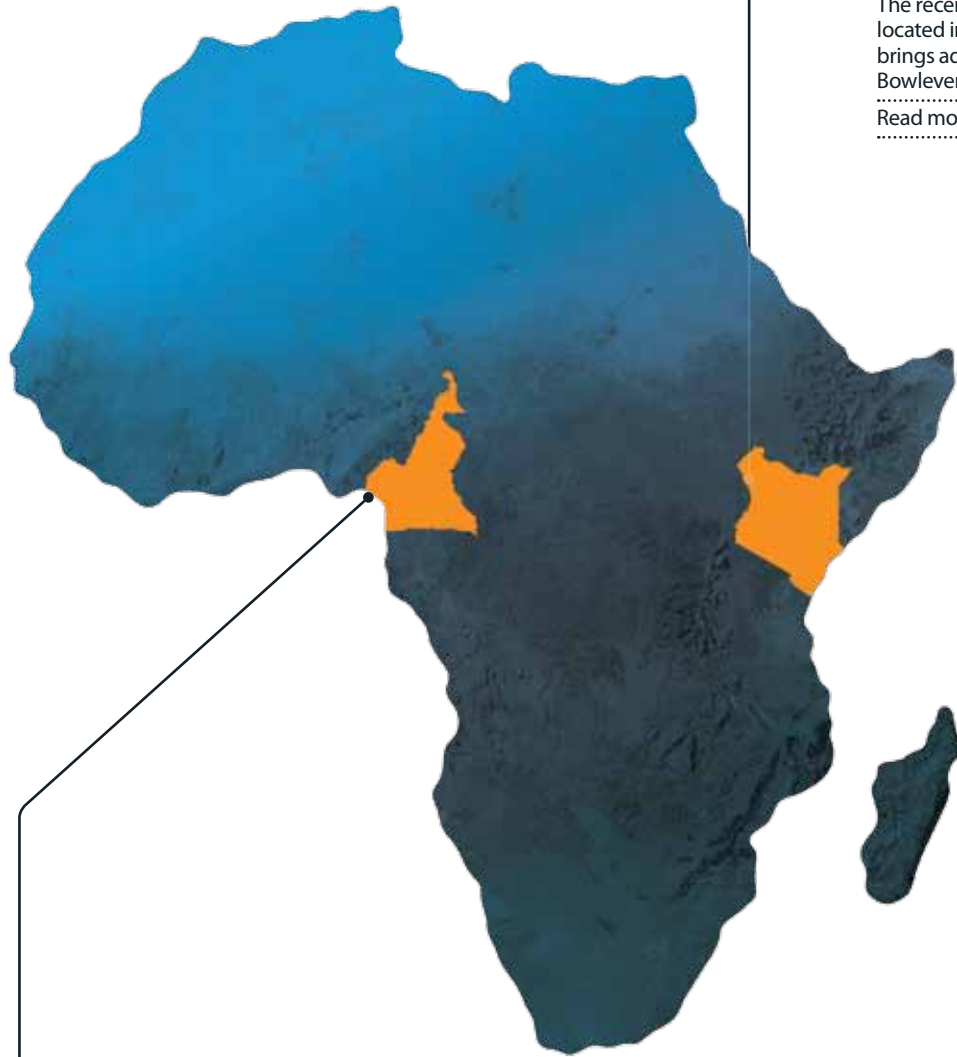
Highlights & Outlook	02
Chairman's & Chief Executive's Review	06
Exploration & Operational Review	14
Financial Review	25
Board of Directors	26

Financial Statements

Directors' Report	30
Directors' Remuneration Report	35
Directors' Responsibilities	41
Independent Auditor's Report	42
Group Income Statement	43
Statements of Comprehensive Income	44
Group Balance Sheet	45
Company Balance Sheet	46
Group Cash Flow Statement	47
Company Cash Flow Statement	48
Group Statements of Changes in Equity	49
Company Statements of Changes in Equity	50
Notes Forming Part of the Financial Statements	51

Shareholder Information

Notice of Annual General Meeting	75
Explanatory Notes to the Notice of Annual General Meeting	76
Shareholder Notes	77
Glossary	80
Advisers and Registered Office	81



CAMEROON

DELIVERING ON STRATEGY

The focus of the past 12 months has been centred around progressing the Group's twin objectives: converting resources to reserves and high impact exploration drilling in the Douala Basin.

Read more on pages 6 to 10.

HIGHLIGHTS & OUTLOOK

SIGNIFICANT PROGRESS ON THE REALISATION OF OUR STRATEGY



OPERATIONAL HIGHLIGHTS

Exploration/Appraisal

- Independent assessment of Deep Omicron interval volumes conducted by third party consultant (Sproule); in-place discovered and undiscovered Mean H1IP 1,208 mmboe.
- Supports H1 2012 upgrade to Deep Omicron in-place fairway volumes post Sapele-3 well; Mean H1IP of 1,197 mmboe.
- Sapele-2 and Sapele-3 exploration/appraisal wells encountered significant hydrocarbon intervals at multiple levels:
 - Sapele-2 tested high quality light oil from Deep Omicron interval; and
- Sapele-3 significantly extended the Deep Omicron and Epsilon fairways. Multiple Tertiary and Cretaceous prospects identified on Bomono Permit; drill-ready exploration target awaiting rig availability.
- Extensive, highly prospective exploration acreage obtained onshore Kenya.



OPERATIONAL HIGHLIGHTS

Resources to Reserves

- Draft Etinde Exploitation Authorisation Application (EEAA) submitted to authorities;
 - Final submission expected prior to expiry of PSC exploration phase.
- Advancing plans for a staged 'hub and spoke' development on Etinde:
 - Stage I to focus on block MLHP-7 fields with first production targeted 2016;
 - Stage II envisages integration of the Sapele discoveries.
- Term sheet for gas sales to proposed fertiliser plant nearing finalisation.
- Proposed strategic alliance with Petrofac provides access to extensive development expertise and up to \$500 million towards the development of Etinde.
 - Initial capital investment available at FID, anticipated H2 2013.
- Drilling underway on IM-5 appraisal/development well on block MLHP-7;
 - Update expected mid January 2013.



CORPORATE HIGHLIGHTS

- Strategic alliance agreement signed between Bowleven and Petrofac following extensive technical and commercial due diligence.
- EOV disposal completed in March 2012; \$38.6 million net proceeds received.
- Group cash balance at 30 June 2012 \$142.5 million, no debt.
- Group cash balance at 31 October 2012 approximately \$120 million.
- Funded for current exploration and appraisal programme.
- Discussions with preferred bidder on Bomono farm-out at advanced stage.



OUTLOOK

The two key near-term Group objectives remain the conversion of resources to reserves and the exploration of the Douala Basin, now augmented with the Kenyan exploration acreage.

Key focus areas for 2013 are therefore expected to include:

- Progressing development activities including pre-FEED/FEED work for the staged 'hub and spoke' development across the Etinde Permit, with processing facilities based onshore.
- Targeting Final Investment Decision (FID) in H2 2013 for Etinde development ensuring:
 - Approval of the Etinde Exploitation Authorisation Application (EEAA).
 - Finalisation of Gas Sales Agreement.
 - Access to finance for the development.
- Appraisal/development drilling on MLHP-7, including the completion of drilling and testing on the IM-5 well.
 - The requirement for, and location of, further wells will be determined following IM-5.
- Ongoing exploration activity in Cameroon involving:
 - Exploration drilling on the onshore Bomono Permit, targeting both Tertiary and Cretaceous prospectivity.
 - Ongoing evaluation of the Douala Basin prospectivity.
- Early stage exploration activities over new acreage in Kenya.



EXECUTING STRA

STRATEGY

Review of the Year

CHAIRMAN'S &
CHIEF EXECUTIVE'S REVIEW

CONSIDERABLE PROGRESS MADE ON OUR PATH TO DEVELOPMENT IN CAMEROON

Ronnie Hanna
Chairman

Kevin Hart
Chief Executive



The last year has been a period defined by further successful exploration and appraisal drilling in the Douala Basin followed by intense pre-development activity, including the compilation and submission of the draft Etinde Exploitation Authorisation Application (EEAA). In addition, extensive preparation has been undertaken for the current appraisal/development drilling. This work has put the Company in prime position to move forwards towards the phased development of its Etinde acreage.

A significant amount of attention has also been given to our 100% owned Bomono Permit with drilling locations identified and site preparation undertaken in advance of an eagerly anticipated near term drilling programme, subject to rig availability.

Throughout the year we have been working to achieve a number of the key deliverables highlighted at the Group's first capital markets day presentation held early in 2012. Significant progress has been made on each of them. These activities and milestones are consistent with the Group's stated key near term objectives of:

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.

The overriding focus of the Group will remain on accomplishing these objectives as we look forward to 2013 with drilling and development activity on Etinde and exploration drilling on Bomono. With an eye to future expansion, we have recently acquired a 50% interest in block 11B in Kenya, an area that is attracting high profile attention from industry majors and leading independents with recent drilling successes. Although early days, we are very excited about the 11B opportunity and look forward to the commencement of operations in 2013.

The operational and corporate highlights for 2013 are likely to include:

- Approval of Etinde Exploitation Authorisation Application (EEAA)
- Appraisal/Development drilling on block MLHP-7
- Finalisation of Gas Sales Agreement (GSA) for Etinde gas
- Securing finance for phased 'hub and spoke' Etinde development
- Obtain Final Investment Decision (FID) for Etinde development project
- Commence exploration drilling on Bomono and complete farm-out
- Acquisition of airborne geophysical and seismic data over new Kenyan acreage

RESOURCES TO RESERVES

The development of the Group's resource base on Etinde and the re-categorisation of resources to reserves is progressing well. Key to achieving this and making FID is the attainment of three key components namely:

1. *An approved Etinde Exploitation Authorisation Application (EEAA)*
A draft of the EEAA has been submitted to the Cameroon authorities and a number of workshops have been held with SNH. It is currently anticipated that a final formal license application will be made prior to 21 December 2012, the date the exploration period in the Etinde PSC expires. The development envisages a phased approach with initial production coming from the fields in MLHP-7 followed by a second phase which encompasses the MLHP-5 discoveries.
2. *A signed Gas Sales Agreement (GSA)*
A memorandum of understanding for the supply of 70 mmscfd of gas was signed between EurOil, SNH and Ferrostaal in April this year. A more detailed gas sales term sheet is now nearing finalisation with discussions to conclude terms, primarily the pricing mechanism, at an advanced stage. This agreement will form the basis for an even more detailed GSA which will be finalised prior to FID.
3. *Access to finance for the Etinde development*
Bowleven today announces it has entered into a proposed strategic alliance with Petrofac which includes, amongst other things, the provision of up to \$500 million towards Bowleven's share of the Etinde Stage I development.

This investment, which is conditional *inter alia* on the project meeting certain economic hurdles, will be repaid out of EurOil's share of the Etinde project cashflows. Details of the arrangements with Petrofac are included in a separate press release issued on 6 November 2012. Due to the size and nature of the transaction the approval of Bowleven's shareholders will be required.

EXPLORING THE DOUALA BASIN

Our focus continues to be on pursuing the considerable exploration potential of our Cameroon acreage. In particular, both significant discovered and as yet unexplored potential continues to exist in the Douala Basin. Over the coming months and years we plan to commence drilling onshore at Bomono and continue to develop, appraise and explore offshore within the Exploitation Area. In particular, it is anticipated that Stage II of the Etinde development will encompass the existing block MLHP-5 discoveries. This will enable accumulations such as Deep Omicron to be evaluated under long-term production test, providing valuable insight into reservoir connectivity and likely recovery factors.

EXPANDING OUR EXPLORATION HORIZONS

The recent farm-in to 50% of block 11B in Kenya represents a material new venture for Bowleven. The PSC, which covers approximately 14,000 square kilometres, is located in a new emerging hydrocarbon province, providing the potential for material future value creation through the drill-bit.

OPERATIONAL MOMENTUM IS EXPECTED TO CONTINUE IN 2013 WITH FOCUS ON CONVERTING RESOURCES TO RESERVES VIA OUR ETINDE DEVELOPMENT PLANS.

CHAIRMAN'S &
CHIEF EXECUTIVE'S REVIEW
CONTINUED



AS WE TARGET THE FINAL INVESTMENT DECISION (FID) FOR THE STAGED ETINDE DEVELOPMENT PROJECT, THE FOCUS IS ON ENSURING THAT KEY REQUIREMENTS ARE IN PLACE.

VOLUMETRICS UPDATES
In-Place Volumes and Contingent Resources Updates

The Sapele-3 appraisal well significantly extended the Deep Omicron fairway encountered with the previous Sapele and earlier wells and as a consequence, as previously published in March 2012, we increased the fairway Mean HILP to 1,197 mmboe. Sproule International Ltd (Sproule), the international petroleum consultancy house, was recently commissioned by Bowleven to undertake an independent assessment of volumes within the Deep Omicron interval. Sproule's methodology is based on the identification and volumetric assessment of discrete geobodies pinpointed by detailed seismic interpretation. Bowleven's approach is to assume pay throughout the areal extent of the fairway and generate volumes accordingly.

We are very pleased that Sproule assess the Sapele wells to have discovered a Mean HILP of 133 mmboe with a Mean undiscovered HILP of 1,075 mmboe for the Deep Omicron fairway. Sproule's cumulative Mean of 1,208 mmboe combines both their discovered and undiscovered in-place volumes and compares to Bowleven's 1,197 mmboe Mean in-place fairway volume. The Sproule P50 in-place volumes are a third higher than Bowleven's published P50 in-place volumes. Further detail is provided in the table on page 22.

Sproule's work provides third party validation of the in-place volumes published by Bowleven for the Deep Omicron fairway. In addition, the Sproule analysis identifies potential sweetspots and therefore will be considered in selecting future well locations. Further details are provided in the report produced by Sproule, a copy of which is available on our website www.bowleven.com.

A key objective for the Group is the conversion of resources to reserves. It is envisaged that the Sapele discoveries in block MLHP-5 will form part of Stage II of the Etinde development and ultimate reserves recovery will depend on several factors including the number of production wells and reservoir connectivity. The revision to resources to incorporate the increased Deep Omicron fairway in-place volumes published following the Sapele-3 well is still in progress and therefore no update has been made to contingent resources below.

The Group's net contingent resource volumes on a P50 basis are 203 mmboe (2011: 226 mmboe). The movement is due to the removal of 9 mmboe resources relating to EOY following the sale of the asset in the period and the refinement of volumes on the IE/ID fields on block MLHP-7, incorporating the results from recently acquired 3D 4C OBC seismic data.

OPERATIONS

It has been an active period for the Group with two drilling campaigns focused on the shallow water Etinde Permit in Cameroon. The first programme included the successful drilling of the Sapele-2 and Sapele-3 appraisal wells on block MLHP-5 following the earlier discoveries made with the Sapele-1 exploration well. The focus of the second is on appraisal/development drilling on block MLHP-7 and drilling operations on the IM-5 well are underway. Advancing our plans for a 'hub and spoke' development in Cameroon is a priority and significant progress has been made in the period. On the onshore Bomono Permit in Cameroon a prospects and leads inventory has been compiled following the evaluation of 2D seismic data acquired on the acreage. Planning and preparation for drilling operations on Bomono, including site preparation, has also been progressed.



New ventures activity has resulted in the farm-in to acreage in Kenya.

**Cameroon – Etinde Permit (Bowleven Group 75% and Operator; Vitol 25%)
Drilling and Testing Activities**

Block MLHP-5, Etinde Permit

The results of the Sapele-2 and Sapele-3 wells in the second half of 2011 enlarged the areal extent of the mapped Deep Omicron oil-bearing interval, discovered by the earlier Sapele wells, significantly northwards into block MLHP-6.

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 both the Deep and Lower Omicron intervals. Drill stem tests produced oil and gas from the Deep and Lower Omicron intervals with high quality light oil at the Deep Omicron level.

The Sapele-3 well was drilled to a TD of 4,480 metres and encountered net hydrocarbon pay at multiple levels. This significant step-out from the existing Sapele discoveries considerably extended the previously defined Deep Omicron and deeper Epsilon fairway boundaries. The well was suspended for future testing. Gas chromatographic ratio analysis indicates both the Deep Omicron and Epsilon reservoirs are likely to be oil-bearing.

The four well Sapele drilling programme has demonstrated that the Deep and Lower Omicron reservoir intervals are not only seismically laterally extensive, but also have similar geological wireline log characteristics and hydrocarbon charge histories. Whilst the overall extent of these significant stratigraphic traps are yet to be delineated, the encouraging well test results and the substantial pressure inversions encountered in the reservoirs are also indicative of both

a laterally extensive, well connected reservoir system and a commercially viable resource base. This can only conclusively be proved by drilling wells and obtaining long-term well performance data. It is envisaged that the Sapele discoveries will be developed in Stage II and integrated with the 'hub' constructed and installed as part of the Stage I development. The utilisation of the Stage I hub facilitates the sanction of future tie-ins.

Block MLHP-7, Etinde Permit

The existing IE, IF and IM fields are situated on block MLHP-7. Drilling operations commenced on the IM field in September 2012 with the IM-5 appraisal/development well. The primary objective of this well is to determine the reservoir and fluid properties and gas composition of the Middle Isongo sands which will be used to optimise the configuration and timing of future development wells. The secondary objective is to explore the potential of the previously untested Intra Isongo reservoir sands. The well has an estimated target depth of 3,475 metres and has been designed to enable suspension as a future producing well. A re-drill of the hole section was required due to mechanical difficulties encountered during drilling operations and the well is now expected to reach TD mid-January 2013. The requirement for further drilling, if any, will be assessed following the results of the IM-5 well. In order to allow a full integration of the IM-5 drilling results into the Etinde development programme, the rig will be released to another operator in the area on completion of IM-5 operations. Meanwhile, we are considering taking the rig back on completion of this operators programme.

KEY REQUIREMENTS FOR FID:

- 1) AN APPROVED ETINDE EXPLOITATION AUTHORISATION APPLICATION
- 2) A GAS SALES AGREEMENT
- 3) ACCESS TO FINANCE FOR THE DEVELOPMENT

CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW CONTINUED



OUR FOCUS CONTINUES TO BE ON PURSUING THE CONSIDERABLE EXPLORATION POTENTIAL OF OUR CAMEROON ACREAGE.

Appraisal/Development

Significant progress has been made on plans to monetise the existing discoveries on the Etinde Permit. The selected development concept is based on a 'hub and spoke' development scheme which enables a phased and flexible approach to the development of our discoveries in Cameroon and facilitates early liquids production. The block MLHP-7 discoveries will be the focus for the first stage of the development in which all the required infrastructure for this phase will be constructed and installed, including the onshore processing facility ('hub'). The second stage envisages the integration of the discoveries on block MLHP-5 into the development, utilising the onshore infrastructure installed for the initial stage. The approach also provides additional flexibility in the event of further discoveries on our Cameroon acreage.

Appraisal and development activities are continuing. The evaluation of 3D 4C OBC seismic data acquired over the IE and IF fields on block MLHP-7 is progressing. An independent engineering firm was engaged to help develop the detailed reservoir engineering work required for field development planning, including the generation of reserves and production profiles. The draft EEAA, covering a substantial part of the Etinde Permit, was prepared and submitted and three workshops have been held with the Cameroon authorities. The final EEAA submission is expected prior to the expiry of the PSC exploration period on 21 December 2012. The application for the Exploitation Authorisation overrides the expiry date of the exploration phase. Acreage not covered by the exploitation area is being considered under a separate exploration PSC.

Development planning is also advancing with a project definition, scope and execution schedule all in place. The immediate priorities for the development team are obtaining the EEAA, completion of drilling and testing activities on the IM-5 well, site selection for the onshore processing facility and completing the associated environmental and social impact assessment (ESIA) for the development.

Cameroon Gas Monetisation

With significant volumes of gas present across the Permit, in addition to the multiple liquids discoveries, it is recognised that identifying a route to market the gas is key to optimising future development plans for the liquids.

Significant progress has been made in advancing an offtake route for the gas. An MOU for the supply of gas for a minimum of 10 years from the Etinde Permit to a proposed fertiliser plant in Cameroon was signed by the prospective owners (Ferrosstaal and SNH) and EurOil as operator of Etinde in April 2012 and considerable attention is being given to the progression of this initiative by all parties involved.

Sufficient gas volumes are anticipated from the IM and IE fields to supply the MOU requirements. A gas sales term sheet is in now the advanced stages of negotiation and discussions to conclude terms, primarily details of the pricing mechanism, are continuing. All interested parties are targeting the end of 2012 for the approval of the term sheet. The integration of timetables from the proposed fertiliser plant development and the Stage I Etinde development indicates first gas production in 2016.

Meanwhile, the 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 domestic LNG facility continues to progress. Also, additional in-house potential solutions (including methanol plant, mini LNG and gas reinjection) continue to be considered alongside third party led solutions.

Cameroon – Bomono Permit (Bowleven Group 100% and Operator)

The evaluation in the period of the 2D seismic dataset revealed multiple prospects and leads across the Permit with both Tertiary and deeper Cretaceous aged targets identified. A well location was highgraded from this exercise (Zingana-1) and planning and preparation for drilling carried out. As previously highlighted, the timing of commencement of exploration drilling on Bomono is dependent on a suitable onshore rig being sourced. An extensive rig contracting process has been undertaken throughout 2012 and is continuing. The limited availability of suitable rigs in the region has made this process particularly challenging. Meanwhile, well site preparation has been advanced to ensure the location is drill-ready when a rig becomes available. Indications from the rig contracting process are that it is likely that drilling will now commence in 2013, after the first exploration phase of the PSC, which expires in December 2012. The Cameroon authorities have been kept fully informed throughout the process and appreciate the problems of sourcing a suitable rig. Consequently SNH support our request to carry forward the well into the second two year exploration phase of the PSC. With SNH's support, this request will be tabled at a Special Operating Committee Meeting in November 2012.

Discussions with a preferred bidder regarding a farm-out by the Group of part of its interest in the Bomono Permit are at an advanced stage. Completion of the transaction is still, *inter alia*, subject to contract and various Board and government approvals.

Gabon – EOY Permit & Epaemeno Permit

The sale of the Group's entire equity interest in the offshore EOY Permit, to Perenco SA was completed on 30 March 2012 generating total net proceeds of \$38.6 million.

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

Following the disposal of the EOv Permit and the relinquishment of the Epaemeno Permit, the Group no longer has any interests in Gabon.

Kenya – Block 11B (Bowleven 50%, Adamantine 50% and Operator)

On the 17 September 2012, Bowleven farmed-in to a 50% equity interest in the Kenyan onshore exploration block 11B that covers an area of approximately 14,000 square kilometres covering several basins. The block is ideally located at the intersection of the Tertiary and Cretaceous East African Rift systems on trend with production to the north-west in Sudan and north of recent discoveries in Kenya. The initial two year exploration work programme is to include an airborne geophysical survey and the acquisition of 2D seismic and tendering for these surveys has been initiated.

New Ventures/Farm-Out Opportunities

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

Operational Outlook

Operational momentum is expected to continue into 2013 with the focus on converting resources to reserves via our plans for development of the Etinde Permit. Maintaining exploration activity on our extensive acreage in Cameroon also remains a priority, with planned near term exploration drilling focused on the Bomono Permit. In addition, our new acreage in Kenya provides the opportunity for early stage exploration activity with the acquisition of airborne geophysical and 2D seismic surveys planned.

FINANCE

The Group has reported a loss of \$13.1 million for the year ended 30 June 2012 (2011: loss \$76.8 million). The loss for the year includes charges arising from the disposal of EOv and following the relinquishment of Epaemeno of \$3.2 million and \$3.6 million respectively.

In addition, the results for the year include a foreign exchange gain of \$2.4 million (2011: \$22.6 million loss) arising from foreign exchange movements on US cash balances under IFRS. The prior year loss arose from foreign exchange differences on intra-group loans under IFRS that have since been capitalised. Administrative expenses for the Group were \$9.5 million (2011: \$13.2 million). Capital expenditure cashflows in the year were \$97.3 million (2011: \$85.7 million). This expenditure relates to exploration and appraisal activities, primarily drilling operations on the Etinde Permit.

Net proceeds of \$123 million from an equity placing were received in November 2011. In addition, net disposal proceeds of \$38.6 million, relating to the sale of EOv, were received in March 2012. As at the balance sheet date, 30 June 2012, the Group had cash balances of \$142.5 million. The Group had cash balances of approximately \$120 million at 31 October 2012.

The Group continues to review all available financing options as it moves towards the development of the Etinde Permit and the associated transfer of the existing resource base from resources to reserves. This transition provides the opportunity to access alternative sources of funding for development purposes. Discussions have taken place, and continue, with a number of potential capital providers (including Petrofac) with a view to securing the required financing prior to FID. In addition to the more conventional debt funding solutions, the high equity interest retained in Etinde (as is also the case with Bomono) provides the opportunity to bring in additional farm-in partners when deemed appropriate.

PETROFAC STRATEGIC ALLIANCE

A strategic alliance agreement has been signed between Bowleven and Petrofac following extensive technical and commercial due diligence. The proposed strategic alliance provides access to up to \$500 million towards Stage I of the Etinde development and to Petrofac's world class development expertise. Further details are provided in the separate announcement released on 6 November 2012.

OUTLOOK

2013 will be a major year for Bowleven as we endeavour to put in place all the building blocks that will enable a final development investment decision to be made on Etinde. Securing finance, a robust gas sales agreement and a final development plan will all be required before the green light can be given. It will undoubtedly prove challenging but the proposed strategic alliance with Petrofac, who can provide extensive development experience along with access to significant investment capital, should ensure we have the best chance of success in our quest towards becoming a major producer in Cameroon. In addition, we will continue to stay true to our exploration roots as we seek to uncover the potential we believe still exists in the Douala Basin and start a new voyage of potential discovery in Kenya. Our team and our partners have the skills, experience and attitude to drive Bowleven forward and realise the value potential of our acreage.

Ronnie Hanna
Chairman

Kevin Hart
Chief Executive
5 November 2012



THE PROPOSED STRATEGIC ALLIANCE WITH PETROFAC GIVES US ACCESS TO CAPITAL ALONGSIDE EXTENSIVE DEVELOPMENT EXPERTISE TO ASSIST PROJECT DELIVERY AND HELP DELIVER FIRST PRODUCTION FROM ETINDE.

PLANNING FOR DEVELO

DEVELOPMENT



EXPLORATION & OPERATIONAL REVIEW

SIGNIFICANT PROGRESS HAS BEEN MADE ON PLANS TO MONETISE THE EXISTING DISCOVERIES ON THE ETINDE PERMIT



OVERVIEW

As part of Bowleven's stated strategy of moving resources to reserves, significant progress has been made on plans to monetise the existing discoveries on the Etinde Permit. The selected development philosophy is based on a 'hub and spoke' development scheme, which enables a phased and flexible approach to the development of our discoveries in Cameroon and facilitates early liquids production. The Etinde development is being undertaken on a staged basis, where the discoveries in block MLHP-7 will be developed in the first stage. It is currently envisaged that the discoveries in block MLHP-5 will be developed in the second stage. This approach also provides additional flexibility in the event of further discoveries on our Cameroon acreage.

The process to obtain an exploitation authorisation over a substantial part of the Etinde Permit is progressing as planned. A draft Etinde Exploitation Authorisation Application (EEAA) has been submitted to the Cameroon authorities and a number of workshops held, with the final EEAA submission expected prior to the expiry of the current exploration phase in December 2012.

With significant volumes of gas present across Etinde, in addition to multiple liquids discoveries, it has been recognised that identifying a commercialisation route for the gas is key to optimising the value from the hydrocarbon liquids on both blocks MLHP-7 and MLHP-5. Accordingly, a gas sales term sheet for the supply of gas to a proposed fertiliser plant in Cameroon is in the advanced stages of negotiation and discussions to conclude terms, primarily the details of the pricing mechanism, are continuing. SNH are party to the fertiliser gas sales arrangements and sponsor this approach to gas utilisation.

Drilling operations commenced on the IM field in September 2012 with the IM-5 appraisal/development well. The primary objective of this well is to determine the reservoir and fluid properties and the gas composition of the Middle Isongo sands that will be used to optimise the configuration and timing of future development wells. The well has been designed to enable suspension as a future producer. Drilling operations are ongoing and results from the well are expected in mid January 2013. The requirement for further drilling, if any, will be assessed following the results of the IM-5 well.

On block MLHP-5, the results of the Sapele-2 and Sapele-3 wells drilled in the second half of 2011, significantly extended the previously defined oil-bearing Deep Omicron and Epsilon reservoir fairways discovered by the earlier Sapele wells.

Geological modelling of the Deep Omicron reservoir fairway, incorporating the results from the Sapele and earlier wells on the acreage, indicates the presence of an extensive stratigraphically trapped petroleum system. Following this modelling, updated in-place volumetrics for the Deep Omicron fairway were published in March 2012 and were recently validated by a report from an independent consultant, Sproule International Ltd (Sproule). The Mean in-place discovered and undiscovered volumes reported by Sproule are similar to those published by Bowleven for the Deep Omicron fairway. See the volumetrics update section for more details. A copy of the report is also available on our website www.bowleven.com.

The success of the four Sapele wells is highly significant for the development of block MLHP-5. It is anticipated that the appraisal and development of the Deep and Lower Omicron reservoirs discovered in block MLHP-5 will form part of the second stage of the Etinde 'hub and spoke' development.

Alongside our focus on converting "Resources to Reserves" the Group's other overarching objective continues to be "Exploring the Douala Basin in Cameroon". Our discoveries on block MLHP-5 in the Miocene and Paleocene intervals, alongside the Cretaceous prospectivity highlighted at Sapele-1, has 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 on the onshore Bomono Permit. Extensive 2D seismic data has now been evaluated and reveals multiple Tertiary and Cretaceous prospects and leads. As previously highlighted, the exact timing for commencement of exploration drilling on Bomono is dependent on rig availability. An extensive rig contracting process has been undertaken throughout 2012 and is continuing. Meanwhile, planning and preparation for drilling operations, including civil engineering works, for the proposed rig site have been advanced.

Indications from the rig contracting process are that it is likely that the drilling of the Bomono well will now commence in 2013,

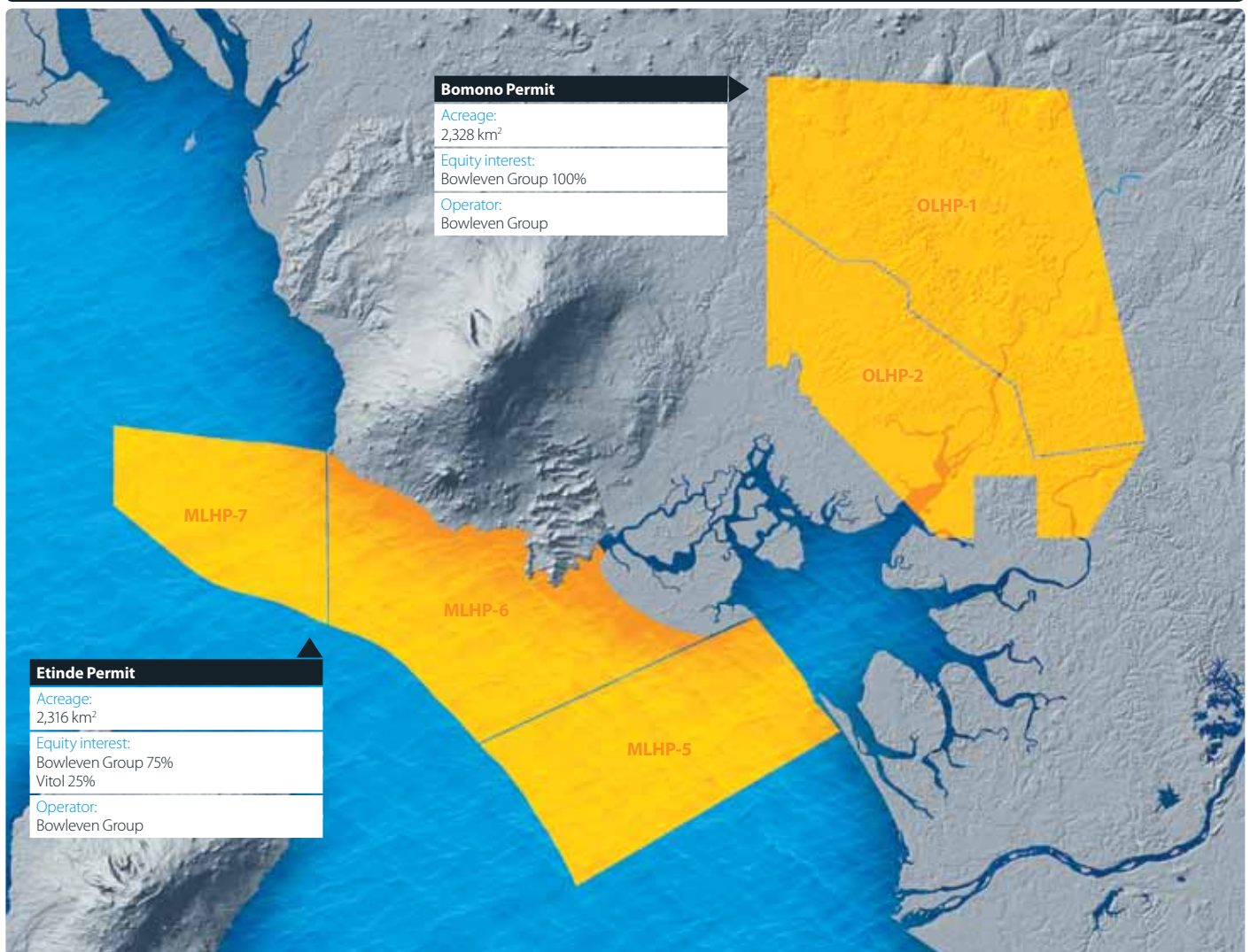
after the first exploration phase of the PSC, which expires in December 2012. The Cameroon authorities have been kept fully informed throughout this process and appreciate the problems of sourcing a suitable rig. Consequently, SNH have supported our proposal to enter the second two year exploration phase under the Bomono PSC. With SNH's support, this request will be tabled at a Special Operating Committee Meeting in November 2012.

Discussions with a preferred bidder regarding a farm-out by the Group of part of its interest in the Bomono Permit are at an advanced stage.

Elsewhere, in Kenya, Bowleven has acquired a 50% equity interest in onshore exploration block 11B, operated by Adamantine Energy Ltd. Block 11B encompasses an area of approximately 14,000 square kilometres covering several sedimentary basins. Initial analysis suggests that several proven play types should exist on the block, including those analogous to the recent find in the Lokichar Basin to the south, and the oil production of South Sudan to the north-west. The initial two year exploration work programme is to include an airborne geophysical survey and the acquisition of 2D seismic.

OUR DISCOVERIES HAVE CONFIRMED OUR BELIEF THAT THE DOUALA BASIN HAS THE POTENTIAL TO BECOME A MAJOR HYDROCARBON PRODUCING AREA IN THE FUTURE.

CAMEROON ACREAGE



A man in a red flight suit is seated at a control panel, looking intently at a series of computer monitors. The room is dimly lit with a warm, orange glow. Another person is visible in the background, also working at a similar station. The word "EXPLO" is overlaid in large, white, stylized letters across the center of the image.

EXPLO



FOCUSED OPERATION

EXPLORATION & OPERATIONAL REVIEW CONTINUED

THE SELECTED DEVELOPMENT PHILOSOPHY IS BASED ON A 'HUB AND SPOKE' DEVELOPMENT SCHEME, WHICH ENABLES A PHASED AND FLEXIBLE APPROACH TO THE DEVELOPMENT OF OUR DISCOVERIES IN CAMEROON AND FACILITATES EARLY LIQUIDS PRODUCTION.

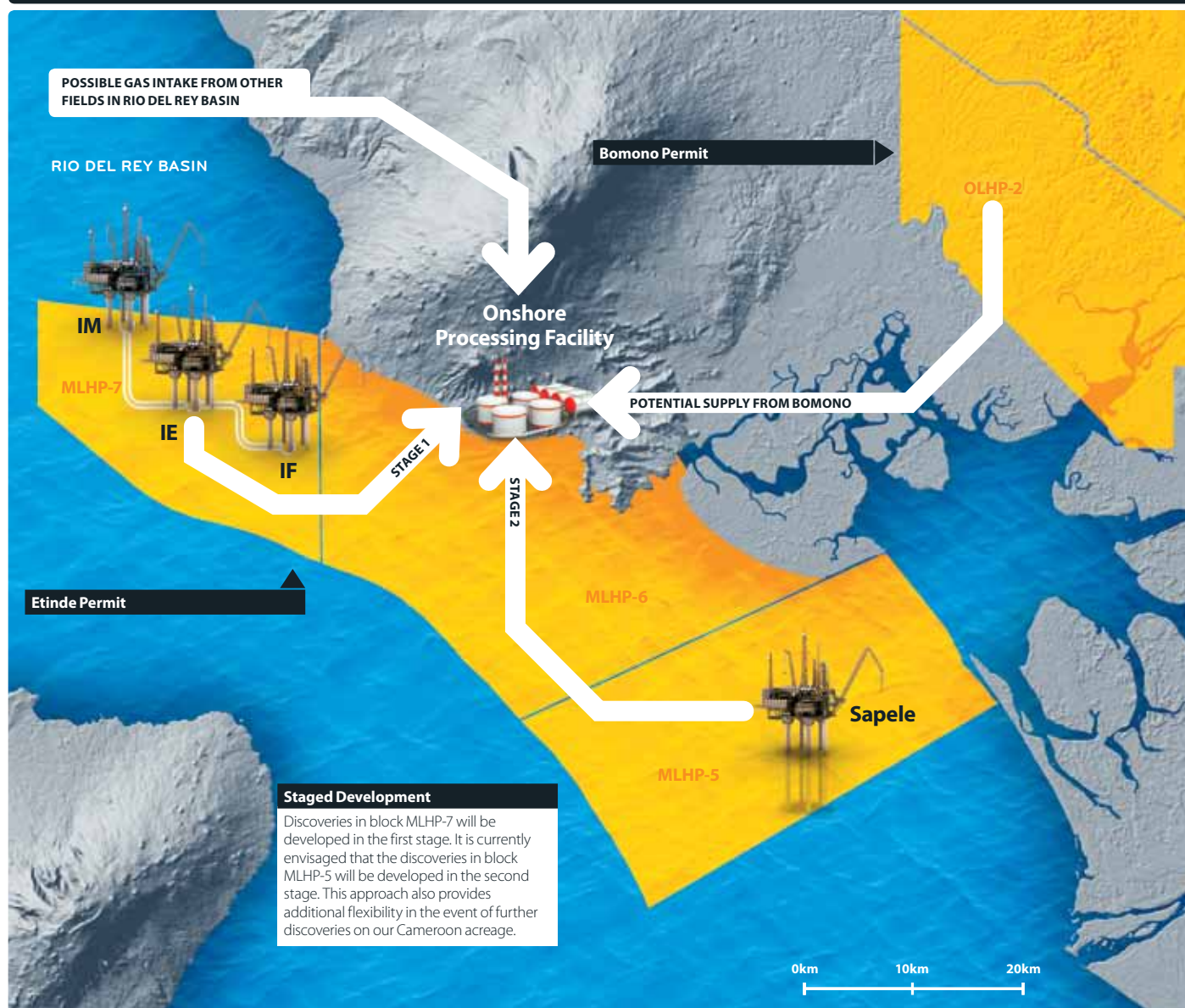
The Group no longer has any interests in Gabon following the disposal of its entire interest in the offshore EOY Permit and the relinquishment of the onshore Epaemeno Permit.

Further detail on operations is provided in the following sections:

HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

Bowleven is fully committed to ensuring the health, safety and security of all personnel who are directly involved in, or affected by, the Group's operations. As part of this commitment, the Group reviews its HSSE policies and procedures on a regular basis to ensure that they are fully compliant with industry 'best practice' as well as all the appropriate international and local rules and regulations.

COMBINED 'HUB AND SPOKE' DEVELOPMENT



The Group is also committed to ensuring that all the appropriate steps are taken to ensure that the environmental impacts of the Group's operations are kept to a minimum. Consistent with international and local requirements, the Group conducts Environmental and Social Impact Assessments (ESIAs) and ensures that environmental approvals from the relevant authorities are in place prior to embarking on any new projects. Correct and sustainable management of waste has been a key area of activity within the Group's operations in the last year, specifically in Cameroon, where arrangements are in place with local waste management companies for the correct disposal of segregated waste from operational activities.

HSSE related documentation is regularly reviewed to ensure that Emergency Response Plans (ERPs) and related procedures are up to date and in accordance with international 'best practice' and requirements. Drills and exercises are regularly conducted on the Group's operations to ensure that the procedures in place are fit for purpose.

The Group recognises the importance of ensuring that it has all the required resources in place and available to handle any oil spill event within its area of operations. As a result, arrangements are in place with internationally recognised service companies to assist in any containment and remedial activity should this be needed, together with the required training.

Ensuring that its employees, contractors and associates can work in a secure environment at all times is imperative. All of the Group's activities undertaken offshore in Cameroon are supported by security personnel provided by the Government of Cameroon in line with international standards.

This continuing commitment has helped to deliver another year in which the Group had no 'Lost Time Incidents' (LTIs).

CAMEROON **Etinde Permit (Bowleven Group** **75% and Operator; Vitol 25%)**

The Etinde Permit consists of the three former offshore blocks MLHP-5, MLHP-6 and MLHP-7, consolidated into a single licence area of 2,316 square kilometres under a PSC signed in December 2008. The Permit spans the boundary of the Rio del Rey and Douala Basins, both notable hydrocarbon provinces.

Vitol, Bowleven's co-venturer in Etinde, holds a 25% participating interest in the Permit. Vitol's option to acquire an additional 10% participating interest in block MLHP-7 expired without exercise on 31 March 2012.

Etinde Permit: Drilling and Testing Operations **Drilling and Testing Overview**

Drilling and testing activity straddled two operational periods. The first programme concluded at the end of 2011 following the completion of the Sapele-2 then Sapele-3 wells. The second campaign commenced with the IM-5 appraisal/development well, which spudded in the middle of September 2012. Drilling operations are ongoing.

Sapele-2

The Sapele-2 well was drilled to a TD of 3,479 metres. The well encountered net hydrocarbon pay within both the Deep and Lower Omicron intervals. Three drill stem tests were conducted, producing oil and gas from the Deep and Lower Omicron intervals. Details of the tests are provided in the 2011 Annual Report. In summary, despite compromised well bore conditions and operational issues, a high quality light oil (39 to 42 degree API) and a peak flow rate of 2,738 boepd was produced on test at Deep Omicron. Sapele-2 operations were completed on 7 August 2011.

Sapele-3

The Sapele-3 well was located approximately 16 kilometres north-west of Sapele-1 and approximately 13 kilometres north-west of the D-1r well, in water depths of 30 metres. The primary target of the well was the Miocene gas condensate bearing reservoir interval encountered in the D1-r well drilled in 2007. At this level a 7 metre high quality sandstone was encountered with a one metre log-evaluated gas-condensate column.

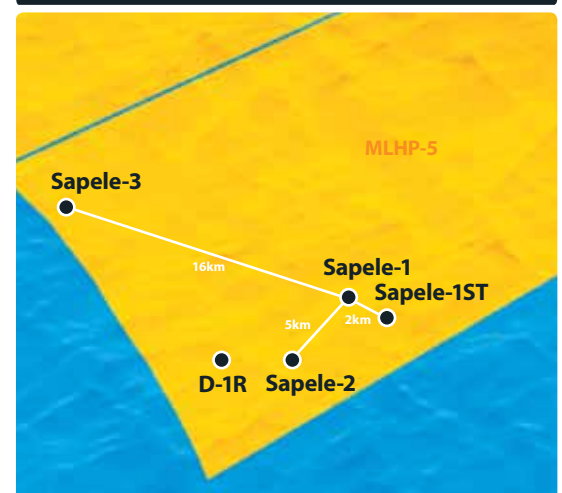
Due to a benign geological pressure regime it was possible to deepen the well through the low angle geological fault (the 'X-Cut') into the Deep Omicron equivalent interval penetrated by the previous three Sapele wells and the deeper Paleocene aged Epsilon interval penetrated by Sapele-1.

Within the Deep Omicron interval the well encountered 11 metres of log evaluated hydrocarbon pay in high quality sandstone reservoirs. The presence of light oil within this interval was confirmed by MDT fluid sampling. In addition, a further 24 metres of net sand was encountered, of which an additional 11 metres is interpreted as having high residual hydrocarbon saturations.

Within the Epsilon interval the well intersected log-evaluated net hydrocarbon pay of 6 metres with an additional 2 metres of net pay in reservoir encountered in a stratigraphic unit lying below Deep Omicron and above Epsilon. Gas chromatographic ratio analysis and hydrocarbon shows encountered whilst drilling, each indicate that both these reservoirs are possibly oil-bearing.

The Epsilon interval reservoir is interpreted as a basal sandstone unit in the same gross stratigraphic unit as that encountered in the original Sapele-1 well but located towards the edge of a seismically extensive channelised system. Sapele-1 and Sapele-3 have now confirmed the presence of both gas condensate and oil within the Epsilon stratigraphic unit. The discovery within the Epsilon interval extends the known play fairway well beyond the previously mapped area. In addition, the Sapele-3 location was not selected as an optimal point with which to intersect the Epsilon interval and seismic interpretation indicates the potential for better developed sands elsewhere within the interval.

SAPELE WELL LOCATIONS, BLOCK MLHP-5



EXPLORATION & OPERATIONAL REVIEW CONTINUED



**SPROULE'S WORK PROVIDES
INDEPENDENT THIRD PARTY
VALIDATION OF THE INTERNAL
IN-PLACE VOLUMES RELEASED
BY BOWLEVEN FOR THE DEEP
OMICRON FAIRWAY.**

The well reached the extended TD of 4,480 metres and was suspended for future testing and potential use as a development well. Immediate testing of the Epsilon interval was ruled out at the time, as downhole temperatures exceeded the temperature rating of the available surface test equipment. Whilst testing of the Deep Omicron interval would have been possible, it would have compromised the integrity of the well and added significant complexity and risk to any future test operations in Epsilon. Following the completion of suspension operations at Sapele-3, the Sapphire Driller jack-up rig was released from contract on 2 December 2011.

The confirmed presence of oil in the Deep Omicron interval at Sapele-3 extends the currently mapped reservoir fairway significantly northwards into MLHP-6. The four well Sapele drilling programme on MLHP-5 through 2010 to 2012 has demonstrated that the Lower and Deep Omicron reservoir intervals are not only seismically laterally extensive, but also have similar geological wireline log characteristics and hydrocarbon charge histories. Whilst the overall extent of these significant stratigraphic traps are yet to be delineated, the encouraging well test results and the substantial pressure inversions encountered in the reservoirs are also indicative of both a laterally extensive, well connected reservoir system and a commercially viable resource. It is envisaged that the Sapele discoveries will be developed in Stage II and integrated with the 'hub' constructed and installed as part of the Stage I development.

An update to the in-place volumetrics following the Sapele-3 well was provided in the Interim Report issued in March 2012 (see volumetrics update section for further details).

Isongo Marine-5 (IM-5)

The focus of the 2012 drilling programme on Etinde is on the appraisal of existing discoveries that will form the base for the initial production of the Etinde development plan. The Atwood Aurora jack-up rig was contracted to drill two wells and the rig came on to location on 8 September 2012. Drilling operations commenced on the IM-5 appraisal/development well on the Isongo Marine field in block MLHP-7 on 16 September 2012. The primary objective of this well is to determine the reservoir and fluid properties of the Middle Isongo sands. The secondary objective is to explore the potential of the previously untested Intra Isongo reservoir sands. The results will influence the optimisation of liquids production from the gas streams of the Etinde reservoirs. The well, located approximately one kilometre south of the IM-3 well, has an estimated target depth of 3,475 metres and has been designed

to enable suspension as a future producing well. A re-drill of the hole section was required due to mechanical difficulties encountered during drilling operations and results from the well are now expected in mid January 2013. The requirement for further drilling, if any, will be assessed following the results of the IM-5 well. In order to give a longer period of evaluation, the rig will be released to another operator in the area on completion of IM-5 operations. Meanwhile, we are exploring the possibility of taking the rig back on completion of this operator's programme.

Etinde Permit: Exploitation/ Commercialisation

Exploitation Authorisation Application

The process to obtain an exploitation authorisation for up to 25 years over a substantial part of the Etinde Permit is progressing as planned. A draft Etinde Exploitation Authorisation Application (EEAA) has been submitted to the Cameroon authorities. Three supporting workshops have been held to discuss the component parts of this application. It is expected that the final EEAA will be submitted prior to the expiry of the current exploration phase in December 2012. The application for the Exploitation Authorisation overrides the expiry date of the exploration phase. Acreage not covered by the exploitation area is being considered under a separate exploration PSC.

Appraisal/Development

Significant progress has been made on the plans to monetise the existing discoveries on the Etinde Permit through a 'hub and spoke' development. This development concept is centred around an onshore processing facility (the 'hub') linked to offshore producing wells (the 'spokes') which will allow a staged development across different parts of the Etinde Permit, thus facilitating early liquids production and also allowing more spokes to be added as further discoveries are made.

It is planned to develop as a minimum the IM and IE hydrocarbon discoveries on block MLHP-7 as part of the first stage of the development (Stage I), in which all the necessary infrastructure will be constructed and installed (i.e. the 'hub' phase). Work is continuing on the evaluation of the IF 'black oil' discovery, where the structural interpretation is complex. Additional 3D 4C OBC seismic has been acquired on block MLHP-7, with the dual objectives of:

- 1) Enhancing the seismic imaging of the IE field reservoirs, which lie beneath a volcanic carapace; and
- 2) Providing improved seismic imaging through the gas chimney that obscures part of the IF field.

The processing of the data from this survey was completed in early 2012 and the evaluation work is continuing.

An independent reservoir engineering firm was engaged to help develop the reservoir engineering input required for the preparation of the field development plan with the associated reserves and production profiles. This development plan is predicated on supplying 70 mmscfd of dry gas for a minimum of ten years to a fertiliser plant. Sufficient gas volumes are anticipated from the IM and IE fields to supply this requirement.

Once the infrastructure 'hub' has been installed and the block MLHP-7 Stage I discoveries are in production, then the next stage of the development assumes that the integration of all the remaining discoveries will be done on a discovery-by-discovery basis. This is a flexible cost-effective 'spoke' approach which is particularly well-suited to the development of discoveries where the geology is such that the prediction of the distribution and continuity of potentially productive reservoirs is complex, as is the case for the majority of the discoveries in the Sapele area and elsewhere in MLHP-5.

Several quantitative and qualitative studies have been conducted on a large number of onshore and offshore development scenarios with the selected development concept consisting of three wellhead platforms (WHPs), with all processing being conducted onshore. This may change as the engineering studies are matured.

A detailed project execution schedule has been prepared and the project scope, project definition and project boundary conditions have all been agreed. The immediate key milestones are: the obtaining of the EEAA, completion of drilling and testing activities on the IM-5 well, site selection of the onshore processing plant and the completion of the associated ESIA for the development.

Cameroon Gas Monetisation

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.

As previously reported, a memorandum of understanding for a ten year supply of gas from the Etinde Permit to a proposed fertiliser plant in Cameroon was signed by the prospective owners (Ferrostaal and SNH) and EurOil as operator in April 2012. A gas sales term sheet is in the advanced stages of negotiation and discussions to conclude terms, primarily details of the pricing mechanism, are continuing.

It is envisaged that the fields on block MLHP-7 will be key potential contributors to the proposed scheme and first gas production from Stage I of the development, integrating with the proposed fertiliser timetable, is anticipated in 2016.

The existing GDF 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. In addition, alternative in-house potential solutions (including a methanol plant, a small scale LNG plant and gas reinjection) continue to be considered with the third party led solutions mentioned above.

Bomono Permit (Bowleven Group 100% and Operator)

The Bomono Permit comprises the two former blocks OLHP-1 and OLHP-2 in the onshore extension of the Douala Basin, covering an area of 2,328 square kilometres situated to the north-west of Douala city.

As previously reported, the acquisition of 500 line kilometres of 2D seismic forming part of the Group's minimum work commitment under the Bomono PSC was completed in early 2011. The outstanding first phase commitment is a single exploration well.

The processing of the 2D seismic dataset was completed by June 2011 and interpretation of the integrated dataset continued through the remainder of 2011 with a complete prospect inventory having been generated by December 2011. This work identified and ranked a series of prospects and leads across the Permit with both Tertiary and deeper Cretaceous aged targets.

The outcome of this work was to highgrade a location for the first well on the Permit. This location, selected 20 kilometres north-west of Douala, targets the Zingana prospect, a Paleocene (Tertiary) aged three-way dip closed fault block that was

partially penetrated by shallow wells drilled in the 1950s from which gas and liquid hydrocarbons were flowed to surface. The aim of the Zingana-1 well is to appraise these shallow reservoirs prior to drilling deeper within the trap to test additional exploration potential that has not previously been intersected with the drill bit.

Planning and preparation for Zingana-1 has been ongoing throughout 2012. Following target selection, the well design was finalised and the rig tender exercise initiated in early 2012. This tender process became protracted through several phases as it was established that suitable rig options were limited. The process is continuing and drilling is now more likely to commence in 2013. As a result, Bowleven would not be in a position to spud Zingana-1 prior to the expiry of the first exploration phase under the PSC (in December 2012). The Cameroon authorities have been kept advised and SNH have indicated their support for a proposal to carry forward the commitment well into the second exploration phase of the Bomono PSC. A Special Operating Committee meeting has therefore been convened for November to formally approve the proposal.

In parallel to the rig contracting process, the contract for the civil engineering works was awarded and work commenced in mid-June. Prior to the onset of the rainy season, the rig pad had been pegged out, the required water wells had been completed and the access road widened and graded. Work to complete the access road and rig pad will continue following the cessation of the wet weather and is currently scheduled for completion in November 2012.

GABON

Following a disposal and a relinquishment, the Group no longer has any interests in Gabon.

EOV Permit (Bowleven Group 100% and Operator)

The sale of the Group's entire equity interest in the EOV Permit, offshore Gabon, to Perenco SA was completed on 30 March 2012.

Epaemeno Permit (Bowleven Group 50%; Addax 50% and Operator)

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

EXPLORATION & OPERATIONAL REVIEW CONTINUED

KENYA ACREAGE



WE ARE EXCITED ABOUT THE FURTHER EXPLORATION OPPORTUNITIES WITHIN THE DOUALA BASIN AND OUR NEW KENYAN ACREAGE.

NEW VENTURES – KENYA

In line with our stated strategic objectives of building an African focussed exploration portfolio on 17 September 2012 Bowleven announced that it had entered into a farm-in agreement to acquire a 50% equity interest in Kenya onshore exploration block 11B from Adamantine Energy Ltd. Block 11B is located in the Turkana District of north-west Kenya and encompasses an area of approximately 14,000 square kilometres covering the Loeli, Lotikipi, Gatome and South Gatome basins. These basins are a part of the geologically young East African Rift system to the north of the Lokichar Basin where a significant oil discovery has been made in recent months with the Ngamia-1 well. Analysis of the existing gravity and magnetics and seismic datasets suggest the basins in block 11B are of similar form to Lokichar and analogous geological plays and petroleum system elements are expected. However, the block is also located in the region where the East African Rift System cuts across the geologically older Cretaceous/Paleogene Central African Rift System which has oil production to the north-west in South Sudan in the Melut and Muglad Basins. Thus a variety of proven play-types may be expected on the block.

The initial work programme will include an airborne geophysical survey and the acquisition of 2D seismic and Bowleven will fund this work programme for the initial two year exploration period at an estimated cost of \$10 million. Bowleven will also provide technical support to Adamantine, as operator, under a Technical Services Agreement, during the initial exploration period.

ESIA work has been awarded and tendering for both airborne and seismic surveys has commenced to enable a fast track approach to the exploration work programme.

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.

VOLUMETRICS UPDATES In-Place Volumetrics and Contingent Resources

Following the drilling of Sapele-3 and incorporation of the well results into the geological model for Deep Omicron, we now recognise this reservoir fairway as an extensive stratigraphically trapped system that has been drilled, not only by the four Sapele wells, but also by the Sanaga-1X well drilled in 1970 and three Souellaba wells drilled in the 1950s. All of these wells encountered hydrocarbons within the Deep Omicron interval. In March 2012, following evaluation of the Sapele-3 well results we published fairway P50 STOIP and Associated GIIP volumes for Deep Omicron of 615 mmbbls and 1.5 tcf respectively (total 871 mmboe).

The Canadian petroleum consultancy Sproule International Ltd (Sproule), was recently commissioned by Bowleven to undertake an independent volumetric assessment of the Sapele discoveries and the Deep Omicron fairway. Sproule have taken a different, more conservative, approach to the in-place volume calculation from that of Bowleven. A series of discrete geobodies were identified through detailed 3D seismic interpretation and attribute modelling of the Deep Omicron interval. These independent geobodies were then volumetrically assessed. This contrasts with the Bowleven approach which viewed the interval as an unconventional resource, and assumed pay was to be found throughout the areal extent of the fairway.

Sproule assess the Sapele wells to have discovered a Mean HIIP of 133 mmboe with a Mean undiscovered HIIP of 1,075 mmboe for the Deep Omicron fairway. Sproule's cumulative Mean of 1,208 mmboe, includes both their discovered and undiscovered in-place volumes and compares to Bowleven's 1,197 mmboe Mean in-place fairway volume. The Sproule P50 volumes are a third higher than Bowleven's published P50 volumes. These are noted in the table below.

In-Place Volumes	P50		Mean	
	Bowleven	Sproule*	Bowleven	Sproule*
STOIP (mmbbls)	615	684	845	709
Associated GIIP (bscf)	1,532	2,841	2,111	2,972
TOTAL mmboe	871	1,164	1,197	1,208

* Sproule figures include aggregated discovered and undiscovered volumes.

Sproule's work provides independent third party validation of the internal in-place volumes released by Bowleven for the Deep Omicron fairway. In addition, the Sproule analysis identifies potential sweetspots and therefore will be considered in selecting future well locations. Further details are provided in the report produced by Sproule, a copy of which is available on our website www.bowleven.com.

The development of the MLHP-5 discoveries is expected to form part of Stage II of the development. Given the nature of the Deep Omicron reservoir interval, the estimation of likely recoverable reserves will be dependent on several factors relating to field development plans, including amongst other things, the number and type of production wells required, the wellbore geometry and completion type and ultimately each wells individual drainage capacity. This work is ongoing and therefore no update has been made to the Sapele contingent resources in the table below.

CONTINGENT RESOURCES

The Group's net contingent resource volumes are shown in the table below. The Group's P50 contingent resource volumes on a P50 basis are 203 mmboe (2011: 226 mmboe).

The changes in the contingent resource volumes are attributable to: (i) the de-booking of contingent resources relating to EOVS following the sale of the asset in the period; and (ii) refined seismic interpretations on the IE/ID fields on block MLHP-7 incorporating results from the recently acquired 4C OBC data.

Net Contingent Resources	P90	P50	P10	Mean
Gas incl. LPG (bscf)	203	546	2293	926
Condensate (mmbbls)	9	31	142	55
Oil (mmbbls)	41	81	210	111
TOTAL BOE (mmboe)	84	203	734	320

Notes:

- Block MLHP-7 gas contingent resources are estimated based on a consideration of the range of recovery factors that may be typically anticipated from a gas field, for a range of development scenarios and resulting outcomes, ranging from reservoir depletion to gas recycling. A gas recovery factor range of 50-80% of GIP can be considered typical for a gas field. Tabulated gas resource figures are based on an appropriate range of recovery factor estimates for the range of conceptual development cases, allowing for gas shrinkage due to liquids drop-out.
- IF oil resource volumes are similarly estimated based on a considered typical recovery range for a water flood of 30-50% of STOIP. IE oil resource volumes are estimated based on a considered typical recovery range of 15-35% of STOIP (such range covering a variety of potential development scenarios).
- Contingent resources for the Sapele discoveries (excluding Sapele-3) are estimated by Monte Carlo analysis using recovery factor ranges deemed appropriate for the predominantly stratigraphic nature of the discoveries. The P90 to P10 range of recovery factors used for oil is 12% to 25%. For gas the P90 to P10 range used is 24% to 52% (allowing for gas shrinkage due to liquids drop-out). The ranges applied cover a range of potential conceptual recovery schemes covering development scenarios from field depletion to effective reservoir pressure support by fluid injection in a hydraulically connected reservoir system.
- Volumes stated above include provision for associated gas in Sapele Deep Omicron discoveries only.
- For the purpose of calculating barrels of oil equivalent, 1 boe = 6 mscf gas.
- Ranges of recovery factors will be reviewed as technical evaluation and development planning activities are progressed.
- Other than as stated in these notes, this statement of the Group's resources has been prepared using the classification system set out in the 2007 Petroleum Resources Management System published jointly by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

2013 OVERVIEW

Significant progress has been made in delivering our dual objectives of converting resources to reserves and exploring the potential of the Douala Basin. In addition, and consistent with the Group's longer-term strategic objectives, it has taken an entry-level position in potentially high-impact exploration acreage onshore Kenya.

The high degree of operational momentum on the Etinde Permit is expected to be maintained in 2013, with the focus on the conversion of resources to reserves via Bowleven's plans for development. The principal activities associated with the delivery of this development include ongoing appraisal/development drilling on block MLHP-7, securing an Exploitation Authorisation over a substantial part of the Etinde Permit, the finalisation of a gas sales contract associated with the proposed fertiliser plant and executing the next stages of the project.

Exploring the potential of our extensive acreage position in Cameroon also continues to be a priority. In the Douala Basin, the near term focus will be on the onshore Bomono Permit where the first exploration drilling since the 1950s is planned.

The initial activities on the newly acquired acreage position in Kenya will focus on the acquisition, processing and interpretation of aeromagnetic and seismic data.

Philip Tracy
Interim Operations Director

Ed Willett
Exploration Director
5 November 2012

The background image shows two men in orange work clothes and hard hats. They are standing in a field with tall grass and are operating a large, manual pump handle that has a circular frame with spokes. The entire image is tinted with a warm, orange-red color. The text 'VALUE ADDED' is in a smaller, white, sans-serif font, and 'PARTNERSHIPS' is in a larger, bold, white, sans-serif font, both centered horizontally and partially overlaid on the workers.

VALUE ADDED PARTNERSHIPS

FINANCIAL REVIEW

NUMBER OF POTENTIAL OPTIONS AVAILABLE FOR OUR DEVELOPMENT FINANCING REQUIREMENTS

Financial Summary	Year ended 30 June 2012 \$'000	Year ended 30 June 2011 \$'000
Operating loss before financing costs	(16,205)	(54,922)
Loss for the year	(13,073)	(76,816)
Net cash used in operating activities	(16,433)	(11,808)
Cash and cash equivalents	142,481	96,621
Net assets held-for-sale	–	41,036
Net assets	579,431	472,993

RESULTS

The Group reported a loss of \$13.1 million for the 12 months ended 30 June 2012 compared to a loss of \$76.8 million in the previous financial year.

The total administrative expenses for the Group were \$9.5 million compared to \$13.2 million in the previous year. This decrease is mainly due to a non-cash movement arising from lower national insurance expenses in relation to share options and LTIPs in the year.

The results for the year include net finance income of \$3.1 million compared to net finance costs of \$21.9 million in the previous year. Finance income includes a foreign exchange gain of \$2.4 million compared to a foreign exchange loss of \$22.6 million included in finance costs in the comparative period. The large movement arose from intra-group loans which were exposed to foreign exchange differences under IFRS in the prior year. Funding to subsidiaries is now predominately provided by way of equity investment. The foreign exchange gain in the current year, which is a non-cash movement, has primarily arisen from the recognition of foreign exchange differences under IFRS on our US Dollar cash balance as the US Dollar strengthened against Sterling over the comparative period.

Following the relinquishment of the Epaemeno Permit in Gabon, a termination payment of \$3.5 million in respect of full and final settlement of the Group's obligations under remaining work programme commitments, has been recognised as unsuccessful exploration costs in the year under review.

As discussed in the Chairman's and Chief Executive's Review, the sale of GGPC Gabon (EOV) Limited was completed on 30 March 2012 for total net proceeds of \$38.6 million. The loss on disposal reported of \$3.2 million is arrived at by deducting the carrying value of the net assets of GGPC Gabon (EOV) Limited from the net proceeds received.

Loss per share (basic and diluted) was \$0.05 compared to a loss per share (basic and diluted) of \$0.37 for the previous year.

CASH FLOW

There was a Group cash outflow from operating activities (cash operating loss, adjusted for movements in current assets and liabilities) of \$16.4 million for the year against a cash outflow of \$11.8 million for the previous year.

In the year under review, \$97.3 million was invested in capital expenditure on the Group's portfolio of assets (2011: \$85.7 million). Almost all of this expenditure was on exploration and appraisal activities, primarily drilling activity on the Etinde Permit.

Interest received in the year amounted to \$0.8 million (2011: \$0.7 million).

The Group is currently financed entirely from shareholder equity. On 8 November 2011, the Company issued 77.5 million ordinary shares at a price of £1.03 per share raising net proceeds of \$123 million. The purpose of the placing was to raise finance to progress the appraisal and development of discoveries on MLHP-7.

The above elements resulted in the increase in cash balances from \$96.6 million to \$142.5 million at the year end.

BALANCE SHEET

The carrying value of our oil and gas assets at 30 June 2012 was \$425.4 million (2011: \$340.6 million). Additions in the year relate primarily to the capitalisation of drilling costs on the Etinde Permit.

The Balance Sheet was reinforced by the net \$123 million of equity finance that was received during the year as discussed above. Shareholders' funds increased by \$106 million to \$579 million as at 30 June 2012.

FINANCING

The Group continues to review all available financing options as it moves forward with the Etinde development and transfers the existing resource base into reserves, which in turn, increases opportunities to access alternative sources of development funding. In addition to the more conventional debt funding solutions, the high equity interest in Etinde (as is also the situation with Bomono) provides the opportunity to introduce additional farm-in partners if deemed appropriate.

As announced on 6 November 2012, the Company has proposed a Strategic Alliance with Petrofac in connection with the development of the Etinde permit. This would provide potential access to up to \$500 million available at FID for the first stage of the proposed development of the Etinde permit. This investment, which is conditional *inter alia* on the project meeting certain economic hurdles, will be repaid out of EurOil's share of the Etinde project cashflows. Due to the size and nature of the transaction Bowleven shareholder approval will be required.

John Brown
Finance Director
5 November 2012



AN EXPERIENCED TEAM FOCUSED ON DELIVERING OUR STATED OBJECTIVE OF CONVERTING RESOURCES TO RESERVES

FROM LEFT TO RIGHT:

01. CHIEF TABETANDO, CHAIRMAN OF EUROIL

A Cameroonian citizen, Chief Tabetando is a qualified lawyer with an LLM degree from the University of London. Prior to joining Bowleven he was senior partner and head of Chambers in one of Cameroon's leading international law firms since 1975. He has over 12 years of experience in the oil and gas industry in an executive role. A senior monarch and political figure in Cameroon, he successfully led the Cameroon Southwest Chiefs' Conference for a term of two years, including attendance at the 2007 International Conference of Traditional Rulers in Africa, in South Africa. He is presently Vice President of the Cameroon National Council of Monarchs. He is a founding shareholder and Chairman of EurOil Limited. He was appointed to the Bowleven Board in 2001.

02. PETER WILSON, DIRECTOR/GENERAL COUNSEL

A Scottish qualified solicitor, Peter Wilson joined from McClure Naismith, Bowleven's then legal advisers, where he was a partner in their Edinburgh office specialising in corporate law. He is a Director, General Counsel and Company Secretary of Bowleven. Peter has been advising Bowleven on contractual, legal and compliance matters since 1999. He was appointed to the Bowleven Board in 2005.

03. KEVIN HART, CHIEF EXECUTIVE OFFICER

Kevin Hart was Finance Director at Cairn Energy plc for over eight years, a role that incorporated board responsibility for financial, commercial, legal, risk management and HR matters. Prior to this, he was a Senior Associate Director with Deutsche Morgan Grenfell Group, specialising in oil and gas sector mergers and acquisitions. He is also a Non-Executive Director of Troy Income & Growth Trust, and a trustee of the charity Columba 1400. He was appointed to the Bowleven Board in 2006.

05

07

06

08

09

**04. PHILIP TRACY,
NON-EXECUTIVE DIRECTOR
(INTERIM OPERATIONS DIRECTOR)**

Philip Tracy was appointed as a Non-Executive Director on 3 May 2011. He was previously Operations and Engineering Director of Cairn Energy plc, with responsibility for Cairn's engineering and operations activities worldwide. He is a Chartered Engineer with over 38 years of experience in the international oil and gas industry, including 17 years at plc board level. Philip holds an MSc in Petroleum Engineering from Imperial College (1981) and a BSc in Chemical Engineering from Leeds University (1972). He is currently an Honorary Professor in the Petroleum Engineering Department of Edinburgh's Heriot-Watt University and currently holds three other Non-Executive positions.

Philip assumed the role of Operations Director for Bowleven on an interim basis with effect from 1 August 2011 and has also been serving as interim Project Director for the Etinde Development, offshore Cameroon.

**05. ED WILLETT,
EXPLORATION DIRECTOR**

Ed Willett has worked in the oil and gas exploration business for 28 years and has extensive experience across a wide variety of petroleum provinces. He started his career with Carless Exploration in the mid-1980s, working on UK onshore and UK continental shelf assets, before joining Cairn Energy plc in 1989, where he held a variety of technical and management roles across Cairn's entire portfolio, latterly as Head of Exploration for Nepal and Bangladesh. He has a degree in Geology from Cardiff University. He was appointed to the Bowleven Board in 2008.

**06. RONNIE HANNA,
NON-EXECUTIVE CHAIRMAN**

Ronnie Hanna was Chief Executive of house builders and property developers Bett Brothers plc. He is currently Chairman of A.G. BARR plc and of Troy Income & Growth Trust. He is a Scottish Chartered Accountant. He was appointed to the Bowleven Board in 2006.

**07. JOHN BROWN,
FINANCE DIRECTOR**

John Brown is also responsible for commercial matters within the organisation. He was previously the Group Finance Director for Thistle Mining Inc, a Canadian gold mining company, and prior to this a Director for four years at British Linen Advisers. Before that, he was Finance Director for Paladin Resources, the UK independent oil and gas exploration and production company. He is a Scottish Chartered Accountant. He was appointed to the Bowleven Board in 2004.

**08. CAROLINE COOK,
NON-EXECUTIVE DIRECTOR**

Caroline Cook has spent most of her career as a highly rated equity research analyst covering the oil and gas sector. For the six years prior to 2005, she was a Managing Director at Deutsche Bank and co-head of their global oil and gas team. Prior to her switch to equities in 1994, she worked for the oil industry consultants Wood Mackenzie (where her coverage included West Africa), and before that as part of the specialist oil and gas mergers and acquisitions team at Schroders. She has a degree in Modern History from the University of Cambridge. She was appointed to the Bowleven Board in 2006.

**09. TIM SULLIVAN,
NON-EXECUTIVE DIRECTOR**

Tim Sullivan is also Technical Advisor to the Northwest European business unit of Cairn Energy plc. He was previously Deputy Chief Executive Officer of Agora Oil and Gas. From 2002 to 2006, Tim was Chief Executive Officer of Revus Energy ASA, a company which he co-founded. Tim has 35 years' experience in the oil and gas industry, primarily with Conoco, Getty Oil and Enterprise Oil. He was Enterprise Oil's worldwide Exploration Manager from 2000 to 2002. He has an MSc in Geophysics from Birmingham University. He was appointed to the Bowleven Board in 2009.



INTEGRATED TEAMWORK

OUR RESULTS REFLECT THE ONGOING EXPLORATION, APPRAISAL AND DEVELOPMENT ACTIVITY TO PROGRESS OUR CAMEROON ASSETS

Financial Statements

Directors' Report	30
Directors' Remuneration Report	35
Directors' Responsibilities	41
Independent Auditor's Report	42
Group Income Statement	43
Statements of Comprehensive Income	44
Group Balance Sheet	45
Company Balance Sheet	46
Group Cash Flow Statement	47
Company Cash Flow Statement	48
Group Statements of Changes in Equity	49
Company Statements of Changes in Equity	50
Notes Forming Part of the Financial Statements	51

Shareholder Information

Notice of Annual General Meeting	75
Explanatory Notes to the Notice of Annual General Meeting	76
Shareholder Notes	77
Glossary	80
Advisers and Registered Office	81

DIRECTORS' REPORT

The Directors of Bowleven plc (registered in Scotland with company number SC225242) submit their report and the Group financial statements for the year ended 30 June 2012.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the Group is exploration, appraisal and development for oil and gas in West Africa.

The Chairman's and Chief Executive's Review (pages 6 to 11) and the Exploration and Operational Review (pages 14 to 23) describe the activities of the Group during the financial year, and its future developments.

RESULTS AND DIVIDENDS

The trading results for the year, and the Group's financial position at the end of the year, are shown in the attached financial statements. The Group reported a loss for year of \$13.1m (2011: \$76.8m loss).

The Directors have not recommended the payment of a dividend (2011: nil). Loss for year \$131m (2011: \$76.8m).

POST BALANCE SHEET EVENTS

As announced on 17 September, Bowleven has entered into a farm-in agreement to acquire a 50% equity interest in onshore exploration block 11B, Northwest Kenya, from Adamantine Energy Ltd.

As announced on 6 November 2012, the Company has proposed a Strategic Alliance with Petrofac in connection with the development of the Etinde permit. This would provide potential access to up to \$500 million available at FID for the first stage of the proposed development of the Etinde permit. This investment, which is conditional *inter alia* on the project meeting certain economic hurdles, will be repaid out of EurOil's share of the Etinde project cashflows. Due to the size and nature of the transaction Bowleven shareholder approval will be required.

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 will have sufficient funds to meet their ongoing working capital and committed capital expenditure requirements. In making this assessment, the Directors have considered the Group budgets, the cash flow forecasts and associated risks. Future financing for the Group is discussed in the Financial Review section on page 25.

THE DIRECTORS AND THEIR INTERESTS

The Directors who served the Company during the year, together with their beneficial interests in the shares of the Company, were as follows:

	Ordinary shares of £0.10 each	
	At 30 June 2012	At 1 July 2011
J D Brown	300,000	97,675
C Cook *	135,000	135,000
R G Hanna *	330,135	310,125
K Hart	2,562,364	1,990,000
J A C Morrow ⁽ⁱ⁾	–	141,419
T Sullivan *	146,745	96,745
Chief Tabetando	1,557,701	1,080,428
P O J Tracy *	–	–
E A F Willett	338,113	192,235
P G Wilson	410,000	252,119
	5,780,058	4,295,746

* Denotes Non-Executive Directors.

⁽ⁱ⁾ Resigned 22 July 2011.

DIRECTORS' LIABILITIES

Qualifying third party indemnity provisions for the benefit of all of the Directors were in force throughout the financial year and as at the date of approval of the annual report.

SUBSTANTIAL SHAREHOLDERS*

As of 15 October 2012, the Company had been notified, in accordance with sections 793 to 828 of the Companies Act 2006, of the following interests of 3% or more in the Company's ordinary share capital:

	Shares	%
BlackRock	46,821,298	15.89
F&C Asset Management	27,383,780	9.29
Newton Investment Management	19,894,289	6.75
M&G Investment Management	18,840,709	6.39
JPMorgan Asset Management	15,381,305	5.22
Barclays Stockbrokers	10,857,643	3.68
TD Waterhouse, Stockbrokers	8,954,452	3.04
Henderson Global Investors	8,842,388	3.00

As at 15 October 2012, the Company had not been notified of any other person who is interested in 3% or more of the Company's ordinary share capital.

SHAREHOLDER INFORMATION*

The ordinary shares of the Company are listed on AIM under the symbol 'BLVN'. As at 15 October 2012, the broad distribution of the ordinary shares in issue was as follows:

	Shares	%
Institutions	215,820,546	73.23
Other individuals	72,830,657	24.71
Directors and management	6,077,140	2.06
	294,728,343	100

* Substantial Shareholders and Shareholder Information detailed above is calculated on the basis of the issued share capital of the Company as at 15 October 2012.

CORPORATE GOVERNANCE

The Directors are aware of the UK Corporate Governance Code (June 2010) applicable to all companies with a Premium Listing of equity shares. As an AIM listed company, the Company is not required to comply with the UK Corporate Governance Code but the Directors nonetheless intend to comply with its main provisions as far as is practicable, having regard to the size of the Group. The report describes the corporate governance arrangements that are in place.

BOARD STRUCTURE

The Board currently comprises five Executive Directors and four Non-Executive Directors, including the Chairman. The Board has a formal schedule of matters reserved for its decisions. In addition to those formal matters required by the Companies Act 2006, the Board also considers business strategy and policy, approval of major capital investment plans, risk management policy, significant financing matters, senior personnel appointments and statutory shareholder reporting.

The Chairman conducts Board and shareholder meetings and ensures that all Directors are properly briefed. The Directors have access to independent professional advice at the Company's expense and to the Company Secretary (who is also a Director and a solicitor), and receive appropriate training where necessary.

Biographies of the Directors are set out on pages 26 to 27. These demonstrate a range of experience and calibre considered sufficient to bring independent judgement on those issues considered by the Board.

There are transparent procedures in place for the appointment of new Directors to the Board and all Directors are required to retire by rotation every three years, when they can offer themselves for re-election, if eligible. In accordance with the Company's Articles of Association, at the 2012 Annual General Meeting (AGM), Ronnie Hanna, Tim Sullivan and Peter Wilson will retire from the Board and will offer themselves for re-election. In addition, the Company's Articles of Association also provide that Directors appointed to the Board hold office only until the dissolution of the AGM of the Company immediately following their appointment. No Directors have been appointed since the last AGM and therefore no Directors are required to offer themselves up for re-appointment pursuant to this provision at the 2012 AGM.

The Company has established Audit, Nomination and Remuneration Committees. Terms of reference for these Committees are available on request from the Company.

Philip Tracy joined the Company as a Non-Executive Director on 3 May 2011. Following the resignation of John Morrow, the former Chief Operating Officer on 22 July 2011, Mr Tracy agreed to take over responsibility for operational matters on an interim, part-time basis with effect from 1 August 2011.

While he continues to perform the role of Interim Operations Director, Philip Tracy's membership of the Audit Committee and the Remuneration Committee has temporarily been suspended. At the invitation of the respective Chairmen, Mr Tracy continues to receive notice of and to attend meetings of the Committees as an observer. However, Mr Tracy has no vote on any matters before the Committees. It is intended that in due course, and subject to being released from his operational responsibilities, Mr Tracy will resume his position on the Committees.

NOMINATION COMMITTEE

The Nomination Committee comprises Ronnie Hanna (Chairman), Caroline Cook, Tim Sullivan and Philip Tracy. The Committee reviews and recommends the appointment of new Directors to the Board.

DIRECTORS' REPORT

CONTINUED

REMUNERATION COMMITTEE

The Remuneration Committee comprises Ronnie Hanna (Chairman), Caroline Cook and Tim Sullivan. The Committee is responsible for developing policy on remuneration for the Executive Directors and senior management and reviewing their performance and setting the scale and structure of their remuneration on the basis of their service agreements, with due regard to the interests of shareholders and the performance of the Group.

The Remuneration Committee is discussed further in the Directors' Remuneration Report on pages 35 to 40.

AUDIT COMMITTEE

The Audit Committee comprises Caroline Cook (Chairman), Ronnie Hanna and Tim Sullivan. If required, at the request of the Chairman of the Audit Committee, Executive Directors and senior members of the management are also invited to attend meetings.

The Committee meets at least twice a year and is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. The Committee liaises with the auditor and reviews the reports from the auditor relating to the accounts.

RELATIONS WITH SHAREHOLDERS

Communications with shareholders are given high priority by the management. The Company communicates with shareholders and potential investors through a variety of channels. The Annual Report and Interim Report provide a comprehensive update of the Group's activities and are distributed to all shareholders. The Head of Investor Relations (IR) ensures that a comprehensive investor relations programme is in place to allow the Company to meet with a broad range of shareholders.

The Chief Executive and the Head of IR both maintain regular dialogue with major institutional investors and analysts. Management meet throughout the year with analysts and institutional investors, and after the Group's preliminary announcement of year end results and interim results, when an analyst presentation and investor roadshow are often held. In addition to these investor roadshows, the Company also attends various conferences or investor events. These tend to comprise a mix of presentation and one-to-one or group meetings which are held at various times during the year. In addition to meetings with investors in the UK, the Company's IR programme includes conferences and investor meetings overseas, in particular North America. Presentations prepared for investor meetings and conferences are made available on the Company's website. At the AGM a business presentation is provided for the benefit of shareholders. The AGM also provides an opportunity for private shareholders and institutional investors to meet and speak to members of the Board.

The Board receives regular investor relations reports covering key investor meetings and activities as well as shareholder and investor feedback. The Company also maintains a database of all meetings held by the Directors with shareholders and analysts. All analysts' and brokers' reports received on the Company are distributed to Directors.

Company circulars and announcements are issued throughout the year in relation to various proposals and to keep investors informed about the Group's progress. The Company maintains a website (www.bowleven.com) that is regularly updated and contains a range of information about the Group, including all announcements and published reports. Enquiries from all shareholders are welcomed by the Company. Shareholders and other interested parties can also subscribe to receive news updates by email by contacting the Company to request inclusion on the Company distribution list. The Head of IR, Kerry Crawford, can also be contacted via email at info@bowleven.com or by telephone on +44 (0) 131 524 5678.

ANNUAL GENERAL MEETING

The 2012 AGM will be held at the offices of Shepherd and Wedderburn LLP, 5th Floor, 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL at 11 a.m. (UK time) on 12 December 2012. Formal notice of the AGM, including details of special business, is set out in a notice of meeting on pages 75 to 77 and on the Company's website at <http://www.bowleven.com/AGM.asp>.

RISKS AND INTERNAL CONTROLS

Bowleven's business, financial standing and reputation may be impacted by various risks, not all of which are within its control. The Group identifies and monitors the key risks and uncertainties considered to affect the Group and its area of operations and runs its business in a way which, wherever possible, minimises the impact of such risks. Bowleven has established a Group Risk Forum (GRF) which is responsible for regularly reviewing the key risks faced by the business and for providing regular updates to the Board on risk. The risk management framework and processes adopted by the GRF involve the identification, assessment, mitigation, monitoring and reporting of all key Group risks on a regular basis.

An element of risk is inherent to the activities of oil and gas exploration and development. It is the Board's objective to be aware of these risks and evaluate and mitigate them wherever possible. The Board believes that the principal risk categories for the business are: operational and explorational; financial; strategic; and corporate.

The principal risk areas for the business and the respective mitigating actions are listed below:

Risk	Mitigation
The nature of the Group's operations exposes it to a wide range of significant health, safety, security and environmental (HSSE) risks.	The Group reviews its HSSE policies and procedures on a regular basis to ensure that they are fully compliant with industry 'best practice' as well as all the appropriate international and local rules and regulations. HSSE related documentation is regularly reviewed to ensure that Emergency Response Plans (ERPs) and related procedures are up to date and in accordance with international 'best practice' and requirements. Drills and exercises are regularly conducted on the Group's operations to ensure that the procedures in place are fit for purpose.
Exploration and appraisal activities are inherently uncertain in their cost and outcome.	The Group has a rigorous process for assessing the geological and commercial risks and costs of its exploration and appraisal activities. To supplement in-house expertise the Group uses appropriate technical and engineering consultants. All geophysical programmes, wells and their design are subjected to scrutiny by the appropriate regulatory authorities and the Group's insurers.

Risk	Mitigation
The assumptions used to estimate hydrocarbon resources may prove incorrect.	In addition to its own technical evaluation of resource and development scenarios, the Group employs external consultants to provide independent evaluations on a regular basis. Most recently, Sproule International reviewed the potential of MLHP 5 (in that regard see the Exploration and Operational Review).
Developing hydrocarbon resources requires particular skill sets and expertise including planning project managing, building and commissioning the required facilities. This will involve growth and possibly change in key management areas.	To be able to meet the challenge of being a development Operator, the Group has undertaken a strategic review of what steps require to be undertaken to strengthen and (where necessary) reorganise the EurOil organisation so that it is "fit for purpose". This will involve the recruitment of a number of key project management positions within the organisation and the utilisation of external contracted services where appropriate. The Strategic Alliance with Petrofac, announced on 6 November, in connection with the proposed development of the Etinde Permit will not only provide potential access to significant investment capital, but it will also provide access to Petrofac's project management and construction expertise and also to their expertise in setting up and operating local training facilities for the local workforce which will be required in Cameroon.
The support of the Cameroon Authorities is required, prior to the respective expiry dates in December 2012, to progress into the Exploitation Authorisation phase of the Etinde Permit and the second exploration period of the Bomono Permit.	Details of the steps being undertaken to secure Cameroon Authorities support in both cases is set out in detail in the Chairman's and Chief Executive's Review.
The existence of a market for gas in Cameroon is key to the successful commercial development of the associated liquids on the Etinde Permit.	The Group is in the advanced stages of negotiations with Ferrostaal to conclude terms for a gas sales agreement for the supply of gas to a proposed fertilizer plant in Cameroon. The Group also continues to progress the joint GDF Suez and SNH initiative to advance the monetisation of undeveloped gas resource within Cameroon via an in-country gas aggregation scheme to supply a domestic LNG facility. Also, additional in-house potential solutions (including methanol plant, mini LNG and gas reinjection) continue to be considered alongside third party led solutions.
The Group's ability to access capital and the value of its assets is impacted by macro-economic shifts, equity markets and movements in commodity process.	The Group continues to review all available financing options as it moves forward with the Etinde development and transfers the existing resource base into reserves, which in turn, increases opportunities to access alternative sources of development funding. In addition to the more conventional debt funding solutions, the high equity interest in Etinde (as is also the situation with Bomono) provides the opportunity to introduce additional farm-in partners if deemed appropriate. As announced on 6 November 2012, the Company has proposed a Strategic Alliance with Petrofac in connection with the development of the Etinde permit. This would provide potential access to up to \$500 million available at FID for the first stage of the proposed development of the Etinde permit. This investment, which is conditional <i>inter alia</i> on the project meeting certain economic hurdles, will be repaid out of EurOil's share of the Etinde project cashflows. Due to the size and nature of the transaction Bowleven shareholder approval will be required.
The Group's operations are exposed to political, economic, legal, regulatory and social risks of the countries in which it operates or in which it has interests.	The Group has an established office and local staff presence in Douala, Cameroon and over the past 10 years has built up and maintains in place good relationships with the Cameroon Authorities at many levels. This enables the Group to monitor the political, economic, legal, regulatory and social risks from a local perspective. In addition, a detailed security management programme is in place in respect of the Group's operational activities in Cameroon and Kenya.
The adequacy of antibribery procedures to prevent bribery by, or of, Group staff or associated persons.	Following the implementation of the UK Bribery Act the Group conducted an extensive risk assessment of its areas of operations and revised and introduced a new Anti-Bribery Code of Conduct. The Group has a strict zero tolerance policy towards bribery and corruption and all Group staff and certain contractors and suppliers to the Group have undergone anti-bribery training under the new Policy.
Loss of key employees and failure to recruit and retain staff with development expertise who are and will be central to the success of the Group as it moves into the development phase of the Etinde Permit.	The Group's remuneration policies are designed to incentivise, motivate and retain key employees and also to attract new employees in key areas.

The above risks are considered typical for an oil and gas group of Bowleven's size and stage of development.

DIRECTORS' REPORT CONTINUED

INTERNAL CONTROLS

The Board acknowledges that it is responsible for establishing and maintaining the Group's system of internal controls and reviewing its effectiveness. Group procedures, including those relating to financial, operational, anti-bribery and compliance matters and risk management, are reviewed on an ongoing basis. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has considered the need for a dedicated internal audit function but does not consider it necessary at the current time. The Board does, however, approve an internal audit programme annually under which various specific reviews of business activities are carried out. Responsibilities for organising these reviews, including utilising external consultants as appropriate, and reporting back, are assigned within the organisation.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objectives and policies are discussed in note 25 to the financial statements on pages 71 to 73.

SUPPLIER PAYMENT POLICY

It is a Group policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and to pay according to those terms based upon receipt of an accurate invoice. It is the Group's policy to pay suppliers within 30 days of receipt of a valid invoice for goods or services. Based on the average daily amount invoiced by suppliers to the Group during the year, trade creditors of the Group at 30 June 2012 were equivalent to 10 days' purchases.

DONATIONS

The Group made charitable donations of \$4,000 in the UK (2011: \$1,000). No donations were made to any EU political organisation (2011: nil). A donation of \$55,000 was made to a non-EU political organisation (2011: nil).

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered bearing in mind the respective qualifications and abilities of the applicants concerned. In the event of employees becoming disabled, every effort is made to ensure their employment continues. The training, career development and promotion of a person with a disability is, as far as possible, identical to that of a person without a disability.

EMPLOYEE INVOLVEMENT

Using regular briefing procedures and meetings, managers keep employees at all levels informed about matters affecting the policy, progress and people in the business in which they work.

AUDITOR AND DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information (being information needed by the auditor in connection with preparing its report) of which the auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Ernst & Young LLP has indicated its willingness to continue in office. A resolution proposing its reappointment and authorising the Directors to fix its remuneration will be submitted to the AGM.

On behalf of the Board

Peter G Wilson

Director

5 November 2012

DIRECTORS' REMUNERATION REPORT

The Group is not required to disclose the following information but has chosen to do so in the interests of greater transparency.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Ronnie Hanna (Chairman), Caroline Cook and Tim Sullivan. While he continues to perform the role of Interim Operations Director, Philip Tracy's membership of the Committee has temporarily been suspended. At the invitation of the Chairman, Mr Tracy continues to receive notice of and to attend meetings of the Remuneration Committee as an observer. However, Mr Tracy has no vote on any matters before the Committee. It is intended that in due course, and subject to being released from his operational responsibilities, Mr Tracy will resume his position on the Committee. All of the members of the Committee are Non-Executive Directors.

The Committee meets at least four times a year to consider, amongst other things, the continuing suitability of the key corporate performance indicators which are set by the Board in January each year. The Committee meets more often if required.

The Committee is responsible for developing policy on remuneration for the Executive Directors and senior management and reviewing their performance and setting the scale and structure of their remuneration on the basis of their service agreements, with due regard to the interests of shareholders and the performance of the Group. The Remuneration Committee also makes recommendations to the Board concerning employee incentives, including the allocation of awards under the Bowleven long-term incentive plan (LTIP) to Executive Directors and senior management and the grant of share options to employees. Independent advisers are engaged to advise the Committee as required. During the year the Remuneration Committee sought advice from New Bridge Street Consultants (an independent executive compensation consultancy) on a number of aspects of Executive Directors' compensation.

The Chief Executive may attend meetings of the Committee at the invitation of the Chairman. Neither he nor any of the other Directors participate in discussions or decisions of the Committee concerning their own remuneration.

REMUNERATION POLICY

The Company is committed to the principles of good governance relating to Directors' remuneration.

The Remuneration Committee aims to provide overall packages of terms and conditions that are competitive in the market and will attract, retain and motivate high quality individuals capable of achieving the Group's objectives. The Remuneration Committee believes that such packages should contain significant performance related elements and that these elements should be designed to align the interests of the Executive Directors with shareholders.

The main elements of the remuneration package for Executive Directors are:

- Basic salary;
- Benefits in kind;
- Performance related bonus; and
- LTIP awards.

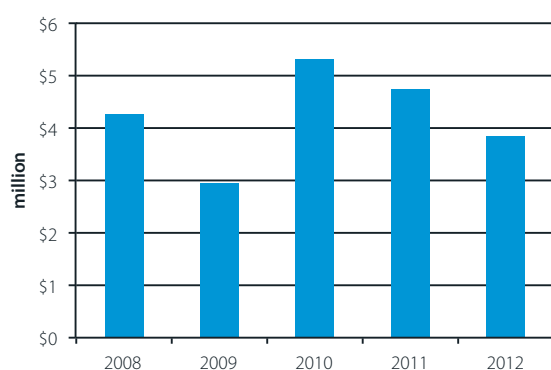
The overall package is generally weighted more towards variable pay with a suitable weighting towards long-term performance through the award of long-term incentives.

The Remuneration Committee applied its remuneration policy during the year having regard to the following factors:

- The competitive recruitment market in the oil and gas sector;
- A desire to closely align executive remuneration with shareholders' interests;
- Economic conditions affecting the Group and its proposed operations, and in particular the prevailing wider economic climate; and
- Evolving best corporate governance practice in relation to executive remuneration.

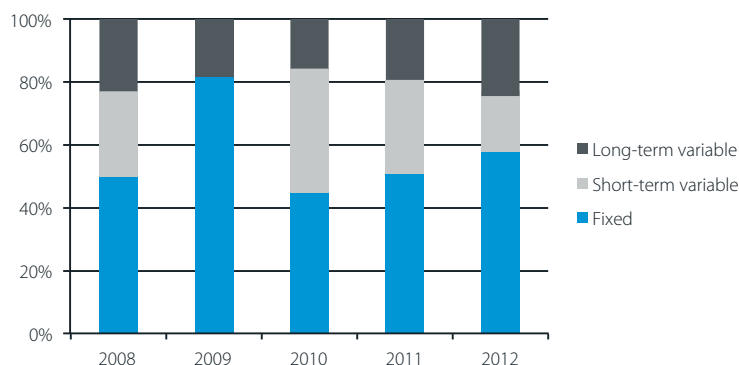
Total Executive Directors' compensation over the last 5 years is shown in chart below:

Total Compensation



DIRECTORS' REMUNERATION REPORT CONTINUED

The chart below shows the aggregated compensation for Executive Directors over the last five years split between fixed and short-term and long-term variable performance based remuneration:



- Fixed remuneration comprises salary and benefits in kind;
- Short-term variable remuneration comprises performance related bonus; and
- Long-term variable remuneration is comprised of the fair value (in a manner consistent with IFRS 2 of LTIPs awards granted during the year.

COMPONENTS OF EXECUTIVE DIRECTORS' REMUNERATION

Basic Salary and Benefits

The Remuneration Committee reviews annually the existing remuneration of the Executive Directors, making comparisons with peer companies of a similar size and complexity in the independent oil exploration and production industry in the UK and overseas. During the current financial year the Committee also sought independent advice from New Bridge Street Consultants on a number of aspects of the Executive Directors' compensation package and its structure.

Performance Bonus Scheme

The Company operates a discretionary performance related bonus for all full time staff, including the Executive Directors and senior management.

The performance related bonus is capped at a maximum percentage of annual salary applicable to each employee. In the case of the Chief Executive this is a maximum of 100% of annual salary and in the case of all of the other UK Executive Directors a maximum of 75%. During the year under review, UK Executive Directors' bonuses were based as to 50% of award upon the individual's own performance and as to the remaining 50% upon the Group's performance.

Group performance is determined by a series of key corporate performance indicators. These are set by the Board each January on the recommendation of the Remuneration Committee, and are reviewed quarterly by the Remuneration Committee. As an exploration company, corporate performance cannot yet be measured by such metrics as earnings per share or proved reserve replacement. Instead, the Remuneration Committee sets measures appropriate to the key value-creating activities of the Company. These currently include issues such as drilling results, activities associated with project commercialisation, portfolio management, financial control and HSSE.

Performance against the key corporate performance indicators and determination of the consequential level of performance related bonuses payable, if any, is calculated on a calendar year basis by the Remuneration Committee in December. Any bonus arising is usually paid in January of the following year. Whether any bonus is payable and the level of it, remains subject to the overriding discretion of the Remuneration Committee. This will be impacted, *inter alia*, by the overall financial performance of the Company and the wider economic climate. The level of bonuses payable to the Executive Directors in respect of the current financial year is set out in the table on page 38.

Performance conditions for bonuses payable to the Chairman of EurOil are set by the Remuneration Committee on an individual basis. The performance conditions set in December 2010 for calendar year 2011 were satisfied in June 2011 and the \$300,000 bonus earned was accordingly paid to Chief Tabetando at that time and is accordingly accounted for in the accounts for the year ended 30 June 2011.

With effect from 2012 the level of bonuses payable to Executive Directors will be determined as to 80% with reference to the Group's performance against the key corporate performance indicators for that year, with the remaining 20% of any bonus being calculated with reference to personal objectives set for each Executive Director by the Chief Executive or, in the case of the Chief Executive, by the Chairman. No bonus is payable unless the weighted performance against the annual key corporate performance indicators exceed 50%.

Long-Term Incentive

The LTIP is designed to reward the Executive Directors in line with the future performance of the Company. Benefits will only be delivered if performance targets are met.

The LTIP was approved by shareholders at an Extraordinary General Meeting of the Company held on 6 December 2006.

The LTIP entitles the holder to receive a specific number of shares in the Company for no consideration, with the release of those shares being dependent upon the achievement of certain performance conditions by the Company over a three year performance period. Performance conditions are determined by the Remuneration Committee. The performance criteria are discussed in detail later in this report, but relate to the performance of the Company's share price against a group of comparable companies.

In addition, prior to any award vesting under the LTIP, the Remuneration Committee is required to be satisfied that there has been a satisfactory and sustained improvement in the underlying financial performance of the Company over the performance period.

Awards made under the LTIP may not exceed 200% of base salary in any year, or 400% of base salary in any consecutive three year period. The Remuneration Committee recommends the level of award to the Board coincident with recommendations for any annual performance bonus. Individual awards in any particular year are influenced by, *inter alia*, personal performance against annual objectives, Group performance relative to the corporate performance indicators, and the wider market environment. The Remuneration Committee continues to prefer an element of annual discretion against pre-set flat awards.

DIRECTORS' CONTRACTS

It is the Company's policy that Executive Directors should have contracts with a maximum notice period of 12 months. Details of notice periods in the Executive Directors' service contracts are summarised below:

Name of Director	Date of contract	Notice period
J D Brown	1 December 2004	12 months
K Hart	1 January 2007	12 months
Chief Tabetando	1 December 2004	12 months
E A F Willett	29 January 2007	12 months
P G Wilson	1 April 2005	12 months

Executive Directors are required to obtain consent from the Chairman prior to accepting any non-executive positions.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors have written terms of engagement setting out their roles and responsibilities. Fees for the Non-Executive Directors are determined by the Board. The Chairman receives a fee of \$159,000 (£100,000) per annum. Caroline Cook, Tim Sullivan and Philip Tracy each receive a fee of \$64,000 (£40,000) per annum. Caroline Cook receives an additional fee of \$8,000 (£5,000) as Chairman of the Audit Committee.

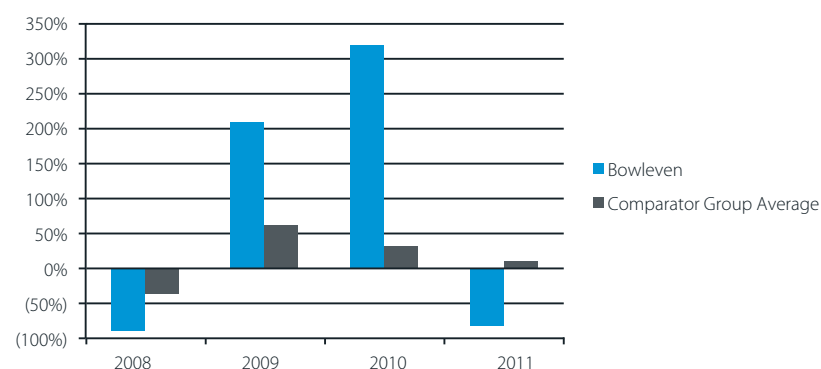
In addition to his fees as a Non-Executive Director, Philip Tracy receives fees for services rendered as Interim Operations Director, providing technical services and advice to the Group under a contract for services with Greyhair Advisory Services LLP. His fees for this are calculated on the basis of a rate of \$2,384 (£1,500) + VAT per day. During the period under review, the Company paid a total of \$314,679 (£198,000) to Greyhair Advisory Services in respect of the services of Philip Tracy (2011: nil). This amount is included as fees in the Directors' Emoluments table on page 38 in accordance with Companies Act 2006 requirements.

Non-Executive Directors do not participate in the share option scheme or the LTIP and are not entitled to a cash bonus.

PERFORMANCE GRAPHS

The graph below shows the Company's performance on an annual basis over the last four years, measured by the total shareholder return (TSR) compared against the applicable comparator group for that period.

TSR: Bowleven v. Comparator Group



The closing share price of one Bowleven share on 30 June 2012 (Friday 29 June 2012) was 58.25p and the highest and lowest prices during the year were 342.25p and 53.5p respectively.

DIRECTORS' REMUNERATION REPORT

CONTINUED

DIRECTORS' EMOLUMENTS

The remuneration of the Directors who served the Company during the year was as follows:

	Salary \$'000	Performance related bonus \$'000	Benefits \$'000	Compensation for loss of office \$'000	Fees \$'000	Total 2012 \$'000	Total 2011 \$'000
Executives							
J D Brown	337	126	1	–	–	464	461
K Hart	599	300	2	–	–	901	957
J A C Morrow ⁽ⁱ⁾	127	–	1	268	–	396	523
Chief Tabetando	421	– ⁽ⁱⁱ⁾	13	–	–	434	914 ⁽ⁱⁱ⁾
E A F Willett	375	142	3	–	–	520	541
P G Wilson	337	119	3	–	–	459	431
Non-Executives							
C Cook	–	–	–	–	72	72	58
R G Hanna	–	–	–	–	159	159	126
P O J Tracy ⁽ⁱⁱⁱ⁾	–	–	–	–	379	379	10
T Sullivan	–	–	–	–	64	64	58
Total	2,196	687	23	268	674	3,848	4,079

(i) Resigned 22 July 2011.

(ii) The performance conditions for Chief Tabetando's 2011 bonus were satisfied, and his 2011 bonus was paid, in June 2011 (and his bonus was therefore included in the 2011 financial results).

(iii) Appointed 3 May 2011. Fees include \$314,679 paid to Greyhair Advisory Services LLP in respect of services rendered by Philip Tracy as Interim Operations Director.

The Group does not operate a Company pension scheme for Executive Directors but, as with all other permanent staff, it does make a contribution of 10% of basic salary to Executive Directors, who are required to pay an equivalent sum into their personal pension plan.

Benefits in kind principally comprise of medical and travel insurance.

DIRECTORS' LONG-TERM INCENTIVE PLAN AWARDS

The number of awards held by Directors under the LTIP is as follows:

Performance period	Share price at date of grant	J D Brown	K Hart	Chief Tabetando	E A F Willett	P G Wilson
10.12.09 to 10.12.12	82 pence	270,000	585,000	270,000	225,000	165,000
11.01.11 to 11.01.14	380 pence	48,684	105,263	56,579	60,526	39,474
12.12.11 to 12.12.14	75 pence	273,498	729,328	341,872	303,887	273,498
Total		592,182	1,419,591	668,451	589,413	477,972

Details of awards under the LTIP which vested during the year are given in the table below:

Director	Performance period	No. of shares awarded	Share price at grant date	Vesting date	Units vesting	Share price on vesting
J D Brown	11.12.08 to 11.12.11	327,273	33 pence	12.12.11	327,273	70.5 pence
K Hart	11.12.08 to 11.12.11	775,758	33 pence	12.12.11	775,758	70.5 pence
J A C Morrow ⁽ⁱ⁾	11.12.08 to 11.12.11	409,091	33 pence	12.12.11	409,091	70.5 pence
Chief Tabetando	11.12.08 to 11.12.11	477,273	33 pence	12.12.11	477,273	70.5 pence
E A F Willett	11.12.08 to 11.12.11	424,242	33 pence	12.12.11	424,242	70.5 pence
P G Wilson	11.12.08 to 11.12.11	327,273	33 pence	12.12.11	327,273	70.5 pence

(i) The performance period for measuring John Morrow's 2008 award was extended from the date he ceased to be employed by the Company, in October 2011, until December 2011, being the end of the normal performance period for the other 2008 awards made to Executive Directors. The vesting of this award is in addition to the compensation for loss of office paid to Mr Morrow and noted in the Directors' remuneration table above.

VESTING OF AWARDS

The vesting of an award granted under the LTIP is dependent upon the achievement of performance conditions determined by the Remuneration Committee at the relevant grant date. The performance conditions which were applicable to the awards which vested during the year are noted below.

- Awards will vest if the total shareholder return in the Company ranks median or above when compared with the TSR of a pre-defined comparator group over the relevant three year performance period.
- The percentage of allocated shares that are transferred to a participant is determined by Bowleven's position in the TSR ranking list as set out below:

TSR ranking of Bowleven compared with comparator group	% Shares transferred
Upper Quartile and above	100
Between Median and Upper Quartile	Pro-rata on a straight line basis
Median	20
Below Median	nil

- The comparator group applicable to the 2008 awards was as follows:

Afren plc	Dana Petroleum ⁽ⁱ⁾	Sterling Energy plc
Ascent Resources plc	Equator Exploration Limited ⁽ⁱⁱ⁾	Salamander Energy plc
Bowleven plc	Indago Petroleum ⁽ⁱⁱⁱ⁾	Tullow Oil plc
Circle Oil plc	Regal Petroleum	

(i) Replaced by Cove Energy with effect from 28 October 2010.

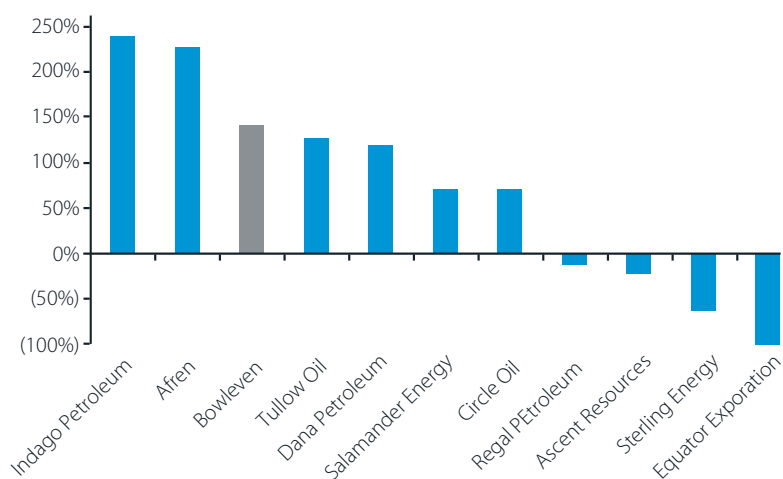
(ii) De-listed on 28 April 2009.

(iii) Replaced by Dominion Petroleum Limited with effect from 24 June 2009.

Bowleven's performance was in the upper quartile and therefore the 2008 awards vested in full.

The graph below shows Bowleven's performance, measured by TSR, against the 2008 comparator group over the performance period.

Total Shareholder Return 11 December 2008 to 11 December 2011



- The comparator group for awards granted on 12 December 2011 comprised the following 15 companies:

Afren plc	Cairn Energy plc ⁽ⁱ⁾	Rockhopper Exploration plc
Ascent Resources plc	Gulfsands Petroleum plc	Salamander Energy plc
Bowleven plc	Heritage Oil plc ⁽ⁱⁱ⁾	Soco International plc
Chariot Oil & Gas	Ophir Energy plc	Sterling Energy plc
Circle Oil plc	Petroceltic International plc	Tullow Oil plc

(i) Replaced Cove Energy plc with effect from 17 August 2012.

(ii) Replaced Melrose Resources plc with effect from 11 October 2012.

DIRECTORS' REMUNERATION REPORT CONTINUED

DILUTION – COMPLIANCE WITH ABI GUIDELINES

The Company complies with the dilution guidelines issued by the Association of British Insurers. When aggregated with awards under all of the Company's other schemes, the Company can issue a maximum of 10% of the issued ordinary share capital (adjusted for share issuance and cancellation) in any rolling 10 year period. In addition, commitments to issue new shares under the LTIP may not exceed 5% of the issued ordinary share capital of the Company (adjusted for share issuance and cancellation) in any rolling 10 year period.

As at 5 November 2012 a total of 1,423,571 shares (representing 0.48% of the issued share capital) have vested and been awarded to staff under the Bowleven company share option schemes. Options in respect of a further 6,575,870 shares (2.23%) have been granted to staff. 2,859,304 shares (0.97%) have been issued to Executive Directors and senior management under the LTIP with up to a further 4,452,463 shares (1.51%) subject to awards granted in respect of ongoing performance periods.

SHAREHOLDING GUIDELINES

In order to align the Executive Directors' interests more closely with those of shareholders, Executive Directors are required to acquire and/or retain from share awards vesting a minimum level of shareholding equivalent to one year's salary. All Executive Directors currently comply with this requirement. The table below sets out details of the aggregate cost of shares purchased by Directors and details of share awards under the LTIP retained by the Executive Directors. This table analyses the shareholdings of Directors as at 30 June 2012:

Director	Total shares purchased	Total cost of shares purchased	Shares acquired on vesting LTIPs	Total shares held
J D Brown	143,315	£131,715	156,685	300,000
C Cook	135,000	£123,708	–	135,000
R G Hanna	330,135	£342,018	–	330,135
K Hart	2,167,073	£1,602,966	395,291	2,562,364
T Sullivan	146,745	£114,800	–	146,745
Chief Tabetando	1,047,738	£60,345	509,963	1,557,431
P O J Tracy	–	–	–	–
E A F Willett	177,237	£158,623	160,876	338,113
P G Wilson	263,390	£242,144	146,610	410,000

DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable UK law and regulations.

UK company law requires the Directors to prepare financial statements for each financial year. The AIM Rules require the Directors to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The Directors have elected to prepare the Company financial statements on the same basis.

UK company law also provides that the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these Group and Company financial statements the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- Present information, including accounting policies, in a manner that is relevant, reliable, comparable and understandable;
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- State that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- Make judgements and estimates that are reasonable and prudent.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and of the Company and enable them to ensure that the Group's and Company's financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWLEVEN PLC

We have audited the financial statements (the 'financial statements') of Bowleven plc for the year ended 30 June 2012 which comprise the Group Income Statement, the Group and Company Statements of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statements of Changes in Equity and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 41, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion of the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 30 June 2012 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Hywel Ball

(Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor, Edinburgh
5 November 2012

GROUP INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Revenue		–	–
Administrative expenses		(9,452)	(13,218)
Unsuccessful exploration costs	3	(3,568)	(41,704)
Loss on disposal of subsidiary	5	(3,185)	–
Operating loss before financing costs		(16,205)	(54,922)
Finance income	6	3,133	700
Finance costs	7	(1)	(22,594)
Loss from continuing operations before taxation		(13,073)	(76,816)
Taxation	8	–	–
Loss for the Year From Continuing Operations Attributable to Equity Shareholders of the Parent Undertaking		(13,073)	(76,816)
Basic and diluted loss per share (\$/share) from continuing operations	9	(0.05)	(0.37)

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 loss for the Company for the year was \$12,641,000 (2011: loss of \$94,532,000).

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

Group	Notes	2012 \$'000	2011 \$'000
Loss for the year	19	(13,073)	(76,816)

Other Comprehensive Income:

Currency translation differences	19	(2,529)	23,668
----------------------------------	----	---------	--------

Total Comprehensive Income for the Year Attributable to Equity Shareholders		(15,602)	(53,148)
--	--	-----------------	-----------------

Company	Notes	2012 \$'000	2011 \$'000
Loss for the year	19	(12,641)	(94,532)

Other Comprehensive Income:

Currency translation differences	19	(12,753)	26,357
----------------------------------	----	----------	--------

Total Comprehensive Income for the Year Attributable to Equity Shareholders		(25,394)	(68,175)
--	--	-----------------	-----------------

GROUP BALANCE SHEET
30 JUNE 2012

Annual Report and Accounts 2012

Review of the Year

[Financial Statements](#)

[Shareholder Information](#)

Bowleven Oil & Gas

P44/45

	Notes	2012 \$'000	2011 \$'000
Non-current Assets			
Intangible exploration assets	11	425,414	340,637
Property, plant and equipment	12	1,251	802
		426,665	341,439
Current Assets			
Inventory	14	11,638	8,180
Trade and other receivables	15	7,222	24,390
Cash and cash equivalents	16	142,481	96,621
		161,341	129,191
Assets held-for-sale	10	–	41,624
Total Assets		588,006	512,254
Current Liabilities			
Trade and other payables	17	(8,575)	(38,673)
Liabilities related to disposal unit held-for-sale	10	–	(588)
Total Liabilities		(8,575)	(39,261)
Net Assets		579,431	472,993
Equity			
Called-up share capital	18,19	50,274	37,881
Share premium	19	730,241	619,729
Foreign exchange reserve	19	(57,716)	(55,187)
Shares held by Employee Benefit Trust	19	(489)	(580)
Other reserves	19	13,176	12,341
Retained deficit	19	(156,055)	(141,191)
Total Equity Attributable to the Equity Shareholders		579,431	472,993

The financial statements on pages 43 to 74 were approved by the Board of Directors and authorised for issue on 5 November 2012 and are signed on their behalf by:

John D Brown
Director

COMPANY BALANCE SHEET

30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Non-current Assets			
Property, plant and equipment	12	1,013	427
Investments	13	430,020	1,876
		431,033	2,303
Current Assets			
Trade and other receivables	15	1,581	382,558
Cash and cash equivalents	16	142,087	96,336
		143,668	478,894
Total Assets		574,701	481,197
Current Liabilities			
Trade and other payables	17	(1,511)	(4,562)
Total Liabilities		(1,511)	(4,562)
Net Assets		573,190	476,635
Equity			
Called-up share capital	18,19	50,274	37,881
Share premium	19	730,241	619,729
Foreign exchange reserve	19	(79,750)	(66,997)
Other reserves	19	7,755	6,915
Retained deficit	19	(135,330)	(120,893)
Total Equity Attributable to the Equity Shareholders		573,190	476,635

The financial statements on pages 43 to 74 were approved by the Board of Directors and authorised for issue on 5 November 2012 and are signed on their behalf by:

John D Brown
Director

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

Review of the Year

[Financial Statements](#)[Shareholder Information](#)

P46/47

	Notes	2012 \$'000	2011 \$'000
Cash Flows from Operating Activities			
Loss before tax		(13,073)	(76,816)
<i>Adjustments to reconcile Group loss before tax to net cash used in operating activities:</i>			
Unsuccessful exploration costs		–	41,704
Depreciation of property, plant and equipment		500	462
Loss on disposal of subsidiary	5	3,185	–
Finance income	6	(3,133)	(700)
Finance costs	7	1	22,594
Equity-settled share based payment transactions	19	1,807	1,788
Adjusted loss before tax prior to changes in working capital		(10,713)	(10,968)
Increase in inventory		(3,458)	(1,657)
Decrease/(Increase) in trade and other receivables		443	(686)
(Decrease)/Increase in trade and other payables		(2,634)	1,940
Exchange differences		(71)	(437)
Net Cash used in Operating Activities		(16,433)	(11,808)
Cash Flows used in Investing Activities			
Net proceeds from disposal of subsidiary	5	38,601	–
Purchases of property, plant and equipment		(941)	(524)
Purchases of intangible exploration assets		(96,381)	(85,182)
Interest received		821	732
Net Cash used in Investing Activities		(57,900)	(84,974)
Cash Flows from Financing Activities			
Net proceeds from issue of ordinary shares		122,905	112,792
Purchase of own shares		(2,672)	–
Net Cash Flows from Financing Activities		120,233	112,792
Net Increase in Cash and Cash Equivalents		45,900	16,010
Net increase in cash and cash equivalents		45,900	16,010
Effect of exchange rates on cash and cash equivalents		(92)	1,511
Cash and cash equivalents at the beginning of the year	16	96,673	79,152
Cash and Cash Equivalents at the Year End	16	142,481	96,673

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Cash Flows from Operating Activities			
Loss before tax		(12,641)	(94,532)
<i>Adjustments to reconcile Company loss before tax to net cash used in operating activities:</i>			
Depreciation of property, plant and equipment		313	326
Impairment costs		7,811	73,168
Finance income		(3,242)	(700)
Finance costs		1	10,181
Equity-settled share based payment transactions		1,544	1,539
Adjusted loss before tax prior to changes in working capital		(6,214)	(10,018)
Decrease/(Increase) in trade and other receivables		31,261	(101,166)
Increase in funding to subsidiaries		99,020	–
(Decrease)/Increase in trade and other payables		(3,051)	1,929
Exchange differences		39	12,022
Net Cash used in Operating Activities		(76,985)	(97,233)
Cash Flows used Investing Activities			
Purchases of property, plant and equipment		(898)	(279)
Interest received		819	732
Net Cash (used in)/from Investing Activities		(79)	453
Cash Flows from Financing Activities			
Net proceeds from issue of ordinary shares		122,905	112,792
Net Cash Flows from Financing Activities		122,905	112,792
Net Increase in Cash and Cash Equivalents		45,841	16,012
Net increase in cash and cash equivalents		45,841	16,012
Effect of exchange rates on cash and cash equivalents		(90)	1,464
Cash and cash equivalents at the beginning of the year	16	96,336	78,860
Cash and Cash Equivalents at the Year End	16	142,087	96,336

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Equity share capital* \$'000	Foreign exchange reserves \$'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 year	–	–	–	–	(76,816)	(76,816)
Other comprehensive income for the year	–	23,668	–	–	–	23,668
Total comprehensive income for the year	–	23,668	–	–	(76,816)	(53,148)
Proceeds from issue of share capital	115,477	–	–	–	–	115,477
Cost of issue of share capital	(2,685)	–	–	–	–	(2,685)
Share based payments	–	–	–	1,788	–	1,788
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 year	–	–	–	–	(13,073)	(13,073)
Other comprehensive income for the year	–	(2,529)	–	–	–	(2,529)
Total comprehensive income for the year	–	(2,529)	–	–	(13,073)	(15,602)
Proceeds from issue of share capital	126,028	–	–	–	–	126,028
Cost of issue of share capital	(3,123)	–	–	–	–	(3,123)
Share based payments	–	–	–	1,807	–	1,807
Transfer between reserves	–	–	2,763	(972)	(1,791)	–
Shares purchased by Employee Benefit Trust	–	–	(2,672)	–	–	(2,672)
At 30 June 2012	780,515	(57,716)	(489)	13,176	(156,055)	579,431

* Includes both share capital and share premium.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Equity share capital* \$'000	Foreign exchange reserves \$'000	Other reserves \$'000	Retained deficit \$'000	Total equity \$'000
At 1 July 2010	544,818	(93,354)	6,634	(27,504)	430,594
Loss for the year	–	–	–	(94,532)	(94,532)
Other comprehensive income for the year	–	26,357	–	–	26,357
Total comprehensive income for the year	–	26,357	–	(94,532)	(68,175)
Proceeds from issue of share capital	115,477	–	–	–	115,477
Cost of issue of share capital	(2,685)	–	–	–	(2,685)
Share based payments	–	–	1,788	–	1,788
Transfer between reserves	–	–	(1,507)	1,507	–
Transfer from Employee Benefit Trust	–	–	–	(364)	(364)
At 30 June 2011	657,610	(66,997)	6,915	(120,893)	476,635
Loss for the year	–	–	–	(12,641)	(12,641)
Other comprehensive income for the year	–	(12,753)	–	–	(12,753)
Total comprehensive income for the year	–	(12,753)	–	(12,641)	(25,394)
Proceeds from issue of share capital	126,028	–	–	–	126,028
Cost of issue of share capital	(3,123)	–	–	–	(3,123)
Share based payments	–	–	1,807	–	1,807
Transfer between reserves	–	–	(967)	967	–
Transfer from Employee Benefit Trust	–	–	–	(2,763)	(2,763)
At 30 June 2012	780,515	(79,750)	7,755	(135,330)	573,190

* Includes both share capital and share premium.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1 ACCOUNTING POLICIES

Bowleven plc ('the Company') is a company domiciled in the United Kingdom.

The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements.

BASIS OF PREPARATION

These financial statements 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).

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

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 will have sufficient funds to meet their ongoing working capital and committed capital expenditure requirements. In making this assessment, the Directors considered the Group budgets, the cash flow forecasts and associated risks. Future financing for the Group is discussed in the Financial Review section on page 25.

ACCOUNTING STANDARDS

During the year ending 30 June 2012, Bowleven adopted the following improvements to standards and interpretations:

Standard and Impact on Policy

IAS 1 'Presentation of Financial Statements (amendment)'. Analysis of other comprehensive income for each component of equity required. The Group will provide additional disclosure when required.

IAS 24 'Related Party Transactions (amendment)'. The definition of a related party has been clarified to simplify the identification of related party relationships. There is currently no impact on financial position of Group.

The following amendments/improvements are now effective but currently have no impact on the Group:

IFRS 7 'Financial Instruments: Disclosures (amendment)'

Standards and Interpretations Issued but Not Yet Effective

At the date the financial statements were authorised for issue, the following standards, interpretations and amendments, which are not expected to impact the Group's financial position or performance, were in issue but not yet effective:

Standard	Effective date
IFRS 9 'Financial Instruments'	1 January 2015
IFRS 10 'Consolidated Financial Statements'	1 January 2013
IFRS 11 'Joint Arrangements'	1 January 2013
IFRS 12 'Disclosure of Interests in Other Entities'	1 January 2013
IFRS 13 'Fair Value Measurement'	1 January 2013
IAS 27 'Separate Financial Statements'	1 January 2013
IAS 28 'Investment in Associates and Joint Ventures'	1 January 2013

The IASB Annual Improvements Project issues additional guidance annually on International Accounting Standards. The Group considers the guidance as issued by the IASB. No material impact from any of the improvements is anticipated.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reporting amount of income and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Accounting estimates used by the Group are discussed in more detail in the following accounting policies:

- Oil and Gas: Intangible Exploration Assets – Impairment
- Oil and Gas: Evaluated Oil and Gas Properties – Impairment
- Employee Benefits Share Based Transactions
- Assets and Liabilities Held-for-Sale

BASIS OF CONSOLIDATION

The consolidated accounts include the results of Bowleven plc and all its subsidiary undertakings at the Balance Sheet date. The results of subsidiaries acquired/disposed of are included/excluded in the consolidated accounts from the date control is obtained/lost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 CONTINUED

1 ACCOUNTING POLICIES CONTINUED BUSINESS COMBINATIONS

The acquisition of subsidiaries by the Group is accounted for using the acquisition method.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition.

JOINT VENTURES

Bowleven participates in joint ventures which involve the joint control of assets used in the Group's oil and gas exploration and appraisal activities. The Group accounts for its share of assets, liabilities, income and expenditure of the joint venture, classified in the appropriate Balance Sheet and Income Statement headings.

Bowleven's interests in unincorporated joint ventures are detailed on page 15 of this report.

OIL AND GAS: INTANGIBLE EXPLORATION ASSETS

The Group applies a successful efforts based method of accounting for exploration and appraisal costs having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'.

Costs incurred prior to obtaining the legal right to explore an area are expensed directly to the Income Statement as they are incurred.

All licence acquisition, exploration and appraisal costs (including seismic) are capitalised initially as intangible assets by well, field or exploration area as appropriate.

In the situation where the Group benefits from a carry from a joint venture partner, no costs are recognised in intangible assets for the period of the carry.

Once commercial reserves are established and technical feasibility for extraction determined, then the carrying cost, after adjusting for any impairment that may be required (see below), of the relevant exploration and appraisal asset is then reclassified as a single field cost centre and transferred into development and producing assets. In the event that no commercial reserves have been found, the results of the exploration activity no longer contribute to ongoing exploration work, or, if the Group decides not to continue exploration and appraisal activity in the area, then the costs of such unsuccessful exploration and appraisal are written off to the Income Statement in the period in which the determination is made.

Disposals

Net proceeds from any disposal of an exploration/appraisal asset are credited initially against previously capitalised costs. Any surplus or shortfall in proceeds is taken to the Income Statement.

Impairment

In accordance with IFRS 6, exploration and appraisal assets are reviewed regularly for indicators of impairment and costs written off where circumstances indicate that the carrying value of the asset exceeds the recoverable amount (being the higher of value in use and fair value less costs to sell).

Where there has been a charge for impairment in an earlier period, that charge will be reversed when there has been a change in circumstances to the extent that the discounted future net cash flows are higher than the net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to the carrying value that would have been determined had no impairment loss been recognised in prior periods.

OIL AND GAS: EVALUATED OIL AND GAS PROPERTIES (DEVELOPMENT/PRODUCING ASSETS)

The significant components of the development and production assets are the fields. The fields are aggregated to represent the cost of developing the commercial reserves discovered, together with the exploration and appraisal costs transferred from intangible exploration and appraisal assets and the costs of bringing them into production.

The development and production costs also include:

- i. costs of assets acquired/purchased;
- ii. directly attributable overheads;
- iii. finance costs; and
- iv. decommissioning and restoration.

Depletion

The Group will deplete expenditure on development and production assets using the unit of production method, based on proved and probable reserves on a field-by-field basis.

The depletion calculation takes account of the estimated future costs of the development of recognised proved and probable reserves.

Impairment

Impairment reviews on development and production assets are carried out on each cash-generating unit in accordance with IAS 36 'Impairment of Assets'. An impairment test is performed whenever events or circumstances arising during the development or production phase indicate that the carrying value of a cash-generating unit may exceed its recoverable amount. An impairment test is also carried out before the transfer of costs related to assets which are being transferred to development and production assets following establishment of commercial reserves. The cash-generating units for impairment purposes are those assets which generate largely independent cash flows and are normally, but not always, single development areas.

Where there are indicators of impairment, the carrying value of each cash-generating unit is compared with its recoverable amount, i.e. the associated expected discounted future net cash flows. If the carrying value is higher than the recoverable amount, the value is written down to the recoverable amount and the loss is written off to the Income Statement as an impairment loss.

Forecasted production profiles are determined on an asset-by-asset basis, using appropriate petroleum engineering techniques.

Disposals

Any surplus gain or loss arising on disposal of a development/production asset is recognised in the Income Statement to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised cost of the asset.

PROPERTY, PLANT AND EQUIPMENT: OWNED ASSETS

Property, plant and equipment are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less anticipated disposal proceeds, on a straight line basis over their estimated useful economic lives as follows:

Leasehold improvements	over the life of the lease
Plant and machinery	over four years
Computer equipment	over three years
Motor vehicles	over four years

OPERATING LEASE AGREEMENTS

An operating lease is recognised where substantially all of the benefits and risks of ownership remain with the lessor, and is charged against profits on a straight line basis over the period of the lease.

Lease incentives received are recognised in the Income Statement over the period of the lease as an integral part of the total lease expense.

INVESTMENTS IN SUBSIDIARIES

Investments held as non-current assets are stated at cost less impairment.

INVENTORY

Inventories comprise equipment and materials purchased for various drilling programmes and are valued at the lower of cost and net realisable value.

ASSETS AND LIABILITIES HELD-FOR-SALE

Non-current assets and related current assets and liabilities are classified as held-for-sale when it is highly probable that the carrying value of the asset will be recovered principally through a sale transaction as opposed to continuing use. A sale is considered highly probable when buyers have been identified and the sale is expected to qualify for recognition within one year from the date of classification.

Assets held-for-sale are measured at the lower of its carrying amount and fair value less costs to sell.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets are categorised as held-to-maturity investments, available-for-sale financial assets, fair value through profit and loss, or loans and receivables. All of the Group's financial assets are loans and receivables, with the exception of derivative financial instruments which are held at fair value through profit or loss.

Financial liabilities generally substantiate claims for repayment in cash or another financial asset. Financial liabilities are categorised as either fair value through profit or loss or held at amortised cost. All of the Group's financial liabilities are held at amortised cost.

Derivative Financial Instruments

The Group's activities expose the entity to foreign currency rate risk. The Group uses foreign exchange forward contracts to hedge the exposure. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies, approved by the Board of Directors, which provide written principles in the use of financial derivatives.

Derivative financial instruments are stated at fair value and are re-measured each period and, where measurement differences occur, the gain or loss arising from the re-measurement in fair value is recognised immediately in the Income Statement. The Group did not apply hedge accounting for derivative financial instruments held during the current or prior year.

The Group does not currently have any existing derivative financial instruments in place, but has used them during the reported periods to manage its exposure to fluctuations in foreign exchange rates.

Trade and Other Receivables

Trade receivables are recognised and carried at the original invoice amount less any provision for impairment. Other receivables are recognised and measured at nominal value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 CONTINUED

1 ACCOUNTING POLICIES CONTINUED

Trade and Other Receivables continued

A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the estimated cash flows. No fair value calculations are made as the difference between the asset's net present value and carrying amount is not material. The carrying amount of the asset would be reduced through the use of a bad debt provision account and the amount of the loss would be recognised in the Income Statement within administrative expenses. Where a trade receivable is uncollectible, it would be written off against the bad debt provision account.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Trade Payables and Other Creditors

Trade payables and other creditors are non-interest bearing and are measured at cost. Cost is taken to be fair value.

EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

EMPLOYEE BENEFITS: SHARE BASED TRANSACTIONS

The Group operates a number of equity-settled, share based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. Fair value is determined by an external actuary using a binomial model, taking all market performance conditions and non-vesting conditions into account. Market performance conditions are linked to growth of the Company share price against movements in comparator group indices. Further information on performance conditions is provided in note 21. Non-market performance vesting and service conditions are included in assumptions about the number of options that are expected to vest. At each Balance Sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to the share based payment reserve. No expense is recognised for awards that do not ultimately vest except for equity-settled transactions for which vesting is conditional upon a market or non-market condition. These are treated as vesting irrespective of whether the market or non-market condition is met providing that all other performance/service conditions are met.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised and new shares are issued.

Shares acquired to meet awards under these share based compensation plans are held by the Employee Benefit Trust (EBT). The accounts of the EBT are consolidated in the Group financial statements.

CURRENT AND DEFERRED TAX

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the Balance Sheet date. Current and deferred tax is charged or credited in the Income Statement, except when it relates to items credited or charged against other comprehensive income or equity, in which case the related tax is also dealt with in other comprehensive income or equity respectively.

FOREIGN CURRENCIES

Transactions entered into in a currency other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

At each Balance Sheet date, the monetary assets and liabilities of the Group's entities that are not in the functional currency of that entity are translated into functional currency at exchange rates prevailing at the Balance Sheet date. The resulting exchange differences are recognised in the Income Statement.

At each Balance Sheet date, for presentation purposes, the assets and liabilities of the Group's entities that do not use US Dollars as their functional currency are translated into US Dollars at exchange rates prevailing at the Balance Sheet date, with gains or losses on retranslation being recognised through the foreign exchange reserve. The resulting exchange differences are classified as a separate component of equity until disposal of the subsidiary. On disposal the cumulative amounts of exchange differences are recognised in the Income Statement.

The entire Group with the exception of Parent Company are US Dollar functional. For consistency the Group presents its financial statements in US Dollars and it is industry practice to present in US Dollars. The exchange rate used for the retranslation of the closing Balance Sheet at 30 June 2012 is \$1.5605/£1 (2011: \$1.6013/£1).

2 SEGMENTAL INFORMATION

For management reporting purposes, the Group has one operating segment as follows:

'West Africa' operations focus on exploration activities in Cameroon and previously Gabon. Our exploration activities in Gabon have now ceased following the disposal of GGPC Gabon (EOV) Limited and the relinquishment of our Epaemeno licence. The assets and liabilities and associated expenditure of GGPC Gabon (Epaemeno) Limited continue to be included within 'West Africa'.

'Other' includes amounts of a corporate nature which are not specifically attributable to the West Africa segment such as head office costs, property, plant and equipment and cash balances.

No operating segments have been aggregated to form the above reportable operating segments.

	2012 West Africa \$'000	2012 Other \$'000	2012 Group \$'000	2011 West Africa \$'000	2011 Other \$'000	2011 Group \$'000
Administration expenses	(1,194)	(7,758)	(8,952)	(1,198)	(11,558)	(12,756)
Depreciation	(187)	(313)	(500)	(136)	(326)	(462)
Unsuccessful exploration costs	(3,568)	–	(3,568)	(41,704)	–	(41,704)
Loss on disposal of subsidiary	(3,185)	–	(3,185)	–	–	–
Foreign exchange	(111)	2,480	2,369	(12,414)	(10,179)	(22,593)
Interest income	2	762	764	–	700	700
Finance costs	–	(1)	(1)	–	(1)	(1)
Taxation	–	–	–	–	–	–
Loss for the Year*	(8,243)	(4,830)	(13,073)	(55,452)	(21,364)	(76,816)
Capital expenditure	88,396	927	89,323	119,000	251	119,251
Non-current assets	425,652	1,013	426,665	341,012	427	341,439
Segment assets	443,678	144,328	588,006	413,338	98,916	512,254
Segment liabilities	(7,064)	(1,511)	(8,575)	(34,699)	(4,562)	(39,261)

* Segmental result.

Other segment assets include cash balances.

3 OPERATING LOSS

Operating loss is stated after charging:

	2012 \$'000	2011 \$'000
Depreciation of owned property, plant and equipment	500	462
Loss on disposal of property, plant and equipment	6	–
Operating lease rentals – land and buildings	579	308
Unsuccessful exploration costs	3,568	41,704

Following the relinquishment of the Epaemeno Permit in 2011 a termination payment of \$3.5 million in respect of full and final settlement of GGPC Gabon (Epaemeno) Limited's obligation under remaining work commitments, has been paid and recognised in the current financial year. The additional \$68,000 of unsuccessful exploration costs also relate to Epaemeno.

Audit and non-audit fees are analysed as follows:

	2012 \$'000	2011 \$'000
In respect of Ernst & Young LLP and its associates:		
Audit Fees in Respect of the Group⁽ⁱ⁾	137	134
Other fees to auditors and its associates:		
– local statutory audits for subsidiaries	22	22
– taxation services	60	68
– other services ⁽ⁱⁱ⁾	135	220
	217	310

(i) \$16,000 of this relates to the Company (2011: \$16,000).

(ii) Other services comprise predominantly support regarding local returns for overseas operations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 CONTINUED

4 STAFF COSTS AND DIRECTORS' EMOLUMENTS

The average number of staff, including Executive Directors, employed by the Group during the financial year amounted to:

	2012 Number	2011 Number
Management	5	6
Administration and operations	70	69
	75	75

The aggregate payroll costs for the above persons comprised:

	2012 \$'000	2011 \$'000
Wages and salaries	7,430	8,414
Social security costs	1,077	957
Share based payments	1,807	1,788
	10,314	11,159

Payroll costs totalling \$2,598,000 (2011: \$2,576,000) included above are capitalised within intangible assets in EurOil Limited, as the amounts represent exploration costs.

The share based payments charge relates entirely to share based payment transactions that will be equity-settled.

Remuneration of Key Management Personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate.

Remuneration of Directors:

	2012 \$'000	2011 \$'000
Directors remuneration	3,580	4,079
Compensation for loss of office	268	–
Aggregate emoluments	3,848	4,079
Share based payments	815	848
Social security costs	569	489
	5,232	5,416

The aggregate emoluments are made up entirely of short-term employee benefits.

Remuneration of individual Directors is provided below:

	Salary \$'000	Performance related bonus \$'000	Benefits \$'000	Compensation for Loss of Office \$'000	Fees \$'000	Total 2012 \$'000	Total 2011 \$'000
Executives							
J D Brown	337	126	1	–	–	464	461
K Hart ⁽ⁱ⁾	599	300	2	–	–	901	957
J A C Morrow ⁽ⁱⁱ⁾	127	–	1	268	–	396	523
Chief Tabetando	421	– ⁽ⁱⁱⁱ⁾	13	–	–	434	914 ⁽ⁱⁱⁱ⁾
E A F Willett	375	142	3	–	–	520	541
P G Wilson	337	119	3	–	–	459	431
Non-Executives							
C Cook	–	–	–	–	72	72	58
R G Hanna	–	–	–	–	159	159	126
P O J Tracy ^(iv)	–	–	–	–	379	379	10
T Sullivan	–	–	–	–	64	64	58
Total	2,196	687	23	268	674	3,848	4,079

(i) highest paid Director

(ii) resigned 22 July 2011

(iii) the performance conditions for Chief Tabetando's 2011 bonus were satisfied, and his 2011 bonus was paid, in June 2011 (and his bonus was therefore included in the 2011 financial results)

(iv) appointed 3 May 2011

During the year, the Company paid a total of \$314,679 (2011: nil) to Greyhair Advisory Services in respect of the services of Philip Tracy. This amount is included as fees in the above table in accordance with Companies Act requirements.

Six Directors received awards under the LTIP scheme (2011: six). The aggregate amount of gains on vesting of LTIPs was \$2,856,000 (2011: \$1,219,000). Further details on Directors' remuneration is provided in the Remuneration Report on pages 35 to 40.

5 LOSS ON DISPOSAL OF SUBSIDIARY

On 30 March 2012, Bowleven completed the sale of GGPC Gabon (EOV) Limited, a wholly owned subsidiary of Bowleven to Perenco SA. GGPC Gabon (EOV) Limited's sole asset was a 100% interest in the EOV Permit, offshore Gabon.

	\$'000
Gross proceeds received	40,351
Less: Expenses directly attributable to sale	(1,750)
Net proceeds	38,601
Derecognition of GGPC Gabon (EOV) Limited:	
Intangible exploration assets	(41,637)
Inventory	(402)
Trade and other receivables	(268)
Trade and other payables	521
Net assets	(41,786)
Loss on Disposal	(3,185)

There was no tax impact on the sale transaction.

6 FINANCE INCOME

	2012 \$'000	2011 \$'000
Bank interest	765	700
Exchange rate gain	2,368	–
	3,133	700

The main contributor to the exchange rate gain is the recognition of foreign exchange differences under IFRS as the US Dollar strengthened against GB Pound. Exposure to exchange gains and losses has been reduced as funding to subsidiaries is now predominantly provided by way of equity investment as discussed in note 13.

7 FINANCE COSTS

	2012 \$'000	2011 \$'000
Bank interest	1	1
Exchange rate loss	–	22,593
	1	22,594

The main contributor to the exchange rate loss in 2011 was the recognition of foreign exchange differences on intra-group funding under IFRS, which was not regarded as net investment in foreign operations under IAS21 'The Effects of Changes in Foreign Exchange Rates', as the US Dollar weakened against GB Pound.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012
CONTINUED

8 TAXATION**(a) Recognised in the Income Statement:**

	2012 \$'000	2011 \$'000
UK Corporation Tax Based on the Results for the Year at 25.5% (2011: 27.5%)	–	–

(b) Factors Affecting the Tax Charge for the Year

The charge for the year can be reconciled to the loss in the Income Statement as follows:

	2012 \$'000	2011 \$'000
Loss before tax	(13,073)	(76,816)
Corporation tax at the domestic income tax rate of 25.5% (2011: 27.5%)	(3,334)	(21,125)

Effects of:

Expenses not deductible for tax purposes	1,556	18,224
Depreciation in excess of capital allowances	22	31
Tax losses not utilised	1,425	2,550
Other	331	320
Total Tax	–	–

Applicable tax rate is computed at 25.5% (2011: 27.5%). On 1 April 2012 the corporation tax rate was reduced from 26% to 24%. In addition, the Government intends to further reduce the UK corporation tax rate to 23% from 1 April 2013.

(c) Deferred Tax

At 30 June 2012, tax losses were \$59 million (2011: \$54 million). Tax losses will be carried forward and are potentially available for utilisation against taxable profits in future years. The Group has not recognised a deferred tax asset in respect of these tax losses and temporary differences as it does not currently meet the recognition criteria of IAS 12 'Income Taxes'. The asset will be recognised in future periods when its recovery (against appropriate taxable profits) is considered probable.

9 BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	2012 \$'000	2011 \$'000
Net Loss Attributable to Equity Holders of the Parent Undertaking	(13,073)	(76,816)

	2012 Number	2011 Number
Basic Weighted Average Number of Ordinary Shares	266,769,997	206,422,695

	2012 \$	2011 \$
Basic and Diluted Loss Per Share – Ordinary Shares	(0.05)	(0.37)

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 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.

10 ASSETS AND LIABILITIES HELD-FOR-SALE

No assets and liabilities have been classified as held-for-sale at 30 June 2012.

The assets and liabilities in relation to GGPC Gabon (EOV) Limited classified as held-for-sale at 30 June 2011 are presented below:

	As at 30 June 2011 \$'000
Assets	
Intangible exploration assets – net	40,864
Property, plant and equipment – net	7
Inventory	403
Trade and other receivables	298
Cash and cash equivalents	52
Assets held-for-sale	41,624
Liabilities	
Trade and other payables	(588)
Liabilities related to disposal unit held-for-sale	(588)
Net Assets Directly Associated with Disposal Unit Held-for-Sale	41,036

11 INTANGIBLE EXPLORATION ASSETS

Group	Exploration and appraisal expenditure \$'000
Cost	
At 1 July 2010	354,829
Additions	118,855
Unsuccessful exploration costs	(41,704)
Transfer to assets held-for-sale	(91,343)
At 30 June 2011	340,637
Additions	84,777
At 30 June 2012	425,414
Impairment	
At 1 July 2010	50,479
Transfer to assets held-for-sale	(50,479)
At 30 June 2011 and 30 June 2012	–
Net book value	
At 30 June 2012	425,414
At 30 June 2011	340,637
At 1 July 2010	304,350

The exploration phases under the PSC's for both the Etinde Permit and the Bomono Permit are due to expire in December 2012. Further details of our plans to progress to the next stage for each of the licences are discussed in the Chairmans's and Chief Executive's Review and the Exploration and Operational Review.

Unsuccessful exploration costs of \$3.6 million relating to the Epaemeno asset were recognised in the current financial year (2011: \$41.7 million).

Assets re-classified to held-for-sale in 2011 include the assets of GGPC Gabon (EOV) Limited which were being held-for-sale in anticipation of the completion of the disposal of the company. Expenditure incurred on exploration activities while the assets were classified as held-for-sale is included within purchases of intangible exploration assets disclosed in the Cash Flow Statement.

The impairment charge of \$50.5 million, re-classified to assets held-for-sale (which was recognised in the 2009 financial year) related to the EOV asset.

Company

No intangible assets were capitalised by the Company at the Balance Sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012
CONTINUED

12 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements \$'000	Plant and machinery \$'000	Computer equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost					
At 1 July 2010	642	418	1,077	526	2,663
Foreign currency adjustment	22	12	57	–	91
Additions	3	37	456	–	496
Transfer between categories	–	(14)	14	–	–
Transfer to assets held-for-sale	–	(12)	(4)	–	(16)
At 30 June 2011	667	441	1,600	526	3,234
Foreign currency adjustment	(17)	(8)	(33)	–	(58)
Additions	697	104	176	–	977
Disposals	(399)	(27)	(2)	–	(428)
At 30 June 2012	948	510	1,741	526	3,725
Depreciation					
At 1 July 2010	497	258	726	435	1,916
Foreign currency adjustment	14	10	39	–	63
Charge for year	79	61	285	37	462
Transfer between categories	–	(1)	1	–	–
Transfer to assets held-for-sale	–	(7)	(2)	–	(9)
At 30 June 2011	590	321	1,049	472	2,432
Foreign currency adjustment	(4)	(5)	(27)	–	(36)
Charge for year	103	64	296	37	500
Disposals	(395)	(25)	(2)	–	(422)
At 30 June 2012	294	355	1,316	509	2,474
Net book value					
At 30 June 2012	654	155	425	17	1,251
At 30 June 2011	77	120	551	54	802
At 1 July 2010	145	160	351	91	747

Company	Leasehold improvements \$'000	Plant and machinery \$'000	Computer equipment \$'000	Total \$'000
Cost				
At 1 July 2010	378	233	883	1,494
Foreign currency adjustment	22	13	57	92
Additions	3	7	241	251
Transfer between categories	–	(14)	14	–
At 30 June 2011	403	239	1,195	1,837
Foreign currency adjustment	(18)	(7)	(33)	(58)
Additions	697	84	146	927
Disposals	(399)	(27)	(2)	(428)
At 30 June 2012	683	289	1,306	2,278
Depreciation				
At 1 July 2010	225	160	635	1,020
Foreign currency adjustment	14	10	40	64
Charge for year	79	27	220	326
Transfer between categories	–	(1)	1	–
At 30 June 2011	318	196	896	1,410
Foreign currency adjustment	(4)	(5)	(27)	(36)
Charge for year	103	24	186	313
Disposals	(395)	(25)	(2)	(422)
At 30 June 2012	22	190	1,053	1,265
Net book value				
At 30 June 2012	661	99	253	1,013
At 30 June 2011	85	43	299	427
At 1 July 2010	153	73	248	474

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012
CONTINUED

13 INVESTMENTS

Company	Shares in group companies \$'000
Cost	
At 1 July 2010	47,350
Foreign currency adjustment	2,690
Additions	249
At 30 June 2011	50,289
Foreign currency adjustment	(10,197)
Additions	464,147
At 30 June 2012	504,239
Impairment	
At 1 July 2010	–
Impairment	48,413
At 30 June 2011	48,413
Impairment	25,806
At 30 June 2012	74,219
Net book value	
At 30 June 2012	430,020
At 30 June 2011	1,876
At 1 July 2010	47,350

On 1 July 2011, the Company implemented a revised corporate lending structure which involved the capitalisation of intercompany loans due from Bowleven Resources Limited and FirstAfrica Oil Limited. The intercompany loan balances due from Bowleven Resources Limited and FirstAfrica Oil Limited were released and both subsidiaries issued two ordinary shares credited as fully paid up in their respective share capital with the excess over the nominal value being credited to the respective company's share premium account. Ongoing funding advanced from the Company to Bowleven Resources Limited and FirstAfrica Oil Limited is capitalised on a regular basis. Since initial capitalisation on 1 July 2011, \$99 million has been capitalised for ongoing funding to subsidiaries.

The Company's investment in FirstAfrica Oil Limited has been fully impaired following the disposal of GGPC Gabon (Epaemeno) Limited and the relinquishment of the Epaemeno licence which was GGPC Gabon (Epaemeno) Limited's sole asset. Of the \$25.8 million impairment, a charge of \$1 million has been made to the Company's Income Statement in the current year and \$24.8 million in the prior year, when, amounts due to the Company from FirstAfrica Oil Limited were provided against prior to the subsequent capitalisation on 1 July 2011 as discussed above.

The impairment of \$48.4 million recognised in the previous financial year was also in relation to the Company's investment in FirstAfrica Oil Limited.

During the year \$263,000 (2011: \$249,000) was recognised as additions relating to Bowleven Resources Limited for the award of share options of the Company to the employees of EurOil Limited (subsidiary of Bowleven Resources Limited).

Investments comprise:

Company	Country of incorporation/registration	Holding	Class of share
Bowleven Resources Limited ⁽ⁱ⁾	Scotland	100%	Ordinary £0.10
EurOil Limited ⁽ⁱ⁾	Cameroon	100%	Ordinary 500,000 CFA
FirstAfrica Oil Limited ⁽ⁱⁱ⁾	England and Wales	100%	Ordinary £0.001
GGPC Gabon (Epaemeno) Limited ⁽ⁱⁱ⁾	British Virgin Islands	100%	Ordinary \$1
EurOil Bomono Limited ⁽ⁱⁱⁱ⁾	British Virgin Islands	100%	Ordinary \$1

(i) Bowleven Resources Limited owns 100% of EurOil Limited. The principal activity of Bowleven Resources Limited is as an intermediate holding company for the operating subsidiary in Cameroon. The principal activity of EurOil Limited is to procure and analyse scientific and technical data in order to assess exploration and development potential for oil and gas production in the Republic of Cameroon.

(ii) FirstAfrica Oil Limited owns 100% of GGPC Gabon (Epaemeno) Limited. The principal activity of FirstAfrica Oil Limited is as an intermediate holding company for the subsidiary in Gabon. During the year FirstAfrica Oil Limited disposed of GGPC Gabon (EOV) Limited, a previously owned 100% subsidiary.

(iii) EurOil Bomono Limited is a dormant company owned 100% by Bowleven plc.

All subsidiaries are included in the Group consolidation.

14 INVENTORY

	2012 \$'000	Group 2011 \$'000	2012 \$'000	Company 2011 \$'000
Inventory	11,638	8,180	-	-

The inventories relate to the casing, tubular goods and other equipment which were purchased for drilling programmes.

15 TRADE AND OTHER RECEIVABLES

	2012 \$'000	Group 2011 \$'000	2012 \$'000	Company 2011 \$'000
Other receivables	2,211	1,898	583	1,473
Amounts owed by Group undertakings	-	-	353	405,160
Provision against amounts owed by Group undertakings	-	-	-	(24,755)
Other taxation and social security	283	96	283	96
Joint venture debtors and prepayments	4,215	21,609	-	-
Accrued interest	64	121	64	121
	6,773	23,724	1,283	382,095
Prepayments	449	666	298	463
	7,222	24,390	1,581	382,558

On 1 July 2011 amounts owed by Group undertakings were released in consideration for ordinary shares in subsidiary companies. Refer to note 13 for further details.

As at 30 June 2011, amounts owed by Group undertakings of \$24.8 million were impaired and fully provided for. The movement in the provision for impairment of receivables is as set out below:

Company	\$'000
At 1 July 2009 and 1 July 2010	-
Charge for the year	24,755
At 30 June 2011	24,755
Utilised	(24,755)
At 30 June 2012	-

Following the capitalisation of amounts owed by Group undertakings as discussed above the provision was released and Bowleven plc's investment in FirstAfrica Oil Limited impaired. Refer to note 13 for further details.

Group:

As at 30 June, the ageing analysis of trade and other receivables, excluding prepayments, is as set out below:

	Total \$'000	Current \$'000	<30 days \$'000	30-60 days \$'000	60-90 days \$'000	90-120 days \$'000	>120 days \$'000
2012:							
Neither past due nor impaired	6,549	6,549	-	-	-	-	-
Past due but not impaired	224	-	-	-	-	-	224
As at 30 June 2012	6,773	6,549	-	-	-	-	224
2011:							
Neither past due nor impaired	23,526	23,526	-	-	-	-	-
Past due but not impaired	198	-	-	-	-	-	198
As at 30 June 2011	23,724	23,526	-	-	-	-	198

Trade and other receivables neither past due nor impaired consist of current receivables that the Group views as recoverable in the short-term. There are no concerns regarding the credit quality of these receivables.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012
CONTINUED

15 TRADE AND OTHER RECEIVABLES CONTINUED

Company:

As at 30 June, the ageing analysis of trade and other receivables, excluding prepayments, is as set out below:

	Total \$'000	Current \$'000	<30 days \$'000	30-60 days \$'000	60-90 days \$'000	90-120 days \$'000	>120 days \$'000
2012:							
Neither past due nor impaired	1,283	1,283	–	–	–	–	–
As at 30 June 2012	1,283	1,283	–	–	–	–	–
2011:							
Neither past due nor impaired	382,095	382,095	–	–	–	–	–
As at 30 June 2011	382,095	382,095	–	–	–	–	–

16 CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash at bank and in hand	1,563	1,422	1,169	1,137
Short-term deposits	140,918	95,199	140,918	95,199
	142,481	96,621	142,087	96,336

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprised the following:

	2012 \$'000	Group 2011 \$'000
Cash and cash equivalents	142,481	96,621
Cash and cash equivalents held in assets-for-sale	–	52
	142,481	96,673

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade payables	417	221	249	134
Joint venture creditors and accruals	6,557	30,534	–	–
	6,974	30,755	249	134
Other taxation and social security	201	230	181	206
Accruals	1,400	7,688	1,081	4,222
	8,575	38,673	1,511	4,562

Group:

The table below summarises the maturity profile of the Group's financial liabilities at 30 June based on contractual undiscounted payments:

	Less than one month \$'000	2012 Greater than one month \$'000	Total \$'000	Less than one month \$'000	2011 Greater than one month \$'000	Total \$'000
Trade payables	417	–	417	221	–	221
Joint venture creditors and accruals	6,557	–	6,557	30,534	–	30,534
	6,974	–	6,974	30,755	–	30,755

Company:

The table below summarises the maturity profile of the Company's financial liabilities at 30 June based on contractual undiscounted payments:

	Less than one month \$'000	2012 Greater than one month \$'000	Total \$'000	Less than one month \$'000	2011 Greater than one month \$'000	Total \$'000
Trade payables	249	–	249	134	–	134
	249	–	249	134	–	134

18 ISSUED SHARE CAPITAL

	2012 Number	2011 Number	2012 \$'000	2011 \$'000
Allotted, called-up and fully-paid:				
Ordinary shares of £0.10 each at 1 July	215,934,313	193,367,525	37,881	34,280
Issued during the year	77,500,000	22,000,000	12,204	3,512
Issued to Employee Benefit Trust	816,174	–	129	–
Issued on exercise of share options	379,856	566,788	60	89
At 30 June	294,630,343	215,934,313	50,274	37,881

On 8 November 2011, the Company issued 77,500,000 ordinary shares at a price of £1.03 per share with a nominal value of \$12,203,847. The total aggregate increase in the share premium reserve regarding this issue was \$110,373,098 after deducting \$3,122,683 in expenses.

During the year the Company issued 816,174 ordinary shares at a price of £0.10 to the Employee Benefit Trust amounting to a nominal value of \$129,041.

The Company issued 379,856 (2011: 566,788) ordinary shares during the year upon the exercise of share options. The exercising of share options during the year amounted to an aggregated nominal value of \$60,453 (2011: \$88,708) and an increase in the share premium reserve of \$139,273 (2011: \$537,792).

On 26 November 2010, the Company issued 22,000,000 ordinary shares at a price of £3.27 per share with a nominal value of \$3,512,234. The total aggregate increase in the share premium reserve regarding the issue was \$108,653,128 after deducting \$2,684,690 in expenses.

19 RECONCILIATION OF MOVEMENTS IN EQUITY

Group	Attributable to Equity Holders of the Company							Total equity \$'000
	Share capital \$'000	Share premium \$'000	Foreign exchange reserve \$'000	Share based payment reserve \$'000	Shares held in trust \$'000	Merger reserve \$'000	Retained deficit \$'000	
Balance at 1 July 2010	34,280	510,538	(78,855)	6,839	(944)	5,237	(65,534)	411,561
Proceeds from issue of share capital	3,601	111,876	–	–	–	–	–	115,477
Costs of issue of share capital	–	(2,685)	–	–	–	–	–	(2,685)
Exchange differences arising on translation	–	–	23,668	–	–	–	–	23,668
Retained loss for the year	–	–	–	–	–	–	(76,816)	(76,816)
Transfer between reserves	–	–	–	(1,523)	364	–	1,159	–
Share based payments	–	–	–	1,788	–	–	–	1,788
Balance at 30 June 2011	37,881	619,729	(55,187)	7,104	(580)	5,237	(141,191)	472,993
Proceeds from issue of share capital	12,393	113,635	–	–	–	–	–	126,028
Costs of issue of share capital	–	(3,123)	–	–	–	–	–	(3,123)
Exchange differences arising on translation	–	–	(2,529)	–	–	–	–	(2,529)
Retained loss for the year	–	–	–	–	–	–	(13,073)	(13,073)
Transfer between reserves	–	–	–	(972)	2,763	–	(1,791)	–
Share based payments	–	–	–	1,807	–	–	–	1,807
Shares purchased by EBT	–	–	–	–	(2,672)	–	–	(2,672)
Balance at 30 June 2012	50,274	730,241	(57,716)	7,939	(489)	5,237	(156,055)	579,431

Equity Share Capital and Share Premium

The balance classified as equity share capital and share premium includes the total net proceeds (both nominal value and share premium) on issue of the Company's equity share capital, comprising ordinary shares of £0.10 each, as disclosed in note 18.

Foreign Exchange Reserve

Unrealised foreign exchange gains and losses arise on translation of the Company's GB Pounds functional results into US Dollars presentation currency in accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

Share Based Payment Reserve

The balance held in the share based payment reserve relates to the fair value of the LTIPs and share options that have been expensed through the Group Income Statement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 CONTINUED

19 RECONCILIATION OF MOVEMENTS IN EQUITY CONTINUED

Shares Held in Trust

The balance in the shares held in trust reserve relates to Bowleven plc shares held by the EBT for the settlement of share based payment obligations. During the year the EBT purchased 2,997,125 shares and issued 3,019,319 shares.

Merger Reserve

The balance held in the merger reserve is the result of a Group reconstruction in 2002.

Company	Attributable to Equity Holders of the Company					Total equity \$'000
	Share capital \$'000	Share premium \$'000	Foreign exchange reserve \$'000	Share based payment reserve \$'000	Retained deficit \$'000	
Balance at 1 July 2010	34,280	510,538	(93,354)	6,634	(27,504)	430,594
Proceeds from issue of share capital	3,601	111,876	–	–	–	115,477
Costs of issue of share capital	–	(2,685)	–	–	–	(2,685)
Exchange differences arising on translation	–	–	26,357	–	–	26,357
Retained loss for the year	–	–	–	–	(94,532)	(94,532)
Transfer between reserves	–	–	–	(1,507)	1,507	–
Share based payments	–	–	–	1,788	–	1,788
Transfer from EBT	–	–	–	–	(364)	(364)
Balance at 30 June 2011	37,881	619,729	(66,997)	6,915	(120,893)	476,635
Proceeds from issue of share capital	12,393	113,635	–	–	–	126,028
Costs of issue of share capital	–	(3,123)	–	–	–	(3,123)
Exchange differences arising on translation	–	–	(12,753)	–	–	(12,753)
Retained loss for the year	–	–	–	–	(12,641)	(12,641)
Transfer between reserves	–	–	–	(967)	967	–
Share based payments	–	–	–	1,807	–	1,807
Transfer from EBT	–	–	–	–	(2,763)	(2,763)
Balance at 30 June 2012	50,274	730,241	(79,750)	7,755	(135,330)	573,190

Company reserves are as defined above, with the exception of:

Foreign Currency Translation

Unrealised foreign exchange gains and losses arise on translation of the Company's GB Pounds functional results into US Dollars presentation currency in accordance with IAS 21.

Transfer from Employee Benefit Trust

The transfer of \$2,763,000 (2011: \$364,000) relates to shares transferred from the EBT for LTIPs that vested during the year.

20 CAPITAL COMMITMENTS

Oil and gas expenditure:

Group	2012 \$'000	2011 \$'000
Intangible exploration assets	16,580	12,529
Contracted for	16,580	12,529

The above capital commitments represent Bowleven's share of obligations in relation to the Etinde asset.

The Company's capital commitments were nil as at 30 June 2012 (2011: nil).

21 SHARE BASED PAYMENTS

A summary of the share based arrangements with the Group's employees during the year ended 30 June 2012 is as follows:

Date of grant	CSOP* approved number 2012	CSOP approved number 2011	Exercise price £	Fair value per granted instrument £
26 October 2005	8,163	8,163	3.675	2.144
5 April 2006	7,143	7,143	1.750	1.089
22 March 2007	14,388	21,276	2.085	1.118
2 April 2007	14,354	14,354	2.090	1.115
28 August 2007	34,765	34,765	2.350	1.220
8 November 2007	8,746	8,746	3.430	1.829
18 January 2008	11,388	11,388	3.205	1.668
31 March 2008	8,875	8,875	3.380	1.690
7 April 2008	8,645	8,645	3.470	1.851
14 April 2008	16,482	16,482	3.640	1.820
7 April 2009	10,000	10,000	0.453	0.300
28 August 2009	34,582	34,582	0.868	0.549
29 March 2010	44,858	44,858	1.338	0.869
24 August 2010	–	16,483	1.820	1.092
22 September 2010	26,438	26,438	1.825	1.097
11 January 2011	4,605	8,720	3.800	2.294
1 August 2011	13,333	–	2.250	0.975
25 November 2011	44,776	–	0.670	0.290
12 December 2011	52,802	–	0.705	0.303
11 April 2012	25,000	–	0.858	0.360
30 April 2012	33,802	–	0.888	0.385
	423,145	280,918		

* Company share option plan.

Date of grant	CSOP unapproved number 2012	CSOP unapproved number 2011	Exercise price £	Fair value per granted instrument £
26 October 2005	70,837	70,837	3.675	2.144
5 April 2006	20,500	20,500	1.750	1.089
3 August 2006	21,686	21,686	2.075	1.251
30 August 2006	4,963	4,963	2.075	1.282
22 March 2007	122,112	122,724	2.085	1.118
2 April 2007	30,646	30,646	2.090	1.122
28 June 2007	9,293	9,293	1.910	0.968
28 August 2007	2,942	2,942	1.910	1.360
8 November 2007	16,254	16,254	3.430	1.784
18 January 2008	210,712	220,712	3.205	1.637
31 March 2008	41,125	41,125	3.380	1.702
7 April 2008	6,355	6,355	3.470	1.854
14 April 2008	69,518	69,518	3.640	1.827
11 December 2008	616,932	762,849	0.330	0.109
28 August 2009	120,418	120,418	0.868	0.332
10 December 2009	1,664,203	1,723,075	0.820	0.317
29 March 2010	10,142	10,142	1.338	0.493
24 August 2010	–	128,517	1.820	0.661
22 September 2010	83,562	83,562	1.825	0.670
11 January 2011	355,301	388,627	3.800	1.430
1 August 2011	23,644	–	2.250	0.973
25 November 2011	29,851	–	0.670	0.301
12 December 2011	2,654,311	–	0.705	0.302
30 April 2012	29,003	–	0.828	0.345
	6,214,310	3,854,745		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 CONTINUED

21 SHARE BASED PAYMENTS CONTINUED

The above were valued at grant date using a binomial model utilising the following inputs in both 2011 and 2012:

	2011 and 2012	2010 and 2011
Risk-free rate	1.7%–3.4%	2.5%–3.9%
Expected volatility	88%–90%	88%–103%
Dividend yield	0%	0%
Vesting period	2–3 years	2–3 years
Expected life	7 years	7 years
Expected departures during vesting period	5.0%	5.0%

The weighted average fair value of approved options granted during the year was £0.38 (2011: £1.30). The weighted average fair value of unapproved options granted during the year was £0.31 (2011: £1.16). Settlement is in shares and the exercise price is the share price at date of grant. Expected volatility was determined by calculating the historical volatility of the Company's share price since July 2005, when it was originally admitted to trading on AIM. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Approved and Unapproved CSOP Scheme

Options granted under the Approved CSOP Scheme are exercisable three to ten years following the date of grant. The options issued prior to 31 December 2007 are not subject to performance conditions on exercise. Options issued after 31 December 2007 are subject to the following performance conditions attached to their exercise:

- (1) an increase in Bowleven plc's share price of at least 5% per annum on a compound basis over the period from the date of grant of the options up to the date they are exercised; and
- (2) the percentage increase in Bowleven plc's share price over the same period being at least equal to or greater than the percentage movement in the FTSE AIM Oil & Gas Index.

The scheme was adopted by the Directors on 10 December 2004 and approved by the Inland Revenue with effect from 15 December 2004. Under the scheme, certain employees were granted options which are exercisable between 2008 and 2022 at prices between £0.45 and £3.80. At 30 June 2012, there were 423,145 (2011: 280,918) options outstanding with a weighted average contractual life of 7.60 years (2011: 7.41 years).

Options granted under the Unapproved CSOP Scheme are exercisable two to ten years following the date of grant or three to ten years following the date of grant depending on the grant date. The options issued prior to 31 December 2007 are not subject to performance conditions on exercise. Options issued after 31 December 2007 are subject to the following performance conditions attached to their exercise:

- (1) an increase in Bowleven plc's share price of at least 5% per annum on a compound basis over the period from the date of grant of the options up to the date they are exercised; and
- (2) the percentage increase in Bowleven plc's share price over the same period being at least equal to or greater than the percentage movement in the FTSE AIM Oil & Gas Index.

Options granted under the Unapproved CSOP Scheme on 11 December 2008 were subject to special performance conditions attached to their exercise as follows:

The Company's performance over the two or three year period from the date of grant being the Median Position or above, relative to other oil and gas companies in its comparator group.

The scheme was adopted by the Directors on 10 December 2004. Under the scheme, certain employees were granted options which are exercisable between 2007 and 2022 at prices between £0.33 and £3.80. At 30 June 2012, there were 6,214,310 (2011: 3,854,745) options outstanding with a weighted average contractual life of 8.06 years (2011: 8.00 years).

The options outstanding at the end of the year under the Approved and Unapproved CSOP Schemes can be broken down into the following weighted average exercise price (WAEP) variants:

2012 Exercisable between:	Number	Approved WAEP (£)	Number	Unapproved WAEP (£)
2008–2015	8,163	3.68	–	–
2009–2016	7,143	1.75	–	–
2010–2017	72,253	2.38	–	–
2011–2018	45,390	3.45	–	–
2012–2019	44,582	0.77	–	–
2013–2020	71,296	1.52	–	–
2014–2021	115,516	0.99	–	–
2015–2022	58,802	0.87	–	–
2007–2015	–	–	70,837	3.68
2008–2016	–	–	47,149	1.93
2009–2017	–	–	181,247	2.19
2010–2018	–	–	944,642	1.37
2011–2019	–	–	1,784,621	0.82
2012–2020	–	–	93,704	1.77
2014–2021	–	–	3,063,107	1.08
2015–2022	–	–	29,003	0.83
	423,145		6,214,310	

2011 Exercisable between:	Number	Approved WAEP (£)	Number	Unapproved WAEP (£)
2008–2015	8,163	3.68	–	–
2009–2016	7,143	1.75	–	–
2010–2017	79,141	2.35	–	–
2011–2018	45,390	3.45	–	–
2012–2019	44,582	0.77	–	–
2013–2020	87,779	1.34	–	–
2014–2021	8,720	2.16	–	–
2007–2015	–	–	70,837	3.68
2008–2016	–	–	47,149	1.93
2009–2017	–	–	181,859	2.19
2010–2018	–	–	1,100,559	1.25
2011–2019	–	–	1,843,493	0.82
2012–2020	–	–	222,221	1.80
2013–2021	–	–	388,627	3.80
	280,918		3,854,745	

The following table details the number and WAEP of share options for the Approved and Unapproved Schemes as at the Balance Sheet date:

	Number	Approved WAEP (£)	Number	Unapproved WAEP (£)
Outstanding at 1 July 2010	265,181	2.16	4,217,204	1.07
Granted during the year	51,641	2.16	600,706	3.10
Exercised during the year	(17,500)	1.89	(549,288)	0.67
Lapsed during the year	(18,404)	3.26	(413,877)	1.17
Outstanding at 1 July 2011	280,918	2.10	3,854,745	1.43
Granted during the year	169,713	0.88	2,736,809	0.72
Exercised during the year	–	–	(145,917)	0.33
Lapsed during the year	(27,486)	2.18	(231,327)	1.91
Outstanding at 30 June 2012	423,145	1.61	6,214,310	1.13
Exercisable at year end	142,949		3,038,638	

Unapproved share options totalling 1,400,404 and approved options totalling 139,837 were exercisable at 30 June 2011.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 CONTINUED

21 SHARE BASED PAYMENTS CONTINUED

Due to the limited data available and the small number of members under the scheme it has not been possible to carry out an analysis of the historic actions of employees. Instead a set of triggers that are weighted towards early exercise in line with general population exercise trends has been used.

Trigger Points

25% profit	15%
50% profit	25%
75% profit	25%
100% profit	15%
125% profit	10%
No trigger	10%

Trigger points indicate the profit points at which it is assumed the relevant percentage of employees will exercise their options.

Bowleven plc share options were exercised throughout the year. The weighted average share price during the year was £1.09 (2011: £2.73).

LTIP

The fair value of the LTIP scheme awards has been calculated using a binomial model. The main inputs to the model are as per the share option schemes above. In addition, the following assumptions were used in calculating the fair value of LTIP awards:

	2012	2011
Expected to Vest	44.2%	41.9%
Volatility	88%–90%	88%–103%

The vesting date is three years from the date the LTIP was awarded.

Performance Conditions

A proportion of the LTIP awards will vest if the total shareholder return in the Company ranks median or above when compared with the total shareholder return of a pre-defined list of its fifteen (2011: fifteen) main competitors ('the comparators') over the vesting period.

The awards under the existing LTIP are shown below:

	Number	WAGP* (£)
Outstanding at 1 July 2010	5,636,323	0.79
Granted during the year	426,316	3.80
Lapsed during the year	(294,218)	3.19
Vested during the year	(257,786)	3.18
Outstanding at 1 July 2011	5,510,635	0.78
Granted during the year	2,283,779	0.71
Lapsed during the year	(322,632)	1.31
Vested during the year	(3,019,319)	0.33
Outstanding at 30 June 2012	4,452,463	1.01

* Weighted average grant price.

As at 30 June 2012, there were 4,452,463 awards (2011: 5,510,635) outstanding with a WAGP of £1.01 (2011: £0.78) and a weighted average remaining contractual life of 1.56 years (2011: 0.98 years).

The weighted average fair value of LTIP awards granted during the year was £0.31 (2011: £1.59).

The weighted average share price at the date LTIPs vested during the year was £0.71 (2011: £3.92).

22 CONTINGENT LIABILITIES

There are no contingent liabilities in existence for the Group at 30 June 2012 (2011: nil).

23 CONTINGENT ASSETS

There are no contingent assets in existence for the Group at 30 June 2012 (2011: nil).

24 COMMITMENTS UNDER OPERATING LEASES

The Group has entered into non-cancellable operating leases for certain land and buildings. No restrictions have been placed on the lessee by entering into these leases. Total future minimum lease payments under non-cancellable operating leases are as follows:

Group	Land and buildings	
	2012 \$'000	2011 \$'000
No later than one year	333	471
More than one year but not more than five years	1,336	103
	1,669	574

Company	Land and buildings	
	2012 \$'000	2011 \$'000
No later than one year	333	383
More than one year but not more than five years	1,336	–
	1,669	383

In 2012 and 2011, total rent paid was \$578,719 and \$308,189 respectively. Leasing terms range mainly between one and five years, with an average term of approximately two years. All leases have been entered into on conventional commercial terms. Certain contracts include renewal options.

25 FINANCIAL INSTRUMENTS

The Group's and Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the Group's and Company's operations. The Group and Company have other financial instruments, which mainly comprise trade receivables and trade payables arising directly from its operations.

Financial Assets and Liabilities

Financial assets and financial liabilities are recognised on the Group's and Company's Balance Sheet when the Group or Company becomes party to the contractual provisions of the instrument.

Financial Risk Factors

The Group's and Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and Company's financial performance.

The Group and Company finance department identifies, evaluates and manages financial risks under policies approved by the Board of Directors. The Board provides guidance on overall risk management including foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The principal aim of the risk management policy is to minimise financial risks and ensure adequate cash is available to the Group and Company.

(a) Market Risk

Foreign exchange risk

The Group and Company operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GB Pound and the US Dollar.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the functional currency of a Group company. The Group and Company manage exposures that arise from receipt of monies in a non-functional currency by matching receipts and payments in the same currency.

The Group and Company report in US Dollars which, with the majority of assets US Dollar denominated, minimises the impact of foreign exchange movements on the Group's and Company's Balance Sheet. Exposure to foreign currency risk has been reduced following the revised corporate lending structure implemented in the year (see note 13).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 CONTINUED

25 FINANCIAL INSTRUMENTS CONTINUED

As at the year end the following bank deposits were held in the denominated currencies:

Group	In currency 2012 '000	In US Dollars 2012 '000	In currency 2011 '000	In US Dollars 2011 '000
Cash at bank:				
GB Pound	28,095	43,842	22,253	35,636
US Dollar	98,330	98,330	60,756	60,756
Euro	1	2	2	2
Central African Franc	159,848	307	127,006	279
COMPANY				
Cash at bank:				
GB Pound	28,083	43,824	22,241	35,616
US Dollar	98,260	98,260	60,718	60,718
Euro	–	–	1	1
Central African Franc	1,454	3	479	1

Surplus funds are placed on short-term deposits and money market funds at floating rates.

The Group and Company are exposed to foreign exchange risk relating to translation of foreign currency balances under IFRS, mainly between US Dollar and GB Pound. The table below shows the impact that a change in the US Dollar to GB Pound rate would have had on (loss)/profit before tax and equity, all other variables being held constant.

Change in US Dollar:GB Pound rate	Effect on (loss)/profit before tax 2012 \$m	Effect on (loss)/profit before tax 2011 \$m	Effect on equity 2012 \$m	Effect on equity 2011 \$m
+10%	(10)	(47)	–	–
-10%	10	47	–	–

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Group only invests funds with institutions holding a Moody's long-term deposit rating of A2 or above, or with AAA-rated money market funds. The Directors believe their choice of bank reduces the credit risk exposure of the Group.

Counterparty risk is monitored on a regular basis and the Group and Company aim to minimise its exposure by investing funds with a number of counterparties at any one time, with a maximum of \$25 million (or 25% if total cash balance greater than \$100 million) held with any one bank. As at 30 June 2012, the largest balance held with one institution was \$16 million (2011: \$25 million).

The Group and Company adopt a prudent approach to cash management to maximise safety, liquidity and yield. Developments in the market are closely monitored and if increasing counterparty risk is identified, funds are fully redeemed and invested with alternative institutions.

As the Group and Company are not yet trading, they are not yet exposed to the credit risks associated with trade receivables. During the year to 30 June 2012, \$6.8m of funding was provided from Bowleven plc to FirstAfrica Oil Ltd and subsequently impaired.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

(c) Liquidity Risk

Liquidity risk is the risk that the Group or Company will not be able to meet its financial obligations as they fall due. The Group and Company prepare cash flow information on a regular basis, which is reviewed by Directors and senior management.

The Group and Company currently finance their operations from cash reserves funded from share issues. Management's objectives are to retain sufficient liquid funds to enable them to meet their day-to-day obligations as they fall due whilst maximising returns on surplus funds.

The Group and Company currently have surplus cash, which is placed predominantly in short-term variable-rate deposit accounts or invested in money market funds. The Directors believe this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise.

Management monitors rolling forecasts of the Group's and Company's cash and cash equivalents on the basis of expected cash flows. In addition, the Group's and Company's liquidity management policy involves projecting cash flows for capital expenditure and considering the level of liquid assets necessary to meet these.

The Group and Company have no borrowing facilities that require repayment and therefore have no interest rate risk exposure.

The maturity profile of the Company's liabilities is shown in note 17.

Capital Risk Management

The Group's and Company's objectives when managing capital, maintained on an ongoing basis, are to maintain a strong capital base so as to preserve investor, creditor and market confidence, sustain the future development of the business and achieve an optimal capital structure to reduce the cost of capital to the Group and Company. The Group considers equity to be the capital of the Group. As the Group moves towards development alternative sources of funding may be considered.

In order to maintain or adjust the capital structure, the Group and Company may issue fresh equity, return capital to shareholders, farm out part of its assets or use debt funding.

No changes were made in the objectives, policies or processes during the year ended 30 June 2012.

Group	2012 \$'000	2011 \$'000
Trade and other payables	(8,575)	(38,673)
Cash and cash equivalents	142,481	96,621
Net funds	133,906	57,948
Equity	579,431	472,993
Group Equity Less Net Funds	445,525	415,045
Company	2012 \$'000	2011 \$'000
Trade and other payables	(1,511)	(4,562)
Cash and cash equivalents	142,087	96,336
Net funds	140,576	91,774
Equity	573,190	476,635
Group Equity Less Net Funds	432,614	384,861

Fair Values of Financial Assets and Liabilities

The Directors consider that the fair value of the Group's financial assets and liabilities are not considered to be materially different from their book values.

Financial Instruments by Category:

	Group 2012 \$'000	Company 2012 \$'000	Group 2011 \$'000	Company 2011 \$'000
As at 30 June:				
<i>Loans and Receivables:</i>				
Trade and other receivables	6,773	1,283	23,724	382,095
Cash and cash equivalents	142,481	142,087	96,621	96,336
	149,254	143,370	120,345	478,431
<i>Financial Liabilities:</i>				
Trade and other payables*	(6,974)	(249)	(30,755)	(134)
	142,280	143,121	89,590	478,297

* excluding tax and accruals

All of the above financial assets are unimpaired with the exception of trade and other receivables. An analysis of the ageing of the trade and other receivables is provided in note 15. As described in note 13 amounts owed from subsidiary undertakings to the Company were released during the year in consideration for ordinary shares.

26 RELATED PARTY TRANSACTIONS

The Company's principal subsidiaries are listed in note 13. The following table provides the balances which are outstanding with subsidiary undertakings at the Balance Sheet date:

	2012 \$'000	2011 \$'000
Amounts Owed from Subsidiary Undertakings	353	380,405

During the year \$365 million owed from subsidiary undertakings to the Company as at 30 June 2011 was released in consideration for ordinary shares in respective subsidiaries. Refer to note 13 for further details.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. As at 30 June 2011, amounts owed from subsidiary undertakings included a provision of \$24.7 million. As discussed in note 15, following the capitalisation of amounts owed from subsidiary undertakings the provision was released and Bowleven's investment in FirstAfrica Oil impaired.

No purchase or sales transactions were entered into between the Company and subsidiary undertakings. Re-charges from the Company to subsidiaries in the year were \$5.4 million (2011: \$5.6 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012
CONTINUED

26 RELATED PARTY TRANSACTIONS CONTINUED

Remuneration of Key Management Personnel

The remuneration of the Directors of the Company is provided in note 4.

27 POST BALANCE SHEET EVENTS

As announced on 17 September, Bowleven has entered into a farm-in agreement to acquire a 50% equity interest in onshore exploration block 11B, Northwest Kenya, from Adamantine Energy Ltd.

As announced on 6 November 2012, the Company has proposed a Strategic Alliance with Petrofac in connection with the development of the Etinde permit. This would provide potential access to up to \$500 million available at FID for the first stage of the proposed development of the Etinde permit. This investment, which is conditional *inter alia* on the project meeting certain economic hurdles, will be repaid out of EurOil's share of the Etinde project cashflows. Due to the size and nature of the transaction Bowleven shareholder approval will be required.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Bowleven plc (the 'Company') will be held at the offices of Shepherd and Wedderburn LLP, 5th Floor, 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL at 11 a.m. (UK time) on 12 December 2012 (the 'AGM') for the following purposes:

To consider and, if thought fit, pass the following as ordinary resolutions:

1. To receive the Company's annual report and accounts for the financial year ended 30 June 2012 together with the reports of the Directors and auditor thereon.
2. To re-elect Ronnie Hanna, who retires at the AGM by rotation, as a Director of the Company.
3. To re-elect Tim Sullivan, who retires at the AGM by rotation, as a Director of the Company.
4. To re-elect Peter Wilson, who retires at the AGM by rotation, as a Director of the Company.
5. To re-appoint Ernst & Young LLP as auditor of the Company, to hold office until the conclusion of the next general meeting of the Company at which accounts are laid before the Company, and to authorise the Directors to determine the auditor's remuneration.
6. That:
 - (A) the Directors be generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £9,824,278 representing approximately one third of the issued share capital of the Company;
 - (B) in addition the Directors be authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act 2006 (the 'Act')) up to a maximum nominal amount of a further £9,824,278 representing approximately a further one third of the issued share capital of the Company, in connection with a Pre-Emptive Offer undertaken by means of a rights issue;
 - (C) the authorities given by this resolution:
 - (1) are given pursuant to section 551 of the Act and shall be in substitution for all pre-existing authorities under that section; and
 - (2) unless renewed, revoked or varied in accordance with the Act, shall expire on 30 December 2013 or, if earlier, at the end of the next AGM of the Company to be held in 2013 save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and
 - (D) for the purpose of this Resolution, 'Pre-Emptive Offer' means an offer of equity securities to:
 - (1) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
 - (2) other persons entitled to participate in such offer by virtue of the rights attaching to any other equity securities held by them; in each case, subject to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

To consider and, if thought fit, pass the following as a special resolution:

7. That:
 - (A) subject to the passing of resolution 6 set out in the notice of annual general meeting dated 19 November 2012 (the 'Allotment Authority'), the Directors be given power pursuant to section 570 of the Act (as defined in the Allotment Authority) to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment of equity securities:
 - (1) in the case of paragraph (A) of the Allotment Authority:
 - (a) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or
 - (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £2,947,283, representing approximately 10% of the issued share capital of the Company as at 8 November 2012; and
 - (2) in the case of paragraph (B) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue; and
 - (B) the power given by this resolution:
 - (1) shall be in substitution for all pre-existing powers under section 570 of the Act; and
 - (2) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry.

19 November 2012

By Order of The Board

Registered office:
45 Leith Street
Edinburgh
EH1 3AT

Peter G Wilson
Company Secretary

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

GENERAL

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 6 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 7 is proposed as a special resolution. This means that for that resolution to be passed, at least three quarters of the votes cast must be in favour of the resolution.

RESOLUTION 1 – ANNUAL REPORT AND ACCOUNTS

The Directors must lay the Company's accounts, the directors' report and the auditor's report before the shareholders in a general meeting. A copy of those accounts and reports are enclosed with this document and are also available on the Company's website at www.bowleven.com.

RESOLUTIONS 2 TO 4 – RE-ELECTION OF DIRECTORS

The Company's articles of association require that each Director shall retire at the Annual General Meeting held in the third calendar year following the year in which he was last elected or last re-elected. Ronnie Hanna, Tim Sullivan and Peter Wilson will accordingly retire this year. Being eligible, they each offer themselves for re-election. A biography in respect of each Director is included on pages 26 and 27 of the annual report and accounts.

RESOLUTION 5 – RE-APPOINTMENT AND REMUNERATION OF THE AUDITOR

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the shareholders, to hold office until the end of the next such meeting. Resolution 5 proposes the re-appointment of Ernst & Young LLP as the Company's auditor and seeks authority for the Directors to decide the auditor's remuneration.

RESOLUTION 6 – RENEWAL OF AUTHORITY TO ALLOT SHARES

The purpose of this resolution is to confer upon the Directors the power to allot shares. Section 551 of the Companies Act 2006 provides that the Directors may not allot new shares (other than pursuant to employee share schemes) without shareholder approval. The Directors were granted authority at the last AGM to allot shares up to a maximum amount of £19,570,488, which represented approximately two thirds of the Company's issued ordinary share capital at the time of notice of last year's AGM.

This resolution proposes that a similar authority be granted in substitution for that existing authority to allot securities up to a maximum amount of £9,824,278, representing approximately one third of the Company's issued ordinary share capital as at 8 November 2012, being the latest possible date prior to publication of this notice.

In addition (and as was the case at last year's AGM), following guidance issued by the ABI in December 2008, the Company is seeking additional authority to allot securities in connection with a fully pre-emptive rights issue up to a maximum amount of £9,824,278, representing approximately a further one third of the Company's issued ordinary share capital as at 8 November 2012, being the latest practicable date prior to publication of this document. The benefit to the Company of obtaining such authority on an annual basis is that it would allow the Company to implement a rights issue of an amount equal to two-thirds of the issued ordinary share capital without the need to call an additional general meeting. This would shorten the implementation timetable of such a rights issue.

The Directors have no present intention of exercising this authority. The authority will expire at the conclusion of the next AGM or, if earlier, on 30 December 2013, unless previously renewed, revoked or varied by the Company in general meeting. It is the intention of the Directors to renew this authority annually at each AGM.

As at 8 November 2012, the Company did not hold any shares in treasury.

RESOLUTION 7 – DISAPPLICATION OF PRE-EMPTION RIGHTS

Section 561(1) of the Companies Act 2006 provides that if the Directors wish to allot any equity securities, or sell any treasury shares (if it holds any), for cash, the Company must first offer them to existing shareholders in proportion to their existing shareholdings. Section 561 does not apply in connection with allotments made pursuant to an employee share scheme.

The purpose of this resolution is to allow the Directors to allot shares or sell any treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply, in connection with rights issues, open offers and other pre-emptive offers pursuant to the authority to allot shares granted by resolution 6, and otherwise up to a total amount of £2,947,283, representing approximately 10% of the Company's issued ordinary share capital as at 8 November 2012, being the latest practicable date prior to publication of this document. As regards this latter power, shareholders should note that the Directors currently have power to allot equity securities on a non pre-emptive basis up to a maximum amount of £2,935,573 (which represented approximately 10% of the Company's issued ordinary share capital when that power was granted). If passed, this resolution will replace that existing power.

The power conferred by this resolution will expire at the same time as the authority granted by resolution 6, unless previously renewed by the Company in general meeting. It is the intention of the Directors to renew this power annually at each AGM.

APPOINTMENT OF PROXY

Any shareholder who is entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint one or more proxies (who need not be shareholders) to attend the AGM and speak and vote instead of the shareholder. If more than one proxy is appointed each proxy must be appointed to exercise rights attached to different shares. Appointment of a proxy will not preclude a shareholder from attending and voting in person at the AGM.

In order for a proxy form to be valid, it must be completed and signed and returned to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so they receive it no later than 11 a.m. (UK time) on 10 December 2012.

A shareholder wishing to appoint multiple proxies should contact the Shareholder Helpline on 0870 707 1284 to obtain additional proxy forms. Alternatively you may wish to photocopy your proxy form. It will be necessary for the shareholder to indicate on each separate proxy form the number of shares in relation to which each proxy is authorised to act.

CORPORATE REPRESENTATIVES

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

RECORD DATE

To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6 p.m. on 10 December 2012 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

OTHER MATTERS

A shareholder may not use any electronic address provided either in this notice of AGM or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours Monday to Friday (public holidays excepted) up to and including the day of the AGM, and at the venue for the AGM from half an hour before the time fixed for the AGM until the end of the AGM:

- the existing articles of association of the Company;
- the Company's annual report and accounts for the year ended 30 June 2012;
- copies of the service contracts of John Brown, Kevin Hart, Chief Tabetando, Ed Willett and Peter Wilson (being the Executive Directors of the Company); and
- copies of the letters of appointment of Caroline Cook, Ronnie Hanna, Philip Tracy and Tim Sullivan (being the Non-Executive Directors of the Company).

SHAREHOLDER HELPLINE

Shareholders who have general queries about the AGM or need additional proxy forms should call our Shareholder Helpline on 0870 707 1284 (no other methods of communication will be accepted).

STATEMENT OF CAPITAL AND VOTING RIGHTS

As at 8 November 2012 (being the latest practicable date prior to publication of this notice) the Company's issued share capital consisted of 294,728,343 ordinary shares which each carry one vote. Therefore, total voting rights in the Company as at 8 November 2012 are 294,728,343.

NOTES

GLOSSARY

A	Adamantine: Adamantine Energy Limited Addax: Addax Petroleum Corporation, a subsidiary of China Petrochemical Corporation (Sinopec) AGM: Annual General Meeting AIM: the market of that name operated by the London Stock Exchange *API: a specific gravity scale developed by the American Petroleum Institute (API) for measuring the relative density of various petroleum liquids, expressed in degrees	ERP: emergency response plan ESIA: environmental and social impact assessment Etinde Permit: the production sharing contract between the Republic of Cameroon and EurOil Limited dated 22 December 2008 in respect of the area of approximately 2,316 km ² 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
B	Board or Directors: the Directors of the Company 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 km ² 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 Bowleven: Bowleven plc and/or its subsidiaries as appropriate bscf: billion standard cubic feet of gas	F FEED: front end engineering and design Ferrostaal: FERROSTAAL GmbH FID: final investment decision
C	CFA: Central African Francs Companies Act 2006: the United Kingdom Companies Act 2006 (as amended) Company: Bowleven plc condensate: a light oil that is gaseous under certain reservoir conditions, often discovered with significant volumes of natural gas CSOP: company share option plan	G GDF: GDF Suez S.A. GGPC: GGPC Gabon (EOV) Limited, a former indirectly wholly owned subsidiary of the Company, incorporated in the British Virgin Islands GIIP: gas initially in place Group: the Company and its direct and indirect subsidiaries GSA: gas sales agreement
E	EEAA: Etinde exploitation application authorisation EBT: Employee Benefit Trust EOV Permit: the exploitation and production sharing contract between the Republic of Gabon and GGPC Gabon (EOV) Limited (formerly 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 former 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 km ² onshore Gabon; or, as the context may require, the contract area to which this production sharing contract related	H HIIP: hydrocarbons initially in place HSSE: health, safety, security and environment
I	IAS: International Accounting Standards IASB: International Accounting Standards Board IE: the Isongo E Field area, block MLHP-7, Etinde Permit IF: the Isongo F Field area, block MLHP-7, Etinde Permit IFRS: International Financial Reporting Standards IM: the Isongo Marine Field area, block MLHP-7, Etinde Permit	K km: kilometres km²: square kilometres
L	LNG: liquefied natural gas LTI: lost time incident LTIP: long term incentive plan	M m: million Mean: in the context of estimated resource volumes, means the arithmetic sum of a range of resource estimate cases divided by the number of cases MDT: modular formation dynamics tester mmbbls: million barrels mmbboe: million barrels of oil equivalent mmscf/d: million standard cubic feet of gas per day MOU: memorandum of understanding mscf: thousand standard cubic feet of gas

O	ordinary shares: ordinary shares of 10p each in the capital of the Company
P	Petrofac: Petrofac Energy Developments West Africa Limited, an indirect subsidiary of Petrofac Limited (LSE: PFC) 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 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 PSC: production sharing contract P10: 10% probability that volumes will be equal to or greater than stated volumes 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
S	SNH: Société Nationale des Hydrocarbures, the national oil company of Cameroon Sproule: Sproule International Limited STOIIP: stock tank oil initially in place
T	tcf: trillion cubic feet (trillion: 10 ¹²) TD: total depth
V	Vitol: Vitol E&P Limited, the holding company of Cameroon Offshore Petroleum SARL, which holds a 25% participating interest (before State back-in) in the Etinde Permit
W	WAEP: weighted average exercise price WAGP: weighted average grant price WHP: wellhead platform
Other	2D: two dimensional 3D: three dimensional 4C OBC: four component ocean bottom cable \$: United States of America Dollars £: Great Britain Pounds Sterling

ADVISERS AND REGISTERED OFFICE

NOMAD & Joint Broker

Bank of America Merrill Lynch
Merrill Lynch Financial Centre
2 King Edward Street
London, EC1A 1HQ

Joint Broker

Barclays Capital
5 The North Colonnade
Canary Wharf
London, E14 4BB

Solicitors

Shepherd & Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh, EH3 8UL

PR Advisers

Brunswick LLP
16 Lincoln's Inn Fields
London, WC2A 3ED

IR Advisers (North America)

ICR Inc.
825 Third Avenue 31st Floor
New York, NY 10022
USA

Auditors

Ernst & Young LLP
Fountainhall Road
Aberdeen, AB15 4DT

Bankers

The Royal Bank of Scotland Plc
36 St Andrew Square
Edinburgh, EH2 2YB

Registrars and Receiving Agents

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol, BS13 8AE

Tel: +44 (0)870 707 1284

Investor Centre Web link:
<https://www-uk.computershare.com/investor/>

Registered Office

The Cube, 45 Leith Street
Edinburgh, EH1 3AT
Registered in Scotland
Number SC225242

FOR MORE INFORMATION VISIT US ONLINE AT:
WWW.BOWLEVEN.COM



This publication was printed with vegetable oil-based inks by
an FSC-recognised printer that holds an ISO 14001 certification.

WWW.BOWLEVEN.COM

Bowleven plc

The Cube
45 Leith Street
Edinburgh
EH1 3AT
Tel: +44 (0)131 524 5678
Fax: +44 (0)131 524 5690