bowleven
oil & gas

PROGRESS AND POTENTIAL

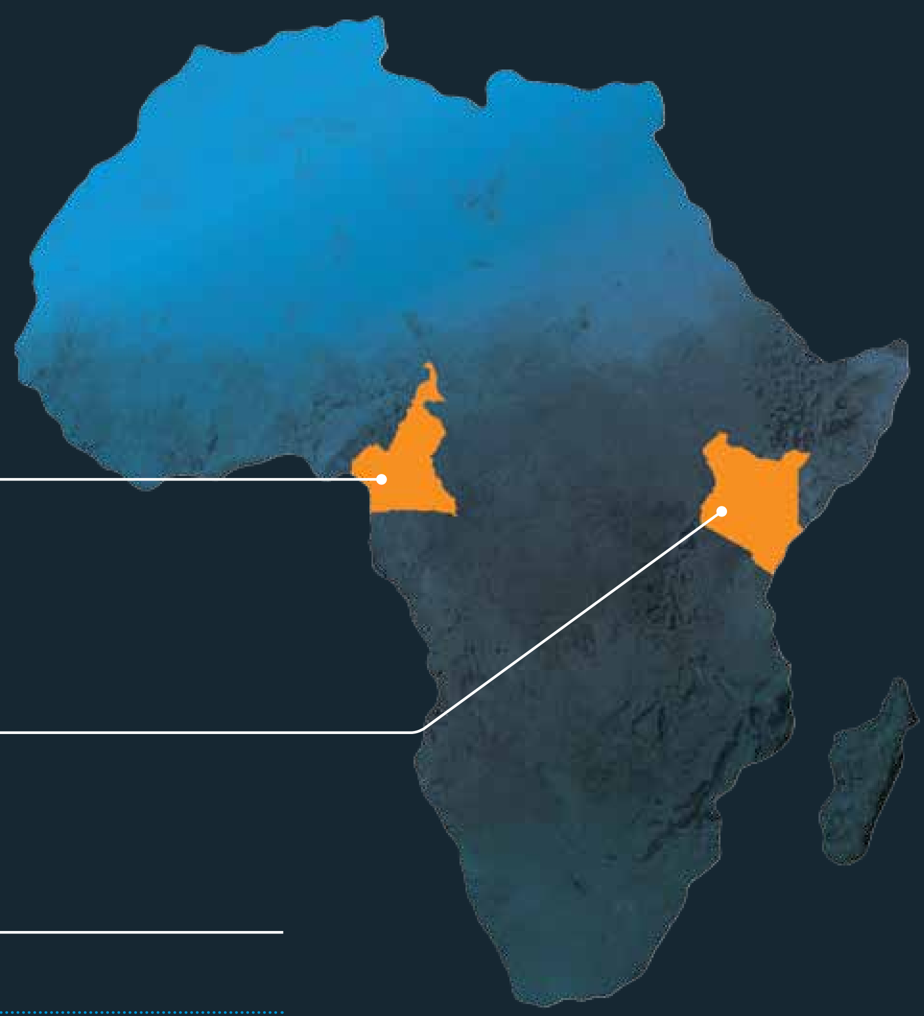
BOWLEVEN IS AN AFRICA FOCUSED OIL & GAS EXPLORATION GROUP

BOWLEVEN OIL & GAS
ANNUAL REPORT AND ACCOUNTS 2013

AFRICA FOCUSED PORTFOLIO

The Group has extensive oil and gas exploration and operating experience and holds interests in highly prospective and relatively unexplored regions of Africa.

IN ETINDE WE BELIEVE WE HAVE A WORLD CLASS ASSET WHICH BECOMES MORE ATTRACTIVE AND VALUABLE AS WE MOVE TOWARDS FID.



CAMEROON

Etinde Permit

Acreage	2,316km²
Equity interest	Bowleven Group 75% CAMOP 25%
Operator	Bowleven Group

Bomono Permit

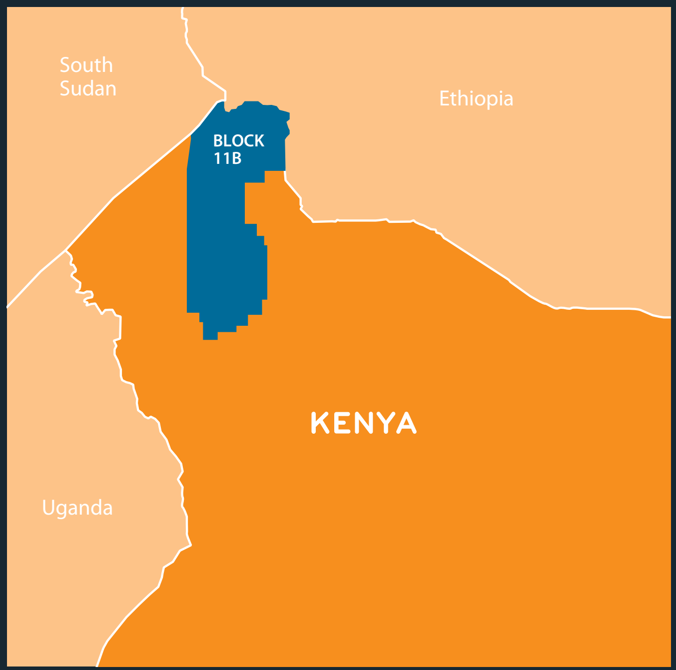
Acreage	2,328km²
Equity interest	100%
Operator	Bowleven Group

KENYA

Block 11B

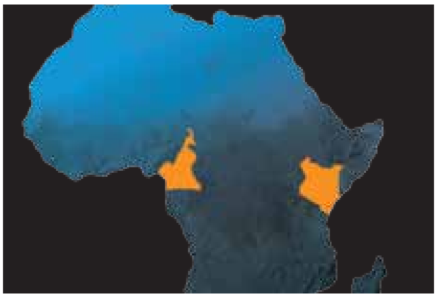
Acreage	14,000km²
Equity interest	Bowleven Group 50%* Adamantine Energy 50%
Operator	Adamantine Energy

* Bowleven Group effective interest 35%. Further information on page 12.



IN EAST AFRICA, ONSHORE KENYA IS RAPIDLY MOVING TOWARDS BECOMING A MAJOR HYDROCARBON PROVINCE.

THE LAST YEAR HAS SEEN BOWLEVEN MAKE SIGNIFICANT PROGRESS ON TWO PRINCIPAL STRATEGIC OBJECTIVES: THE REALISATION OF VALUE FROM THE ETINDE RESOURCE BASE AND THE EXPLOITATION OF EXPLORATION/APPRAISAL POTENTIAL ON ITS ACREAGE.



AFRICA FOCUSED **PORTFOLIO**

See inside front cover

A YEAR **OF PROGRESS**

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IM-5 **THE PATH TO FID**

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EAST AFRICAN EXPLORATION **ACTIVITY AND POTENTIAL**

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

REVIEW OF THE YEAR

CORPORATE GOVERNANCE

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GLOSSARY AND ADVISERS

SIGNIFICANT PROGRESS ON THE REALISATION OF OUR STRATEGY

OPERATIONAL HIGHLIGHTS

Etinde Development

- Continuing progress towards Final Investment Decision (FID) and Stage I upstream development project sanction:
  - Positive IM-5 appraisal well results integrated into development plans.
  - No further appraisal drilling required to sanction Stage I of the Etinde development project.
  - Expanded Etinde Exploitation Authorisation Application (EEAA) presented to Cameroon authorities around end September 2013; approval pending.
  - Gas Sales Agreement (GSA) for planned fertiliser plant well advanced.
  - Strategic alliance agreed with Petrofac providing access to up to $500 million development funding including $60 million reimbursement at FID for IM-5 costs.
  - First gas remains on target for H2 2016; upstream FID timing integrated with fertiliser plant FID timing with combined FID targeted by mid-2014.
- Multiple positive implications from the highly successful IM-5 well:
  - Liquids rich hydrocarbons produced on test from Middle and Intra Isongo; tested at combined maximum rate of 60 mmscfd and 7,819 bcpd (total over 17,800 boepd).
  - Confirmed more than sufficient gas volumes to meet fertiliser plant requirements with positive implications for Stage I development optimisation in terms of wells and facilities.
  - Intra Isongo results substantially increased the low risk prospective resource volumes on Etinde and reinforced the potential for additional gas offtake solutions, including Cameroon LNG.
  - Substantial increase in P50 net contingent resources; 30% increase to 263 mmboe.

OPERATIONAL HIGHLIGHTS

Exploration

- Airborne geophysical survey (FTG) acquisition nearing completion and seismic tendering underway on Kenya block 11B; very encouraging initial results from FTG.
- First Oil strategic partnership signed in July 2013 provides $9 million funding for anticipated $10 million first phase FTG/seismic work commitment in Kenya.

OUTLOOK

The two key near term Group objectives remain the conversion of resources to reserves in Cameroon and the exploitation of our exploration potential in Africa – both in Cameroon and Kenya.

Key focus areas for 2014 are expected to include:

- Reaching FID for Stage I of upstream Etinde development project by achieving the following milestones:
  - An approved Etinde Exploitation Authorisation Application (EEAA).
  - A finalised Gas Sales Agreement; ultimate timing of FID inter-dependent on the fertiliser plant reaching its own FID, targeted by mid-2014.
  - Triggering the Petrofac strategic alliance to provide access to $60 million IM-5 reimbursement and development funding.
- Accelerating development activities following sanction of Stage I of the Etinde development.
- Ongoing exploration/appraisal activity in Cameroon involving:
  - Farming-out the onshore Bomono Permit with associated exploration drilling targeting low risk Tertiary prospectivity.
  - Further pre-appraisal evaluation of the upside potential in the Intra Isongo reservoir encountered at IM-5.
- Early stage exploration activities on block 11B in Kenya.

As ever, these activities remain contingent on the optimisation of the asset and capital structure of the Group. The proceeds of the Private Placement will allow Bowleven to progress towards FID for Stage I of the Etinde development project, targeted by mid-2014 but alone do not provide the flexibility to fund wider E&A activities. The Group is actively engaged in negotiations with industry sources and providers of finance to achieve the optimum funding mix for its future development and exploration activities. Against this background, the already announced Petrofac strategic alliance and the Group's high net interest positions across its assets, which give the Group the flexibility to seek funding from farm-out activities, remain key advantages.

CORPORATE HIGHLIGHTS

- Group cash balance at end June 2013 and October 2013 circa $25 million and $20 million respectively, no debt.
- Announcement 13 November 2013 of proposed equity issue of up to 29.47 million new ordinary shares.
- Discussions ongoing with a number of parties regarding the potential farm-out of interests in Etinde and Bomono.
- Active discussions underway with a range of potential finance providers to give additional financing flexibility for operations, both before and after FID.

CONSIDERABLE **RESOURCE BASE**

CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW

CONSIDERABLE PROGRESS MADE ON OUR PATH TO DEVELOPMENT IN CAMEROON

Bowleven has two principal strategic objectives: the realisation of value from the Etinde resource base, and the identification and exploitation of exploration targets in Cameroon and Kenya. Despite the very challenging environment for capital and human resources in our sector, the last year has seen us make significant progress on both fronts. The key highlights include:

The completion of the highly successful IM-5 well which:
- Encountered 95 metres of net pay;
- Tested liquids rich hydrocarbons at a combined maximum rate from two zones of 17,800 boepd;
- Confirmed more than sufficient gas volumes to supply the initial Etinde development phase;
- Highlighted the Intra Isongo reservoir as a highly productive, liquids rich, thick sandstone interval with the volumetric potential to support greater gas offtake including LNG; and
- Contributed to an overall increase in Group P50 net contingent resources of 30% to 263 mmboe.

Progress towards the monetisation of Etinde liquids and gas:
- Etinde Exploitation Authorisation Application (EEAA) revised to incorporate positive IM-5 results. Currently pending Government approval.
- Fertiliser plant gas sales term sheet signed with Government (SNH) and Ferrostaal, with full gas sales agreement negotiations ongoing.
- FEED work commenced with the Final Investment Decision (FID) as soon as practicable, subject to fertiliser FID; combined FID targeted by mid-2014.
- First gas remains targeted H2 2016.
- Petrofac strategic alliance agreed, providing access to development funding.
- Gas sales negotiations ongoing with Cameroon LNG operator GDF regarding possible supply of additional gas volumes from Etinde.

Ongoing Exploration Effort:

Kenya
- Acreage secured onshore north west Kenya (50% gross, 35% effective net interest acquired in block 11B).
- Strategic new venture arrangement entered into with First Oil.
- Full tensor gravity gradiometry (FTG) survey over 11B has identified numerous entire or part basins on acreage.
- Seismic tender process underway.

Bomono
- Zingana-1 location site prepared and ready to drill.
- Moambe prospect matured to drillable prospect and well location selected.
- Timing of drilling campaign influenced by farm-out and funding strategies.

Given the micro-environment of constrained equity and debt access, coincident with a general slow-down in industry M&A, it is incumbent on us to be creative and adaptable in optimising the asset and funding structures of the Group. Our alliances with Petrofac and First Oil show this strategy in action, and while we are frustrated by the pace of farm-out activity, our high retained net interest positions provide a degree of asset flexibility not open to many.

> "THE IM-5 WELL HAS ADDED SIGNIFICANTLY TO THE GROUP'S CONTINGENT RESOURCE BASE AND DELIVERED POSITIVE IMPLICATIONS FOR STAGE I DEVELOPMENT OPTIMISATION."

In Etinde we believe we have a world class asset which becomes more attractive and valuable as we move towards FID. Considerable work has gone in to revising the EEAA in order to incorporate the positive results of the IM-5 well. Whilst the basis of design and overall Etinde development concept has remained essentially the same, the existence of the liquids rich Intra Isongo interval, which exhibited high production rates on test, has enabled a revision to the number of wells and platforms initially required. The revised EEAA has been presented to SNH for review and is pending recommendation to the Minister for approval.

As with all developments that are reliant on a gas offtake solution, upstream FID can only be reached once we are entirely satisfied that the midstream (in Etinde Stage I, this is the fertiliser plant gas offtake solution) has itself reached its own FID. In our case the timing of that event is coincident with the Ferrostaal banking consortium reaching financial close. One of the key components of this is the requirement for all the relevant environmental certificates and permitting to be in place. We are working with Ferrostaal and SNH to assist in ensuring the processes which lead to these clearances proceed as efficiently as possible. Provided no significant delays occur in the fertiliser project's timetable, then we will remain on target for first gas in H2 2016.

CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW CONTINUED

The strong result of the IM-5 well, and in particular the potentially world class Intra Isongo reservoir interval, has once again highlighted the substantial remaining exploration and appraisal potential contained on our Etinde acreage. Having determined the existence of more than sufficient gas to supply the fertiliser project, we are now in a position to contemplate further offtake solutions for our gas. We are already in the process of negotiating a legally binding agreement with GDF, the operator of the Cameroon LNG initiative. The current timetable for finalising and signing this agreement is mid-2014. Such commercialisation potential is integral to our planning for further E&A activity across the entire Etinde Permit.

In East Africa, it is clear that onshore Kenya is rapidly moving towards becoming a major hydrocarbon province. The rate of activity is increasing apace with companies such as Tullow Oil and Africa Oil leading the charge. The initial results of our geophysical work are very encouraging and we are in a strong position to exploit the potential alongside our partners Adamantine and First Oil.

VOLUMETRICS UPDATES

In-Place Volumes

The IM-5 well result substantially increases the Isongo Marine (IM) field in-place volumes. Preliminary volume estimates have been updated post the results of testing. The combined P90 WGIIP has increased by over 300% to 531 bscf post IM-5 drilling, confirming that there are more than sufficient gas volumes available on a P90 basis to meet fertiliser plant requirements. The combined mean WGIIP and CIIP for IM field has increased by 162% and 611% to 1,222 bscf and 135 mmbbls respectively.

The Intra Isongo interval encountered at the successful IM-5 well has provided a material volume addition. Initial seismic and amplitude analysis also indicates significant upside potential outwith the areal extent currently considered in preparing the above-mentioned Isongo Marine field volumetrics. In addition, several lookalike prospects have been identified that could provide further material upside potential. This upside potential has enabled the consideration of additional gas offtake schemes.

Contingent Resource Volumes

The Group's net contingent resource volumes on a P50 basis have increased by 30% to 263 mmboe (2012: 203 mmboe). This substantial increase is following the results of the highly successful IM-5 well outlined above. The significant increase in volumes for the IM field has been partially offset by the removal of IF field volumes from Group resources pending external review, as noted below.

The mapping of the IF field from the original 3D seismic dataset was hindered by the presence of a gas chimney. Recent interpretation by our in-house technical team of reprocessed 3D 4C OBC development seismic data acquired over the field suggests that IF is more structurally complex than first anticipated. Bowleven has commissioned TRACS, the external consulting firm who prepared the current CPR on the IF field, to review our findings and produce an updated CPR. To maintain the technical integrity of the Group's resource reporting process IF field volumes have been excluded from the year end resources report pending the results of this work.

Overall, and despite the exclusion of the contingent resource volumes for IF (net P50 57 mmbbls), the successful results of the IM-5 have resulted in a substantial increase in the Group's net contingent resource volumes to 263 mmboe.

Further information regarding the Group's updated net contingent resources and the Group's estimates of certain in-place volumes are set out in the preliminary results presentation available on the Company's website: www.bowleven.com

OPERATIONS

The last year has been another active period for the Group. Advancing development plans in Cameroon has been a principal focus and the successful IM-5 well has delivered multiple positive implications in that regard. Significant progress has also been made in the period on the commercial pre-requisites that allow the Group to move towards FID on Stage I of the Etinde development. Early stage exploration activities are underway in Kenya, and planning for exploration drilling onshore Cameroon is progressing.

Cameroon – Etinde Permit (Bowleven Group 75% and Operator, CAMOP 25%)

Drilling and Testing Operations

The results of the IM-5 appraisal/development well drilled and tested in the period exceeded initial expectations, encountering 95 metres of net pay in the Intra and Middle Isongo reservoir objectives and flowing condensate rich gas at substantial rates on test from both intervals.

Drilling operations commenced on the Isongo Marine field mid-September 2012 and testing operations were completed mid-April 2013. The primary objective of the well was to appraise the reservoir and fluid properties of the Middle Isongo sands. The secondary objective of the well was to investigate the additional potential of the Intra Isongo exploration prospect, a potentially extensive amplitude supported channel system potentially comprising both structural and stratigraphic trapping elements.

The well was drilled to a TD of 3,430 metres measured depth (MD) in water depths of around 56 metres and tested liquid-rich hydrocarbons in both the Intra and Middle Isongo intervals. The Middle and Intra Isongo test results combined delivered a maximum flow rate of 60 mmscfd and 7,819 bcpd (total over 17,800 boepd).

The well intersected approximately 70 metres of log evaluated net pay over a gross interval of approximately 80 metres in the Intra Isongo reservoir interval. No hydrocarbon water contact (HWC) was encountered. On test an average rate of over 10,800 boepd flowed from a perforated section of only 29 metres.

In the Middle Isongo reservoir interval approximately 25 metres of log evaluated net pay was encountered over a gross interval of approximately 33 metres. The hydrocarbon column intersected by the IM-3 well has been extended and deepened by 93 metres on encountering the log evaluated HWC at IM-5. A further 20 metres of reservoir quality sands were also encountered directly beneath the HWC and the well was still in sand at TD.

A significant increase in in-place volumetrics and contingent resources for the IM field has resulted post IM-5 drilling. Consequently no further appraisal drilling is required to sanction Stage I of the Etinde development project.

Analysis of the IM-5 results and seismic data indicates there is the potential for considerable upside in the Intra Isongo reservoir. This could be confirmed through further appraisal drilling and potential targets are being evaluated.

Although further evaluation is required, there is also the possibility that the Intra Isongo could be a potential candidate for a gas reinjection scheme and consequently could provide an additional home for associated gas produced.

The IM-5 well has also delivered positive implications for Stage I development optimisation in terms of wells and facilities. As a consequence a significant proportion of development expenditure has been rephased to post first production.

Cameroon Gas Monetisation

With multiple liquids-rich gas discoveries on Etinde it is recognised that identifying an offtake solution for the significant associated gas volumes 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) are being advanced.

Initial Gas Offtake – Fertiliser Plant

Stage I of the Etinde development plan is predicated on supplying 70 mmscfd of dry gas for a minimum of ten years to a planned fertiliser plant in Cameroon. Following the IM-5 well it has been confirmed that there are more than sufficient gas volumes available on P90 basis to meet fertiliser plant requirements. Integrating with the proposed fertiliser timetable first gas production from Stage I of the development is anticipated in H2 2016.

A term sheet for the sale of EurOil's gas production from Etinde to the planned fertiliser plant in Cameroon was signed by Ferrostaal, SNH and EurOil as operator at a ceremony in May 2013. Negotiations to agree the detailed Gas Sales Agreement (GSA) prior to FID are well advanced. Separately discussions on the provision of fiscal incentives to facilitate the project are underway with the Cameroon authorities.

Potential for Additional Gas Offtake Schemes

With the IM-5 well demonstrating both a sufficient resource base to underpin the initial fertiliser development, and the resource potential to enable consideration of additional schemes, other potential gas offtake solutions (including the GDF and SNH country-wide Cameroon LNG initiative) are being actively pursued. On Cameroon LNG, a detailed legally binding heads of agreement is currently being negotiated with GDF, with signature targeted for mid-2014. Other potential solutions (including gas to electricity, a methanol plant, small scale LNG and gas reinjection) continue to be considered with the third party led solutions noted above.

Appraisal/Development

Etinde Development Project

Considerable progress has been made on the development scheme to monetise our existing discoveries on the Etinde Permit.

The 'hub and spoke' development plan is centred around an onshore processing facility ('hub') linked to offshore producing wells ('spokes') which enables a staged development across different parts of Etinde, and facilitates early liquids production. Stage I of the development plan is centred around supplying 70 mmscfd of dry gas to a planned fertiliser plant onshore Cameroon using part of the existing resources on block MLHP-7. Stage II of the development scheme will optimise production feed taken from both MLHP-7 and the MLHP-5 Sapele discoveries. The phased and flexible approach to the development enables other fields and any new discoveries to be incorporated when appropriate.

Development Planning

Detailed planning for the upstream development is underway, including FEED work which has been progressing since mid-2013, site planning and evaluation following location selection and ESIA work required prior to FID.

CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW CONTINUED

The IM-5 well delivered significant positive implications for Etinde development planning. The extensive highly deliverable Intra Isongo interval encountered at IM-5 has enabled further optimisation of the planned Stage I development. With the initial development now focused on the IM field, reduced upfront capital expenditure on platforms and wells is likely thus allowing a rescheduling of a sizeable proportion of estimated Stage I development expenditure to several years after first production.

Etinde Exploitation Authorisation Application (EEAA)

The process to obtain an Exploitation Authorisation (EA) for an initial 20 year period over a substantial part of the Etinde Permit is well advanced. The process was initiated with an EEAA submission to the Cameroon authorities in late November 2012, supplemented with a series of in-country workshops with SNH to support the application process.

With IM-5 drilling ongoing and the requirement that the results of the IM-5 well be incorporated into the final EEAA document, in December 2012, the Government of Cameroon granted an extension of the exploration period of the Etinde PSC, for up to two years.

Testing operations were completed on the IM-5 well in mid-April 2013. The successful well results demonstrated both a sufficient resource base to meet fertiliser scheme requirements and highlighted the potential for additional resource on the acreage to enable consideration of other gas offtake schemes. The results also highlighted scope for further development optimisation. As a consequence the Cameroon authorities requested that the EEAA be expanded to integrate the results of IM-5 and include other potential gas offtake solutions (including the GDF Suez and SNH Cameroon LNG initiative) prior to submission.

Bowleven presented the expanded EEAA to the Cameroon authorities around the end of September and approval is pending. Following the award of the EEAA, the Cameroon State (SNH) has the right to back-in for 20% of any planned development within 60 days of EA being granted. On exercising that right SNH will pay their participating interest share of development costs from the effective date of award of the EA. It is envisaged that a substantial part of the Etinde Permit will be covered under the EA and that any acreage not covered will be considered under a new exploration PSC.

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

A complete prospect inventory was compiled in late 2011 following evaluation of extensive 2D seismic acquired in the year. This revealed multiple Tertiary and deeper Cretaceous aged targets. The Paleocene (Tertiary) prospects are considered to be the lowest risk and have the highest prospectivity on the Permit and consequently form the basis for planned drilling activity.

During 2012, both the planning and preparation for the Zingana-1 exploration well and an extensive rig contracting process were undertaken. The rig sourcing exercise failed to secure a suitable rig with options limited primarily due to it being a single well campaign. The Cameroon authorities were kept advised and approval was given at a Special Operating Committee Meeting in November 2012 to carry forward the first phase obligation well into the second two year exploration phase of the PSC. Ministerial approval to enter the final exploration phase of the PSC, providing for two wells to be drilled before the Permit expiry in December 2014, followed in February 2013.

Since then drilling locations for both exploration wells have now been selected and the detailed planning and engineering required in advance of drilling operations in 2014 are being progressed. The proposed second well location on the Moambe prospect was presented to SNH in May 2013. The two exploration wells are targeting Tertiary aged three-way dip closed fault blocks. In the event of success, potential offtake solutions for any associated gas include GTE and tie into the planned Etinde infrastructure. The site for the first exploration well (Zingana-1) has been prepared for drilling and the search for suitable onshore drilling rigs for the planned two well programme is continuing.

The completion of the previously announced Bomono farm-out has not proved possible due to a change of financial circumstances within the farminee. Following continued delays to the farm-in party's approval process, other farm-out discussions were initiated and are continuing.

Kenya – Block 11B (Bowleven effective interest 35%, Adamantine 50% and Operator)

Bowleven entered into a farm-in agreement to acquire a 50% equity interest in Kenya onshore exploration block 11B from Adamantine in September 2012. Formal confirmation of the assignment to Bowleven from Adamantine was obtained in December 2012 from the Kenyan authorities. Block 11B is located in the Turkana District of north-west Kenya and encompasses an area of approximately 14,000km^2 covering the Loeli, Lotikipi, Gatome and South Gatome basins.

Exploration activity on block 11B is underway. The initial two year exploration work programme includes an airborne geophysical survey and the acquisition of 2D seismic. The estimated cost of this initial work programme is $10 million with $9 million funded via the strategic partnership between First Oil and Bowleven now activated for early stage exploration in east Africa.

Initial results from the airborne geophysical survey (FTG) being acquired over the entire block are very encouraging and indicate the presence of several basins. Planning for seismic operations and the associated tender process for the acquisition of 2D seismic are underway. The FTG results will be integral in planning the 2D seismic campaign.

Meanwhile following successful early exploration drilling by other operators, industry focus on Kenya is intensifying with multi-well drilling campaigns underway and planned in the region. The East African Rift System has been highlighted as one of the few underexplored onshore, conventional, oil plays remaining globally.

New Ventures/Strategic Partnerships/ Farm-Out Opportunities

Bowleven continues to review potential opportunities to acquire additional low cost/early entry acreage in Africa: its region of focus. As part of that process a strategic partnership was agreed with First Oil in July 2013 which provides funding for Kenya initially and then potentially other sub-Saharan African early entry exploration opportunities. Further detail is provided in the Finance section below.

In addition the Company continues to consider farm-out opportunities to optimise the exploitation of its overall portfolio for shareholders.

Operational Outlook

Operational momentum will continue apace into 2014. Initial focus will be on the final completion of the award of the EEAA by the Cameroon Government, finalisation of the fertiliser plant GSA, progressing project FEED and ultimately sanctioning of Stage I of the Etinde development. Current exploration plans are focused on Kenya and Bomono, but the Group will continue to integrate the potential of the Intra Isongo reservoir into a future possible appraisal programme.

FINANCE

The Group has reported a loss of $11.1 million for the year ended 30 June 2013 (2012: loss $13.1 million).

The results for the year include a foreign exchange loss of $0.5 million (2012: $2.4 million gain) arising from foreign exchange movements on US cash balances under IFRS. Administrative expenses for the Group were $11.1 million (2012: $9.5 million).

The Group's ongoing G&A expenditure is generally estimated to continue at between $1.5 million to $1.7 million gross per month.

Capital expenditure cashflows in the year were $109.4 million (2012: $97.3 million). This expenditure relates to exploration and appraisal activities, primarily drilling operations on the Etinde Permit and survey activity for block 11B, Kenya.

As at the balance sheet date, 30 June 2013, the Group had cash and deposit balances of $24.7 million (2012: $142.5 million). This includes $5 million of cash collateral in respect of a guarantee which will be released on fulfilment of the Kenyan work programme commitment.

Funding Activity

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, and the optimisation of such sources is a priority for the Group.

In anticipation of Etinde project sanction, the Group entered into a Strategic Alliance Agreement with Petrofac in November 2012, providing access to up to $500 million of development funding for Stage I of the Etinde project. The Strategic Alliance Agreement expires on 31 December 2014, however, it can be extended by mutual agreement. To provide additional flexibility for its exploration opportunities in East Africa, a strategic partnership was created with First Oil in July 2013. Details of both of these transactions are provided below.

The Group is currently conducting FEED activities for the Etinde development project. On 13 November 2013 the Company announced that it had agreed to issue 26,146,051 new ordinary shares to raise $18.7 million (gross), subject to cash settlement, and that it intended to seek to raise further finance by means of a bookbuilt share placing – with the aggregate maximum number of shares being issued in those fundraisings being capped at 29,470,000 – to fund ongoing activities and to allow the Group to progress towards achieving FID on the Etinde project. FID for the upstream project is interrelated with FID on the fertiliser plant and is targeted by mid-2014. The pace of upstream FEED expenditure remains flexible and will be managed closely to achieve FID timing coincident with that of the Ferrostaal fertiliser plant.

Furthermore, in anticipation of the potential need for additional financial flexibility prior to Etinde Stage 1 FID, the Company remains actively engaged in negotiations with industry sources and providers of debt finance for alternative sources of funding. Several term sheets have already been received, and indicate the potential availability of bridging or convertible loans, should such instruments be deemed appropriate.

At Etinde FID, $60 million is reimbursed for IM-5 well costs under the Petrofac alliance, and it is also anticipated the FID will open a range of development funding options to the Group including, but not limited to, conventional project debt and mezzanine finance.

CHAIRMAN'S & CHIEF EXECUTIVE'S REVIEW CONTINUED

In addition to these financial options, the high equity interests retained in Etinde and Bomono provide the opportunity to bring in additional farm-in partners. Discussions are ongoing regarding potential farm-outs.

Commitments

As discussed in detail above on 13 November 2013 Bowleven announced the proposed issue of up to 29,470,000 new ordinary shares to seek to raise funding ($18.7 million already placed, subject to settlement) to allow the Group to progress towards achieving FID on the Etinde project by mid-2014. It does not fund the actual Etinde development, nor does it enable, in itself, a wider range of E&A activities by the Group in the interim. Bowleven continues to pursue a range of strategies to ensure that the optimum asset and funding solutions can be found. On this basis the auditor's report in the 2013 financial statements includes an emphasis of matter on going concern. However, as discussed in note 1 of the financial statements the accounts have been prepared on a going concern basis as Directors believe that sufficient flexibility exists to secure additional funding as required.

The Group has no outstanding work programme commitments on the Etinde Permit. On Kenya block 11B the initial two year exploration work programme commitment requires the acquisition of FTG and 2D seismic and this programme is well underway. A $5 million bank guarantee is in place for this work commitment. On Bomono the second two year exploration phase work programme commitment requires two exploration wells. The Company has disclosed a contingent liability of $16 million for this commitment (see notes to the Financial Statements). Further detail on activities on Etinde, Kenya block 11B and Bomono are detailed in the operations section.

Strategic Partnerships

The balance of value potential against the inherent E&A risks and associated funding structures forms a key element of the Group's approach to its operations. The strategic alliance with Petrofac and the partnership with First Oil for activities in Kenya and potentially wider East Africa are clear examples of this approach in action. This will continue to be the case into 2014, and our intended work programmes are clearly contingent on the appropriate funding and joint venture structures being in place.

Petrofac Strategic Alliance

In November 2012, Bowleven announced a strategic alliance with Petrofac in connection with the development of Stage I of the Etinde Permit. The alliance, which was given Bowleven shareholder approval in December 2012, provides access to up to $500 million for the Etinde development (including the reimbursement of $60 million towards the IM-5 appraisal/development well at FID); this reimbursement is not restricted to use on Etinde development activities. The strategic alliance is conditional *inter alia* on the project meeting certain economic hurdles and will be repaid out of EurOil's share of the Etinde project cashflows.

First Oil Strategic Partnership

In July 2013, Bowleven announced a strategic partnership with First Oil, a privately owned UK E&P company. Under this arrangement First Oil have committed to fund the majority of the planned Kenya 11B work programme during the initial two year exploration phase in return for a 30% holding in Bowleven (Kenya) Limited, which holds the Group's 50% equity interest in block 11B. This arrangement also includes the commitment to fund up to $12.5 million of an additional contingent work programme during the second two year exploration phase.

Separately the parties have also agreed to co-operate in investigating other sub-Saharan African new venture exploration opportunities. As part of this agreement First Oil may contribute up to $3.6 million towards Bowleven's share of funding in any resulting new investments.

BOARD CHANGES

David Clarkson was appointed as Operations Director and Director on the Board of Bowleven plc on the 26 June 2013. David has extensive oil and gas industry experience gained during a career spanning over 30 years in BP and consequently brings valuable engineering and operations expertise to the Company.

Phil Tracy resumed his role as Non-Executive Director of the Company with effect from 1 June 2013. On that date Phil relinquished the position of Interim Operations Director, a role he assumed on an interim basis in July 2011 pending recruitment of an Operations Director.

OUTLOOK

With progress towards project sanction on Stage 1 of the Etinde project well underway, and recent exploration results adding to our resource potential, Bowleven's asset base has been strengthened through 2013. While the difficult macro environment for smaller E&P companies adds to the operational challenges faced by Bowleven, we have shown, and are determined to continue to show innovative and adaptable approaches to these issues.

The Group remains committed to the twin pronged strategy of monetising of our Etinde resources while continuing to participate in the world class exploration opportunities from Cameroon to Kenya. The key targets into 2014 are the achievement of FID on Etinde and the continued generation and maturation of exploration and appraisal targets on our acreage.

Ronnie Hanna
Chairman
13 November 2013

Kevin Hart
Chief Executive

EXPERIENCED **MANAGEMENT TEAM**

MOVING FORWARD

OVERVIEW

Significant progress has been made in delivering our dual objectives of converting resources to reserves and expanding the exploration portfolio in the period.

It has been another active period operationally for the Group with the successful IM-5 well drilled and tested offshore Cameroon, the commencement of early stage exploration activities in Kenya and the progression of plans to drill exploration wells onshore Cameroon. Achieving project sanction for Stage I of the Etinde development project remains a priority and significant progress has been made towards this in the period.

The high degree of operational momentum on the Etinde Permit, offshore Cameroon, is expected to continue into 2014. This is expected to include the approval of the EEAA, finalisation of the GSA associated with the proposed fertiliser plant, progressing FEED activities and ultimately achieving FID on Stage I of the Etinde development project. Work is also already progressing on the full field development concepts for LNG schemes and in planning further appraisal wells to prove reserves to support that aim.

In the exploration portfolio the focus will be on the onshore Bomono Permit in Cameroon where the first exploration drilling since the 1950s is planned and on Kenya block 11B where initial activities involve the acquisition, processing and interpretation of aerogravity, aeromagnetic and seismic data.

The balance of this value potential against the inherent E&A risks and associated funding structures forms a key element of the Group's approach to its operations. The strategic alliance with Petrofac and the partnership with First Oil for activities in Kenya and potentially wider East Africa are clear examples of this approach in action. This will continue to be the case into 2014, and our intended work programmes are clearly contingent on the appropriate funding and joint venture structures being in place.

Etinde Development

As part of Bowleven's stated strategy of moving resources to reserves, progress continues to be made on development plans to monetise the existing discoveries on the Etinde Permit. The development philosophy is based on a 'hub and spoke' scheme, which enables a phased and flexible approach to the development of our discoveries in Cameroon.

The Etinde development is being undertaken on a staged basis, with the discoveries in block MLHP-7 initially providing 85 to 95 mmscfd wet gas to an onshore processing facility. This facility will extract the high value hydrocarbon liquids for direct sale to the market with the remaining dry gas (70 mmscfd) being supplied as a feedstock to a government sponsored fertiliser plant. The Sapele accumulations in block MLHP-5 will be developed in a subsequent stage. This modular development approach also provides additional flexibility in the event of further discoveries on our Cameroon acreage.

In order to underpin and initiate the planned development scheme, one of the Group's primary objectives was to demonstrate sufficient gas volumes to supply the fertiliser plant for a minimum 10 year contract period. This was one of the main aims of the IM-5 well (block MLHP-7) which was drilled and tested on the Isongo Marine field in the period.

The IM-5 well exceeded initial expectations encountering 95 metres of net pay in the Intra and Middle Isongo reservoir objectives and flowing condensate rich gas at substantial rates on test from both intervals. As a consequence, the overall field P90 wet gas initially in place (WGIIP) increased by over 300% to 531 bcf, which is more than sufficient to underwrite the fertiliser contract needs.

Analysis of these results in conjunction with available seismic data indicate that there is potential for considerable upside in the Intra Isongo reservoir. This could be confirmed through further appraisal drilling and potential targets are currently being evaluated. The additional resource potential enables consideration of other additional gas offtake schemes, including Cameroon LNG. The IM-5 well has also delivered positive implications for Stage I development optimisation in terms of wells and facilities.

The development requires the award of an Exploitation Authorisation (EA) and the process to obtain an EA for an initial 20-year period over a substantial part of the Etinde Permit is well progressed. As requested by the Cameroon authorities, the EEAA has been expanded to integrate the results of the successful IM-5 well and include other gas offtake schemes. The final form EEAA was presented to the Cameroon authorities for review around the end of September 2013 and approval is pending.

A gas sales term sheet was signed for the supply of gas from the Etinde Permit to a proposed fertiliser plant in Cameroon in May 2013. Subsequent GSA negotiations are well advanced.

Exploration

The Group's overall strategy continues to be exploration led and significant progress has been made throughout the year to mature the exploration portfolio. This includes extension of the Bomono Permit in Cameroon and the planning for two exploration wells, the farm-in to block 11B and commencement of early stage exploration activities in Kenya, and the strategic partnership with First Oil providing funding for Kenya initially and potentially other sub-Saharan African new venture exploration opportunities.

Cameroon

In Cameroon the near term exploration focus is on the onshore Bomono Permit. A mature, attractive, low-risk prospect inventory has been worked up from extensive 2D seismic data. An extensive rig contracting process was undertaken throughout 2012 to secure a rig to drill the first phase commitment well prior to the obligation deadline of December 2012. Parallel to this process, civil engineering works were conducted to prepare the pad at the Zingana-1 exploration well location for the rig together with the access roads.

The 2012 rig tender exercise failed to secure a suitable rig and in November 2012 approval was given at a Special Operating Committee meeting to carry forward the first phase obligation well into the second phase, providing for two wells to be drilled before the Permit expiry in December 2014. Ministerial approval followed in February 2013. The process to source a rig on acceptable contractual terms and preparing for a two well programme continues to be the focus of activity on Bomono. The two exploration wells planned are targeting Tertiary aged three-way drip closed fault blocks. In the event of success, potential offtake solutions for any associated gas include GTE and tie into the planned Etinde infrastructure.

In line with the Group's wider risk and funding strategies, discussions are continuing with several parties to farm-out part of the interest in the Bomono Permit.

Kenya

Bowleven's farm-in acquiring a 50% equity interest in onshore exploration block 11B (operated by Adamantine Energy Ltd) was approved by the Kenyan government in December 2012. Block 11B encompasses an area of approximately 14,000km^2 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. The Full Tensor Gradiometry (FTG) airborne survey over the whole block commenced in early July 2013 and is nearing completion, with encouraging initial results, and the seismic tendering process is underway.

New Ventures

Bowleven continues to actively pursue further opportunities to grow its exploration portfolio and, as part of that process, on 4 July 2013 announced a strategic partnership with First Oil, who acquired a 30% shareholding in Bowleven (Kenya) Limited in return for funding exploration activities.

The parties also agreed to co-operate in investigating early entry exploration opportunities in sub-Saharan Africa.

Further detail on operations is provided in the sections below:

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 they are fully compliant with industry 'best practice' as well as all the appropriate international and local rules and regulations.

Group HSE performance is communicated to the Bowleven Board and HSE risks are clearly defined in the Risk Management Register. There were no recorded 'Days Away From Work' incidents during the period of this report.

"THE HIGHLY SUCCESSFUL IM-5 WELL CONFIRMED THE PRESENCE OF MORE THAN SUFFICIENT VOLUMES OF GAS TO MEET THE FERTILISER PLANT'S REQUIREMENTS, ELIMINATING ANY NEED FOR FURTHER APPRAISAL DRILLING PRE-SANCTION."

A Group Risk Register is maintained and reviewed monthly. There are no Corrective Actions outstanding which have been on the Register for greater than 6 months, and actions are closed-out to an auditable standard before being signed off as complete.

The Group is also committed to ensuring that all the appropriate steps are taken to ensure 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.

A YEAR OF PROGRESS

Significant progress has been made on our path to development in Cameroon and in exploration activities. The highly successful IM-5 well has added materially to the Group's contingent resource base and we have expanded the EEAA to take account of the clearer potential for additional gas offtake schemes. Upstream project sanction is set to be concurrent with that of the fertiliser plant and delivery of first gas is targeted for H2 2016.

We also continued to pursue the exploration potential of our portfolio. On Bomono we have selected locations for the two exploration wells planned for 2014. In Kenya initial results from FTG are very encouraging and we look forward to testing the exploration potential of this emerging hydrocarbon province.

SUCCESSFUL IM-5 WELL

We drilled and tested the highly successful IM-5 appraisal/development well.

- The IM-5 well results exceeded initial expectations encountering 95 metres of net pay in the Intra and Middle Isongo reservoir objectives.
- Tested liquids rich hydrocarbons at a combined maximum rate from two zones of 17,800 boepd.

For more information read page 22.

CONTINGENT RESOURCE VOLUMES UPGRADE

We increased the Group's in-place and net contingent resource volumes following the highly successful IM-5 well.

- Isongo Marine (IM) field in-place volumes substantially increased; confirmed more than sufficient gas volumes available on P90 basis to meet fertiliser plant requirements.
- 30% increase in P50 net contingent resource volumes to 263 mmboe.

For more information read page 20.

THE LAST YEAR HAS BEEN AN ACTIVE PERIOD FOR THE GROUP. ADVANCING DEVELOPMENT PLANS IN CAMEROON HAS BEEN A PRINCIPAL FOCUS.

EARLY STAGE EXPLORATION ACTIVITIES ARE UNDERWAY IN KENYA, AND PLANNING FOR EXPLORATION DRILLING ONSHORE CAMEROON IS PROGRESSING.

STRATEGIC PARTNERSHIP

We welcomed First Oil plc, a privately owned UK E&P company, as strategic partner in early stage exploration activities in sub-Saharan Africa.

- First Oil committed to fund the majority of the estimated $10 million initial work programme on Kenya.
- Separately agreed to co-operate in investigating early entry exploration opportunities in sub-Saharan Africa.

For more information read page 12.

SIGNIFICANT PROGRESS TOWARDS ETINDE DEVELOPMENT FID

We have continued our progress towards Final Investment Decision (FID) and Stage I development project sanction.

- EEAA expanded and presented to Cameroon authorities, approval pending.
- Gas sales term sheet for planned fertiliser plant signed and GSA now well advanced.
- Strategic alliance agreed with Petrofac.

For more information read page 21.

EXPLORATION & OPERATIONAL REVIEW CONTINUED

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. A practice drill is scheduled during Q4 2013 to test the response plan from the field to the UK headquarters in Edinburgh.

The Group recognises the importance of ensuring it has all the required resources in place and available to handle any oil spill event within its area of operations. With no immediate operations that would risk an oil spill, the spill response capability is effectively in stand-down mode. The full 'Oil Spill Response' capability will be re-instated once the next phase of drilling is defined.

Ensuring that its employees, contractors and associates can work in a secure environment at all times is imperative. Bowleven recognises the potential security risk within Africa and risks to the Group's activities are assessed and managed in accordance with our Group-wide HSSE policy. In Cameroon activities are supported by security personnel provided by the Government of Cameroon in line with international standards. In Kenya a dedicated security threat and risk assessment was conducted covering the block 11B area and Kenya in general and this provided the framework for implementation of appropriate plans.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group has long pursued a policy whereby the social and environmental impact of all its activities are properly considered before the commencement of any operations. Bowleven is also committed to ensuring the maintenance of the appropriate ethical standards and behaviour in all of the areas in which it operates.

In Cameroon and Kenya we utilise our expertise to conduct local stakeholder mapping, to develop local talent, build a local supplier base and deliver long lasting socio-economic benefits. This brings an added value to the host country through the procurement of goods and services and local workforce development. Recognising Cameroon has an important biodiversity component, Bowleven will conduct ESIAs to ensure limited disruption, when operating and extracting the reserves on the onshore Bomono and offshore Etinde Permits.

In Kenya, mindful of the importance of good community relationships in all our areas of operation, Bowleven has also taken a pro-active role throughout 2013 in leading community liaison in block 11B in north-west Kenya.

DETAILED/EXPANDED REVIEW
CAMEROON

Etinde Permit (Bowleven Group 75% and Operator; CAMOP 25%)

The offshore Etinde Permit consists of the three former blocks MLHP-5, MLHP-6 and MLHP-7, consolidated into a single licence area of 2,316km² under a PSC signed in December 2008. The Permit spans the boundary of the Rio Del Rey and Douala Basins, both notable hydrocarbon provinces.

CAMOP, Bowleven's co-venturer in Etinde, holds a 25% participating interest in the Permit.

Etinde Permit: Drilling and Testing Operations
Isongo Marine-5 (IM-5)

The IM-5 appraisal/development well which is located approximately one kilometre south of the IM-3 well was drilled to a total depth of 3,430 metres MD in water depths of around 56 metres and tested between mid-September 2012 and mid April 2013. The well had the dual objectives of firstly demonstrating sufficient in place gas volumes to meet the demands of the fertiliser plant over a 10 year contractual period and secondly confirming the liquids to gas ratios from the main Isongo reservoir objectives.

The primary target of the IM-5 well was the Middle Isongo reservoir interval. The second reservoir objective was the Intra Isongo sands, a seismically extensive amplitude supported channel system potentially comprising both structural and stratigraphic trapping elements. The results from these two reservoir objectives are outlined below. The well was also designed to intersect the Upper Isongo sands and these were confirmed as present at this location and water bearing as prognosed.

Middle Isongo

The well intersected a log evaluated gross hydrocarbon interval of approximately 33 metres. The net pay is estimated to be approximately 25 metres. Log evaluation indicates that a hydrocarbon water contact (HWC) was encountered at approximately 3,360 metres MD, extending and deepening the hydrocarbon column encountered at the IM-3 well by 93 metres. A further 20 metres of reservoir quality sands were encountered beneath the HWC and the well was still in sand at TD.

The well was successfully tested and flowed condensate-rich gas from a single 21 metre gross interval (14 metres net pay) perforated above the log-evaluated HWC. The interval flowed at a maximum rate of 23 mmscfd and 3,155 bcpd (total over 7,000 boepd) inferring a CGR of 136 bbls/mmscf.

Intra Isongo

The well intersected a log evaluated gross hydrocarbon interval of approximately 80 metres with net pay estimated to be approximately 70 metres. No HWC was encountered, implying a significant hydrocarbon column in excess of 80 metres.

On test the well flowed condensate-rich gas from a perforated section of 29 metres. The interval flowed at an average rate of 37 mmscfd and 4,664 bcpd (total over 10,800 boepd) on a 64/64 inch choke. During the test sequence the interval also flowed at a peak gas rate in excess of 40 mmscfd. The average rate infers a CGR of 125 bbl/mmscf and measured CGRs of up to 133 bbls/mmscf were achieved on test.

IM-5 Testing Overview

The Middle and Intra Isongo test results combined delivered a maximum flow rate of 60 mmscfd and 7,819 bcpd (total over 17,800 boepd).

Volumetrics Update
In-Place Volumetrics and Contingent Resources

The impact of the IM-5 well result substantially increases the Isongo Marine field (IM) in-place hydrocarbon volumes. The combined P90 WGIIP has increased by over 300% to 531 bscf post IM-5 drilling. This confirms that there are more than

sufficient gas volumes on a P90 basis to meet the fertiliser plant's requirements.

Overall the combined mean WGIIP and CIIP for the field increased by 162% and 611% to 1,222 bscf and 135 mmbbls respectively.

The following table provides Bowleven's estimates of unrisked WGIIP for the IM reservoir intervals intersected by the IM-5 well:

WGIIP (bscf)	P90	P50	P10	Mean
Middle Isongo	175	389	863	467
Intra Isongo	275	539	1,094	626
Upper Isongo	81	122	187	129
Total WGIIP post IM-5	**531**	**1,050**	**2,144**	**1,222**

The IM-5 results also indicate there is considerate potential to grow these volumes through further appraisal drilling and targets are currently being evaluated. This additional resource potential gas offtake solutions (including the country-wide CLNG scheme) are being actively pursued.

Elsewhere, and as previously highlighted, the mapping of the IF field from the original 3D seismic dataset was hindered by the presence of a gas chimney. Recent interpretation by our in-house technical team of additional 3D 4C OBC development seismic data acquired over the field suggests that IF is more structurally complex than first anticipated. We have commissioned TRACS, the external consulting firm who prepared the current CPR on the IF field, to review our findings and produce an updated CPR. To maintain the technical integrity of the Group's resource reporting process, the IF field volumes have been removed pending the completion of this review work.

Overall, and despite the exclusion of the contingent resource volumes for IF, the successful results of the IM-5 well have resulted in a 30% increase in the Group's total net contingent P50 resource volumes to 263 mmboe.

Etinde Permit: Exploitation/Commercialisation

Exploitation Authorisation Application

The process to obtain an EA over a substantial part of the Etinde Permit was initiated with the submission of an EEAA in November 2012, followed by a series of in-country workshops with SNH to support the application. With IM-5 drilling ongoing and the requirement that the results of the IM-5 well be incorporated into the final EEAA document, in December 2012, the Government of Cameroon granted an extension of the exploration period of the Etinde PSC, for up to two years. Testing operations were completed on IM-5 in mid-April 2013 and following a request from the Cameroon authorities to consider other potential offtake solutions, the EEAA was expanded and then re-presented to the Cameroon authorities around the end of September 2013 for review. Approval is pending. It is envisaged that any acreage not covered by the Exploitation Authorisation will be considered under a separate new exploration PSC.

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.

A gas sales term sheet for the sale of EurOil's gas production from Etinde to the planned fertiliser plant in Cameroon was signed with Ferrostaal, SNH and EurOil as operator at a signing ceremony in May 2013. Negotiations to agree the detailed gas sales agreement (GSA) prior to FID are well advanced.

It is envisaged 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 H2 2016.

The existing GDF and SNH (CLNG) 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. A detailed legally binding heads of agreement is currently being negotiated with GDF, with signature targeted for mid-2014. In addition, alternative 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.

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 scheme. 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.

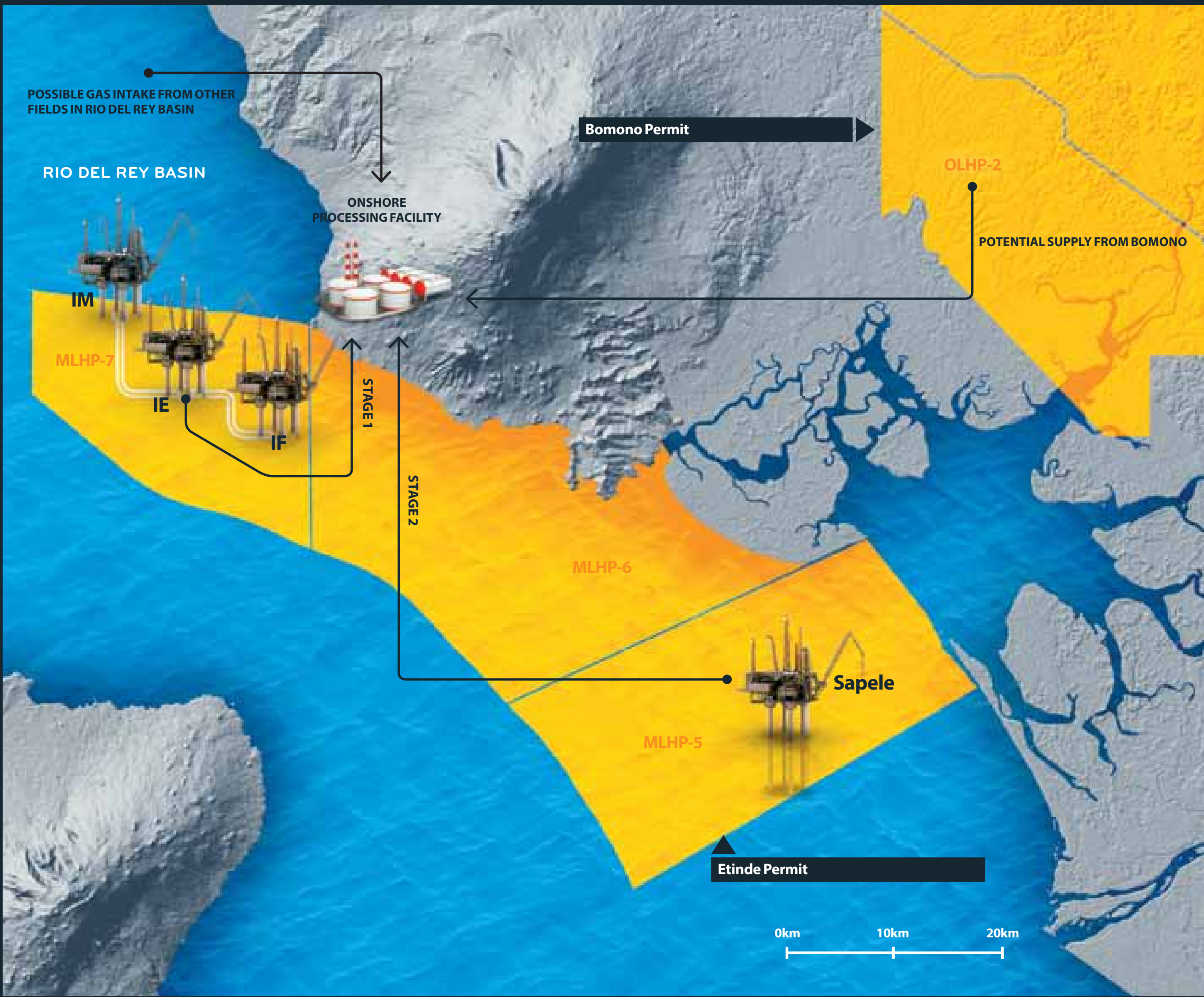
IM-5
THE PATH TO FID*

ETINDE DEVELOPMENT

- Continuing progress towards Final Investment Decision (FID) and Stage I upstream development project sanction:
  - Positive IM-5 appraisal well results integrated into development plans.
  - No further appraisal drilling required to sanction Stage I of the Etinde development project.
  - Expanded Etinde Exploitation Authorisation Application (EEAA) presented to Cameroon authorities around end September 2013; approval pending.
  - Gas Sales Agreement (GSA) for planned fertiliser plant well advanced.
  - Strategic alliance agreed with Petrofac providing access to up to $500 million development funding including $60 million reimbursement at FID for IM-5 costs.
  - First gas remains on target for H2 2016; upstream FID timing integrated with fertiliser plant FID timing with combined FID targeted by mid-2014.
- Multiple positive implications from the highly successful IM-5 well:
  - Liquids rich hydrocarbons produced on test from Middle and Intra Isongo; tested at combined maximum rate of 60 mmscfd and 7,819 bcpd (total over 17,800 boepd).
  - Confirmed more than sufficient gas volumes to meet fertiliser plant requirements with positive implications for Stage I development optimisation in terms of wells and facilities.
  - Intra Isongo results substantially increased the low risk prospective resource volumes on Etinde and reinforced the potential for additional gas offtake solutions, including Cameroon LNG.
  - Substantial increase in P50 net contingent resources; 30% increase to 263 mmboe.

* FID: Final Investment Decision

COMBINED 'HUB AND SPOKE' DEVELOPMENT



'HUB AND SPOKE' DEVELOPMENT

- The 'hub and spoke' development plan is centred around an onshore processing facility ('hub') linked to offshore producing wells ('spokes') – allowing a staged development across different parts of Etinde.
- Stage I: Supply of 70 mmscfd of dry gas to a planned fertiliser plant.
- Stage II will optimise production feed taken from both MLHP-7 and MLHP-5 Sapele discoveries.

EXPLORATION & OPERATIONAL REVIEW CONTINUED

Stage I of the development plan is centred around supplying the 70 mmscfd of dry gas to a planned fertiliser plant in Cameroon using part of the existing resources on block MLHP-7. The extensive highly deliverable Intra Isongo interval encountered at IM-5 has enabled further optimisation of the planned Stage I development. With the initial development now focused on the IM field, reduced upfront capital expenditure on platforms and wells is likely thus allowing a rescheduling of a sizeable proportion of estimated Stage I development expenditure to several years after first production.

Once the infrastructure hub has been installed and Stage I is 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, modular 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.

Front End Engineering Design (FEED) work has been progressing since mid-2013. The focus has been to develop, evaluate and define site layout, processing facilities design and project execution philosophy for offshore and onshore facilities. Work is progressing on tendering for the onshore ESIA work to obtain a certificate of conformity in 2014; a key step on the path to FID.

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 2,328km^2 situated to the north and 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 for one exploration well was rolled over into a two well commitment for the second exploration phase that runs until December 2014.

A complete prospect inventory was generated by December 2011 following seismic and this work identified and ranked a series of prospects and leads across the Permit with both Tertiary and deeper Cretaceous aged targets. The work highlighted that the Paleocene reservoirs encountered in the exploration wells of the 1950s are considered the lowest risk and potentially highest prospectivity in the Permit.

The outcome of this work was to high-grade 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 was ongoing throughout 2012. Following target selection, an initial well design was prepared and a 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 primarily due to it being a single well campaign. As a result, Bowleven was not able to spud Zingana-1 prior to the expiry of the first exploration phase under the PSC (in December 2012). The Cameroon authorities were kept advised and in November 2012 approval was given at a Special Operating Committee meeting to carry forward the commitment well into the second exploration phase of the Bomono PSC. This was given Ministerial approval in February 2013.

In parallel to the rig contracting process in 2012, the contract for the civil engineering works was awarded and work commenced in mid-June. By December 2012 the Zingana-1 rig pad had been completed, the required water wells had been drilled and the access road widened and graded.

Now in the final exploration phase of the PSC and with two obligation wells to drill prior to the expiry of the exploration period in December 2014 a potential second well location on the Moambe prospect was presented to SNH in May 2013. This location, at just over two kilometres north of the Zingana prospect, is a previously undrilled Paleocene (Tertiary) aged robust three-way dip closed fault block. Detailed planning and engineering required in advance of drilling operations is also being progressed.

A rig search exercise for a two well campaign operation is ongoing to enable the drilling of the two prospects in 2014.

The completion of the previously announced Bomono farm-out has not proved possible due to a change of financial circumstances within the farminee. Following continued delays to the farm-in party's approval process other farm-out opportunities have been progressed in parallel and discussions are ongoing with several parties to farm-out part of the Group's interest in the Permit.

KENYA

Block 11B (Bowleven Group effective interest 35%, Adamantine 50% and Operator)

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 14,000km^2 covering the under-explored Loeli, Lotikipi, Gatome and South Gatome basins. These basins are a part of the eastern branch of the Tertiary East African Rift system along which in the analogous Lokichar basin to the south-east significant oil discoveries have been made in recent months. Analysis of the existing gravity and sparse seismic datasets suggest the basins in block 11B, in particular the Gatome Basin in the centre of the Permit are of similar form to Lokichar and analogous geological plays and petroleum system elements are expected. In addition to the prospectivity of the Tertiary basins, the block is also located in the region where the East African Rift System intersects 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 rift related regionally proven play-types may be expected on the block.

The initial work programme includes a high resolution airborne geophysical survey and the acquisition of 2D seismic, along with a satellite interpretation study. The estimated cost of the work programme for the initial two year exploration period is $10 million, the majority of which will be funded via the strategic partnership with First Oil outlined below. As part of a Technical Services Agreement between Bowleven and the operator Adamantine, Bowleven provides technical support and geophysical operational management and implementation to the operator during the initial exploration period.

The ESIA work was completed earlier in the year and subsequently approved by the government paving the way for the commencement of geophysical operations. Following initial reconnaissance and community engagement in the area, the airborne gravity and magnetics survey began in July and is nearing completion. Already the initial results are very encouraging and appear to support the earlier interpretative work done by the Bowleven exploration team. Planning for seismic operations is underway and the seismic tendering process is underway. In parallel, and taking advantage of the logistical set-up for seismic operations, geological and geochemical fieldwork will also be undertaken thus enabling a fast track approach to the exploration work programme.

An integrated set of results and interpretation of geophysical, geological and geochemical datasets will be generated from these activities.

NEW VENTURES/STRATEGIC PARTNERSHIP

Bowleven continues to review opportunities to acquire additional acreage in Africa. In July 2013 Bowleven announced a strategic partnership with Aberdeen based First Oil, a privately owned UK E&P company. Under the arrangement First Oil acquired a 30% holding in Bowleven (Kenya) Limited, which holds the Group's interest in block 11B, in return for funding exploration activities.

Under this agreement First Oil have committed to fund up to $9 million of an estimated $10 million initial work programme, with a further commitment to fund up to $12.5 million of an additional contingent work programme during the second two year exploration phase.

Separately, the parties have also agreed to co-operate in investigating early entry exploration opportunities in sub-saharan Africa. As part of this agreement First Oil may contribute up to $3.6 million towards Bowleven's share of funding in any resulting new investments.

CONTINGENT RESOURCES

The Group's net contingent resource volumes are shown in the table below. The Group's P50 contingent resource volumes have increased by 30% to 263 mmboe (2012: 203 mmboe).

The changes in the contingent resource volumes are principally attributable to:

(i) The IM-5 well result. Further detail is provided earlier in the Review.
(ii) The inclusion of LPG resources in the contingent resources estimates for the first time.
(iii) The removal of the IF field resource estimates from the resources table (P50: 57 mmbbls) pending results of an external review. Further detail is provided earlier in the Review.

Net Contingent Resources	P90	P50	P10	Mean
Gas (bscf)	378	831	2,649	1,177
Condensate (mmbbls)	33	80	230	104
LPGs (mmbbls)	11	21	32	22
Oil (mmbbls)	5	24	113	49
Total BOE (mmboe)	**112**	**263**	**816**	**372**

Notes:

For all block MLHP-7 discoveries, except the IM field, wet 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 GIIP 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 current conceptual development cases, allowing for gas shrinkage due to liquids drop-out.

For the IM field, contingent resources are reported for the field based on the proposed 'Phase 1' development as described and included in the Etinde Exploitation Authorisation Application (EEAA). For the IM field, the contingent resources estimates now include sales gas, primary and secondary condensate recovery and LPG recovery resources.

IF oil resource volumes have been temporarily removed from the contingent resource estimates pending external review of the field.

During 2013, corporate and technical focus has remained firmly on establishing primary gas volumes for the first phase hub development centred on the IM field in block MLHP-7 and preparing the EEAA for submission to the Cameroon authorities. As such, work to integrate the Sapele-3 well with the main Sapele Omicron fairways has been largely on hold and, as a consequence, Sapele HIIP/ Contingent Resource volumes are unchanged from the 2012 year end report. Contingent resources for the Sapele discoveries are estimated by Monte Carlo analysis using recovery factor ranges deemed appropriate for the predominantly stratigraphic nature of the discoveries. The P50 to P10 range of recovery factors used for oil is 17% to 25%. The P90 oil case reflects resource estimates made for and contained in the EEAA, based on sector model reservoir simulation studies. 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 = 6,000 scf 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).

David Clarkson
Group Operations Director

Ed Willett
Exploration Director
13 November 2013

SIGNIFICANT EXPLORATION POTENTIAL

PLANNING **FOR DEVELOPMENT**

FINANCIAL REVIEW

Financial Summary	Year ended 30 June 2013 $'000	2012 $'000
Operating loss before financing costs	(11,088)	(16,205)
Loss for the year	(11,081)	(13,073)
Net cash used in operating activities	(8,404)	(16,433)
Bank deposits, cash and cash equivalents	24,742	142,481
Net assets	570,019	579,431

RESULTS

The Group reported a loss of $11.1 million for the 12 months ended 30 June 2013 compared to a loss of $13.1 million in the previous financial year.

The total administrative expenses for the Group were $11.1 million compared to $9.5 million in the comparative period. This increase is mainly due to a non-cash movement arising from higher national insurance expenses in relation to share options and LTIPs.

The results for the year include finance income of $0.5 million compared to $3.1 million in the previous year. The previous year included a foreign exchange gain of $2.4 million. The results for the year also include finance costs of $0.5 million which have resulted from an exchange loss. The foreign exchange loss 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 balances.

Loss per share (basic and diluted) was $0.04 compared to a loss per share (basic and diluted) of $0.05 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 $8.4 million for the year against a cash outflow of $16.4 million for the previous year.

In the year under review, $109.4 million was invested in capital expenditure on the Group's portfolio of assets (2012: $97.3 million). Almost all of this expenditure was on exploration and appraisal activities, primarily drilling the IM5 well and pre-FEED activity on the Etinde Permit with a small amount on airborne gravity and magnetic surveys for block 11B, Kenya.

Interest received in the year amounted to $0.5 million (2012: $0.8 million).

Financing activity in the current year relates to the exercise of share options. For the comparative period, the Company issued 77.5 million ordinary shares for the purpose of raising finance to progress the appraisal and development of discoveries on MLHP-7.

BALANCE SHEET

The carrying value of our oil and gas assets at 30 June 2013 was $532.5 million (2012: $425.4 million). Additions in the year relate primarily to the capitalisation of drilling and pre-FEED costs on the Etinde Permit and airborne gravity and magnetic surveys for block 11B, Kenya.

Shareholders' funds decreased by $9.4 million to $570.0 million as at 30 June 2013.

FINANCING

As announced on 6 November 2012, the Company has agreed a strategic alliance with Petrofac in connection with the development of the Etinde Permit. This provides 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.

The accounts have been prepared on a going concern basis as the Directors are confident of securing continued funding based on the range and feasibility of alternatives which are available to them. However, as discussed in note 1 to the Financial Statements, the Directors wish to highlight potential uncertainties which may cast significant doubt about the continued application of the going concerns basis over the next 12 months.

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.

John D Brown
Finance Director
13 November 2013

BOARD OF DIRECTORS

The Board currently comprises six Executive Directors and four Non-Executive Directors, including the Chairman.

01. 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 November 2006.

02. 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.

03. 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.

04. 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.

05. 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.

06. PHILIP TRACY
NON-EXECUTIVE DIRECTOR

Philip Tracy was appointed as a Non-Executive Director in May 2011 and held the role of Interim Operations Director from August 2011 until May 2013. He was previously Operations and Engineering Director of Cairn Energy plc. He is a Chartered Engineer with over 40 years of experience in the international oil and gas industry, including 18 years at plc board level. He was an Honorary Professor in the Petroleum Engineering Department of Heriot-Watt University for a period of 5 years and currently holds one other Non-Executive position as well as a number of consultancy/advisory positions.

07. 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.

08. 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. 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.

09. ED WILLETT
EXPLORATION DIRECTOR

Ed Willett has worked in the oil and gas exploration business for 29 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. He was appointed to the Bowleven Board in 2008.

10. DAVID CLARKSON
OPERATIONS DIRECTOR

David Clarkson was appointed to the Bowleven Board in 2013. He previously worked for BP where he held a variety of senior executive positions in the Upstream business, including leading major project developments in frontier locations and as Technical Vice President for Projects & Engineering. David has a degree in Mechanical Engineering from the University of Strathclyde and is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers.

AN EXPERIENCED MANAGEMENT TEAM FOCUSED ON DELIVERING OUR STATED OBJECTIVES OF CONVERTING RESOURCES TO RESERVES IN CAMEROON AND PURSUING HIGH-IMPACT EXPLORATION OPPORTUNITIES IN AFRICA.

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 2013.

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 Africa. The Group currently has interests in Cameroon and Kenya.

The Chairman's and Chief Executive's Review (pages 6 to 12) and the Exploration and Operational Review (pages 16 to 25) 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 the year of $11.1 million (2012: $13.1 million loss).

The Directors have not recommended the payment of a dividend (2012: nil).

POST BALANCE SHEET EVENTS

(a) As described in note 1 to the Financial Statements, on 13 November 2013, the Company raised, subject to settlement, equity capital of $18.7 million (gross).

(b) On 3 July 2013, the Company signed a strategic partnership with Aberdeen based First Oil, a privately owned UK E&P company. Under the arrangement First Oil acquired a 30% holding in Bowleven (Kenya) Limited, which in turn holds the Group's 50% interest (net 35% interest) in block 11B, in return for funding exploration activities.

Under this agreement First Oil have committed to fund up to $9 million of an estimated $10 million initial work programme, with a further commitment to fund up to $12.5 million of an additional contingent work programme during the second two year exploration phase.

Separately, the parties have also agreed to co-operate in investigating early entry exploration opportunities across the east-African Rift System. As part of this agreement First Oil may contribute up to $3.6 million towards Bowleven's share of funding in any resulting new investments.

GOING CONCERN

In making their going concern assessment, the Directors have considered Group budgets and cash flow forecasts and recognised that in order to continue to finance exploration and appraisal activities it will be necessary to raise additional funds.

The Group is currently conducting FEED activities for the Etinde development project. On 13 November 2013 the Company raised, subject to settlement, equity capital of $18.7 million (gross) to fund ongoing activities and to allow the Group to progress towards achieving FID on the Etinde project. In addition, the Group is actively engaged in negotiations with industry sources and providers of debt finance to secure the additional finance to achieve FID but both their timing and completion is subject to further work. Several term sheets have been received, and to date such additional finance is structured as bridging or convertible loans. There can be no guarantee that these alternative financing options will complete and accordingly this uncertainty must be recognised when considering the financial statements.

As described more fully in the Chairman's and Chief Executive's Review, it is targeted that the Etinde development project sanction for both the upstream and midstream elements of the fertiliser project will have been achieved by the beginning of H2 2014. In anticipation of FID, the Group entered into a Strategic Alliance Agreement with Petrofac in November 2012. This provides access to up to $500 million of development funding for the Etinde project, including the $60 million reimbursement at FID for IM-5 costs.

The Board recognise that a delay to the FID date may have implications on the Group's continued ability to fund its obligations and commitments as they fall due beyond the middle of 2014. The Directors believe that as we move closer to achieving project sanction other funding options for this period may also become available if required, including, but not limited to, conventional project debt, mezzanine finance, and new equity. In addition, with a 75% interest in Etinde, the Group retains ample opportunity to access industry funding through a farm-out transaction.

Against this background, the Board believe that, additional funds can be raised from any one of a number of sources (as discussed above) but note that as this has not been secured at the date of this report it creates a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Directors are confident that sufficient flexibility exists to secure additional funding if required, and on this basis, believe the adoption of the going concern basis in preparing the Financial Statements is appropriate and that no adjustments are therefore required to the carrying value of the assets.

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 2013	At 1 July 2012
J D Brown	300,000	300,000
D Clarkson(i)	–	–
C Cook*	135,000	135,000
R G Hanna*	330,135	330,135
K Hart	2,562,364	2,562,364
T Sullivan*	146,745	146,745
Chief Tabetando	1,557,701	1,557,701
P O J Tracy*	–	–
E A F Willett	338,113	338,113
P G Wilson	410,000	410,000
	5,780,058	**5,780,058**

* Denotes Non-Executive Directors.
(i) Appointed 26 June 2013.

DIRECTORS' LIABILITIES

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

SUBSTANTIAL SHAREHOLDERS*

As of 15 October 2013, 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	36,782,480	12.48
F&C Asset Management	19,553,577	6.63
TD Waterhouse, Stockbrokers	18,476,567	6.27
Barclays Stockbrokers	17,574,111	5.96
HSBC James Capel as Principal	12,467,999	4.23
Hargreaves Lansdown, Stockbrokers	12,107,590	4.11
JP Morgan Asset Management	11,666,346	3.96
Individuals	11,399,316	3.87
HSDL, Stockbrokers	11,374,845	3.86
M&G Investment Management	8,990,839	3.05

As at 15 October 2013, 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 2013, the broad distribution of the ordinary shares in issue was as follows:

	Shares	%
Institutions	167,622,122	56.86
Other individuals	121,040,527	41.07
Directors and management	6,088,694	2.07
	294,751,343	**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 2013.

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 intend to comply as far as is practicable, having regard to the size of the Group.

DIRECTORS' REPORT CONTINUED

BOARD STRUCTURE

The Board currently comprises six 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 30 and 31. 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 2013 Annual General Meeting (AGM), Kevin Hart and Caroline Cook 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. David Clarkson, who was appointed as a Director on 26 June 2013, will therefore resign and offer himself for re-appointment by shareholders. Following the appointment of David Clarkson as Operations Director, Philip Tracy has stepped down as Interim Operations Director and resumed full Non-Executive status including his position on the Audit, Nomination and Remuneration Committees.

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

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.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Ronnie Hanna (Chairman), Caroline Cook, Tim Sullivan and Philip Tracy. 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 37 to 41.

AUDIT COMMITTEE

The Audit Committee comprises Caroline Cook (Chairman), Ronnie Hanna, Tim Sullivan and Philip Tracy. 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. In addition, market announcements, including Group Operational Updates, are also released, as and when appropriate, to update shareholders on activities. Investor Relations (IR) ensure that a comprehensive IR programme is in place to allow the Company to meet with a broad range of shareholders.

The Chief Executive and IR maintain regular dialogue with major institutional investors and analysts. An analyst presentation and investor roadshow are often held after the Group's preliminary announcement of year end results and interim results. In addition to these investor roadshows, the Company also attends various conferences or investor events. These tend to comprise of a mix of presentations 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, including North America and Europe. 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 analyst, shareholder and investor feedback and market updates. The Company maintains a database of all meetings held by the Directors with shareholders and analysts. All analysts' reports received on the Company are reviewed and monitored by IR and copies are distributed to Directors. IR support is provided, where appropriate, to analysts covering and initiating coverage on the Company. The Company consults with its corporate brokers and NOMAD on investor/market matters and also utilises Brunswick LLP for ongoing public relations support.

The Group continually seeks to develop and improve its IR activities. The Group's website (www.bowleven.com) has recently been upgraded and contains a range of information about the Group, including announcements, presentations, reports and corporate videos. Enquiries from all shareholders are welcomed by the Company. Shareholders and other interested parties can also register on the Group's website to receive news updates by email. 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 2013 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 Friday 20 December 2013. Formal notice of the AGM, including details of special business, is set out in a notice of meeting on pages 75 to 79 and on the Company's website at http://www.bowleven.com/investor-relations/shareholder-services/general-meeting-information.

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 Group is currently planning for FID by mid-2014. If this date slips this will inevitably increase the Group's funding requirement for, amongst other things, G&A spend.	Notwithstanding the terms of the Petrofac strategic alliance, the Group continues to review all available financing options for pre-FID finance as it moves forward with the Etinde development.
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 signed a term sheet for the sale of gas to the proposed fertiliser plant to be constructed at Limbe by Ferrostaal on 22 May 2013. The Group also continues to progress the joint GDF Suez and SNH initiative to advance the monetisation of undeveloped gas resources within Cameroon via an in-country gas aggregation scheme to supply a domestic LNG facility. Also, additional in-house potential solutions 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 prices.	The Company signed a Strategic Alliance Agreement with Petrofac in November 2012 in connection with the development of the Etinde Permit. This provides potential access to up to $500 million to be provided by Petrofac at FID for the first stage of the proposed development of the Etinde Permit. In addition to the more conventional debt funding solutions, the high equity interest in Etinde (and Bomono) provides the opportunity to introduce additional farm-in partners if deemed appropriate.
As highlighted in the Exploration and Operational Review, the Group has a commitment to drill two wells on the Bomono Permit before the Permit expiry in December 2014, failing which the Permit will expire and there is a possibility that a $16 million payment may become payable to the Cameroon Authorities.	The Group considers that there is still sufficient time available to secure a farm-in or to source alternative funding to fulfill the required Bomono Permit commitments before the Permit expires in December 2014. Farm-in discussions are ongoing with a number of interested parties.
The Group's joint venture partners may fail to fund their share of joint operations.	Risk of default is mitigated by provisions in the respective joint operating agreements permitting the Group, and any other non-defaulting joint venture partners at the time, to acquire the defaulting party's equity share in the asset concerned.
The nature of the Group's operations exposes it to a wide range of (i) health, safety, security and environmental (HSSE) risks and to (ii) cybercrime risk.	The Group regularly reviews its HSSE policies and procedures 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. The Company is aware of proposed EU regulations with regard to the growing threat from cybercrime and is working towards identifying any risk exposure that may exist and meeting the necessary standards to protect its intellectual assets from those risks.
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.

DIRECTORS' REPORT CONTINUED

RISKS AND INTERNAL CONTROLS CONTINUED

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 AGR (TRACS) have been instructed to carry out an independent volumetric assessment of the IF oil discovery (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 continues to be '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 ultimate aim of the Group, where possible, is for operating positions to be filled by Cameroon nationals. The strategic alliance with Petrofac will not only provide potential access to 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 above risks are considered typical for an oil and gas group of Bowleven's size and stage of development.

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 24 to the financial statements on pages 72 to 74.

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 2013 were equivalent to 17 days' purchases (2012: 10 days).

DONATIONS

The Group made charitable donations of $3,000 in the UK (2012: $4,000) and $46,000 to overseas charities (2012: $47,000). No donations were made to any EU political organisation (2012: nil). No donations were made to any non-EU political organisation (2012: $55,000).

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
13 November 2013

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, Tim Sullivan and Philip Tracy. Following the appointment of David Clarkson as Operations Director, Philip Tracy has been released from his operational responsibilities and resumed full Non-Executive status and his position on the Remuneration Committee.

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.

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.

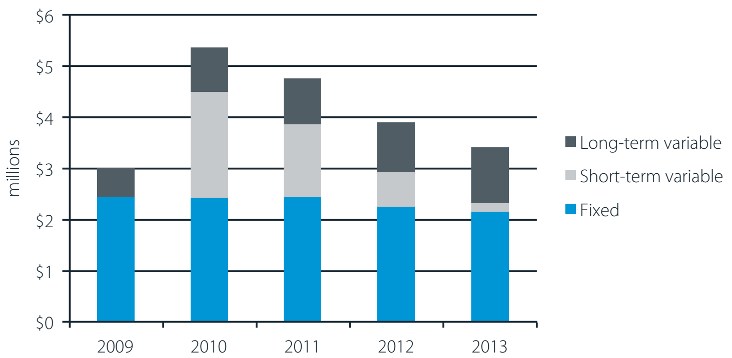
The overall package is generally weighted more towards variable pay with a suitable weighting towards long-term performance through the award of long-term incentives.

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.

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

Split of Total Compensation



— 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 LTIP awards granted during the year.

DIRECTORS' REMUNERATION REPORT CONTINUED

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.

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%. Subject to the overriding discretion of the Remuneration Committee, UK Executive Directors' bonuses are based as to 20% of any bonus being calculated with reference to personal objectives set by the Chief Executive or, in the case of the Chief Executive, by the Chairman and as to the remaining 80% with reference to the Group's performance against the key corporate performance indicators for that year. No bonus is payable in any year unless the weighted performance against the annual key corporate performance indicators exceeds 50%.

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. In the year under review these included 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 59.

Performance conditions for bonuses payable to the Chairman of EurOil Limited are set by the Remuneration Committee.

Long-Term Incentive Plan

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 a 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, amongst other things, 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
D Clarkson	26 June 2013	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 $157,000 (£100,000) per annum. Caroline Cook, Tim Sullivan and Philip Tracy each receive a fee of $63,000 (£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 received 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 $2,362 (£1,500) + VAT per day. During the period under review, the Company paid a total of $387,002 (£246,000) to Greyhair Advisory Services in respect of the services of Philip Tracy (2012: $314,679). This amount is included as fees in the Directors' Emoluments table in accordance with the 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.

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	Fees $'000	Total 2013 $'000	Deferred element of 2012 performance bonus[v] $'000	%	Total 2012 $'000
Executives								
J D Brown	343	28	1	–	372	80	74	464
D Clarkson[iii]	–	–	–	–	–	–	–	–
K Hart	609	–	2	–	611	291	100	901
J A C Morrow[i]	–	–	–	–	–	–	–	396
Chief Tabetando[iv]	428	90	14	–	532	90	50	434
E A F Willett	381	28	3	–	412	80	74	520
P G Wilson	343	25	3	–	371	71	74	459
Non-Executives								
C Cook	–	–	–	71	71	–	–	72
R G Hanna	–	–	–	157	157	–	–	159
P O J Tracy[ii]	–	–	–	450	450	–	–	379
T Sullivan	–	–	–	63	63	–	–	64
Total	**2,104**	**171**	**23**	**741**	**3,039**	**612**	**–**	**3,848**

(i) Resigned 22 July 2011. The 2012 total includes $268,000 as compensation for loss of office.
(ii) Fees include $387,002 (2013) and $314,679 (2012) paid to Greyhair Advisory Services LLP in respect of services rendered by Philip Tracy as Interim Operations Director.
(iii) Appointed 26 June 2013.
(iv) The Remuneration Committee resolved on 5 December 2012 that, in recognition of the different personal criteria applying in the case of Chief Tabetando, the corporate KPI performance should be increased from 50% to 75% and that his entire bonus should be paid in cash with 50% being deferred and made conditional upon the Company securing the Exploitation Authorisation applied for in respect of blocks MLHP-5 and MLHP-7 of the Etinde Permit.
(v) The Remuneration Committee resolved on 5 December 2012 that the payment of 2012 bonuses to the Executive Directors should be deferred and be made subject to further performance conditions. The form of the deferred bonus (ie cash or shares) was a matter left to the discretion of the Remuneration Committee. These deferred bonuses are not included in the total of Directors' emoluments for 2013.

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	D Clarkson	K Hart	Chief Tabetando	E A F Willett	P G Wilson
10.12.09 to 10.12.12[i]	82 pence	54,000	–	117,000	54,000	45,000	33,000
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	70.5 pence	273,498	–	729,328	341,872	303,887	273,498
10.12.12 to 10.12.15	69 pence	287,826	–	721,878	359,784	319,807	287,826
26.06.13 to 26.06.16	61 pence	–	393,442	–	–	–	–
Total		**664,008**	**393,442**	**1,673,469**	**812,235**	**729,220**	**633,798**

(i) 80% of the original 2009 award lapsed in December 2012 with vesting of the remaining 20% deferred and subject to an additional condition. This is explained further in the section on Vesting of Awards.

The closing share price of one Bowleven share on 30 June 2013 (Friday 28 June 2013) was 59.25p and the highest and lowest prices during the year were 100.00p and 57.50p respectively.

DIRECTORS' REMUNERATION REPORT
CONTINUED

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 three year performance period commences on the date of grant of an award and ends on the third anniversary of the date of grant (or such other period determined by the Remuneration Committee) or such shorter period as provided for in the rules of the scheme.

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 (TSR) 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

No LTIPs vested during the period. The Remuneration Committee recommended, and the Executive Directors consented, on 5 December 2012 to defer the vesting of the 2009 LTIP awards by applying an additional condition whereby they would be conditional upon the Board approving the Final Investment Decision in respect of the Etinde development on or before 31 December 2014. It was also agreed that the deferred 2009 LTIP Awards would automatically vest on a change of control of the Company before that date.

Details of the 2009 LTIP awards subject to a deferred vesting are given in the table below:

Director	Performance period	No. of shares awarded	Share price at grant date	Units vesting (20%)
J D Brown	10.12.09 to 10.12.12	270,000	82 pence	54,000
K Hart	10.12.09 to 10.12.12	585,000	82 pence	117,000
Chief Tabetando	10.12.09 to 10.12.12	270,000	82 pence	54,000
E A F Willett	10.12.09 to 10.12.12	225,000	82 pence	45,000
P G Wilson	10.12.09 to 10.12.12	165,000	82 pence	33,000

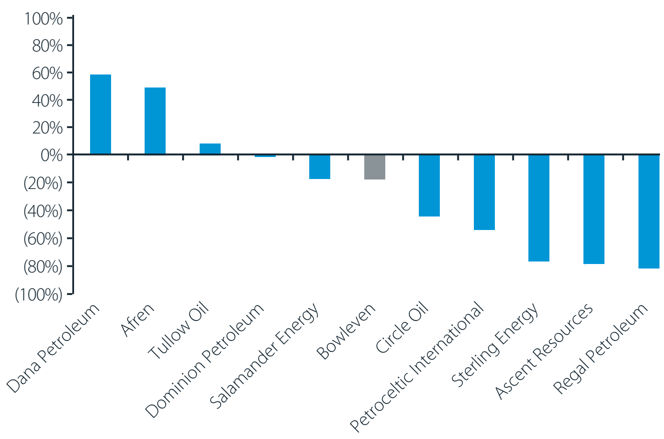
— The comparator group applicable to the 2009 awards that vested (but were deferred) in the year under review was as follows:

Afren plc	Petroceltic International[(ii)]	Tullow Oil plc
Ascent Resources plc	Dominion Petroleum Limited[(iii)]	
Bowleven plc	Regal Petroleum plc	
Circle Oil plc	Sterling Energy plc	
Dana Petroleum plc[(i)]	Salamander Energy plc	

(i) Replaced by Cove Energy plc with effect from 28 October 2010.
(ii) Replaced Equator Exploration Limited on 24 June 2009.
(iii) Replaced Indago Petroleum Limited on 24 June 2009.

Bowleven's performance was in the median position and therefore the deferred vesting of the 2009 LTIP awards would vest as to 20%. The graph below shows Bowleven's performance, measured by TSR, against the 2009 comparator group over the performance period:

Total Shareholder Return
10 December 2009 to 09 December 2012



The comparator group for awards granted on 10 December 2012 comprised the following fifteen companies:

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

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 13 November 2013 a total of 1,446,571 shares (representing 0.49% of the issued share capital) have vested and been awarded to staff under the Bowleven Company share option schemes. Options in respect of 10,733,753 shares (3.64%) are currently in issue 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 5,570,088 shares (1.89%) subject to awards granted in respect of ongoing performance periods and taking into consideration that only 20% of the 2009 LTIP awards will vest.

SHAREHOLDING GUIDELINES

In order to align the Executive Directors' interests more closely with those of shareholders, Executive Directors, with more than one year's service, are required to acquire and/or retain from share awards vesting a minimum level of shareholding equivalent to one year's salary. All relevant 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 2013:

Name of 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
D Clarkson	–	–	–	–
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	1,557,701
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.

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

FINANCIAL STATEMENTS

SHAREHOLDER INFORMATION

GLOSSARY AND ADVISERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWLEVEN PLC

We have audited the financial statements of Bowleven plc for the year ended 30 June 2013 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 26. 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 42, 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 2013 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs 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.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group's and Company's ability to continue as a going concern. The conditions explained in note 1 to the financial statements indicate the existence of a material uncertainty that may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

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.

James Nisbet
(Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor, Glasgow
13 November 2013

GROUP INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $'000	2012 $'000
Revenue		–	–
Administrative expenses		(11,088)	(9,452)
Unsuccessful exploration costs	3	–	(3,568)
Loss on disposal of subsidiary	5	–	(3,185)
Operating loss before financing costs		(11,088)	(16,205)
Finance income	6	516	3,133
Finance costs	7	(509)	(1)
Loss from continuing operations before taxation		(11,081)	(13,073)
Taxation	8	–	–
Loss for the Year From Continuing Operations Attributable to Owners of the Parent Undertaking		**(11,081)**	**(13,073)**
Basic and diluted loss per share ($/share) from continuing operations	9	(0.04)	(0.05)

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 $9,653,000 (2012: loss of $12,641,000).

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

Group	Notes	2013 $'000	2012 $'000
Loss for the year	18	(11,081)	(13,073)
Other Comprehensive Income:			
Items that will be reclassified to profit and loss:			
Currency translation differences	18	(405)	(2,529)
Total Comprehensive Income for the Year Attributable to Owners of the Parent Undertaking		**(11,486)**	**(15,602)**

Company	Notes	2013 $'000	2012 $'000
Loss for the year	18	(9,653)	(12,641)
Other Comprehensive Income:			
Items that will be reclassified to profit and loss:			
Currency translation differences	18	(12,367)	(12,753)
Total Comprehensive Income for the Year Attributable to Owners of the Parent Undertaking		**(22,020)**	**(25,394)**

GROUP BALANCE SHEET
30 JUNE 2013

	Notes	2013 $'000	2012 $'000
Non-current Assets			
Intangible exploration assets	10	532,507	425,414
Property, plant and equipment	11	930	1,251
		533,437	426,665
Current Assets			
Inventory	13	11,023	11,638
Trade and other receivables	14	16,385	7,222
Bank deposits	15	5,000	–
Cash and cash equivalents	15	19,742	142,481
		52,150	161,341
Total Assets		**585,587**	**588,006**
Current Liabilities			
Trade and other payables	16	(15,568)	(8,575)
Total Liabilities		**(15,568)**	**(8,575)**
Net Assets		**570,019**	**579,431**
Equity			
Called-up share capital	17,18	50,293	50,274
Share premium	18	730,298	730,241
Foreign exchange reserve	18	(58,121)	(57,716)
Shares held by Employee Benefit Trust	18	(489)	(489)
Other reserves	18	13,932	13,176
Retained deficit	18	(165,894)	(156,055)
Total Equity Attributable to Owners of the Parent Undertaking	**18**	**570,019**	**579,431**

The financial statements on pages 45 to 74 were approved by the Board of Directors and authorised for issue on 13 November 2013 and are signed on their behalf by:

John D Brown
Director

COMPANY BALANCE SHEET
30 JUNE 2013

	Notes	2013 $'000	2012 $'000
Non-current Assets			
Property, plant and equipment	11	745	1,013
Investments	12	524,967	430,020
		525,712	431,033
Current Assets			
Trade and other receivables	14	4,632	1,581
Bank deposits	15	5,000	–
Cash and cash equivalents	15	19,572	142,087
		29,204	143,668
Total Assets		**554,916**	**574,701**
Current Liabilities			
Trade and other payables	16	(1,672)	(1,511)
Total Liabilities		**(1,672)**	**(1,511)**
Net Assets		**553,244**	**573,190**
Equity			
Called-up share capital	17,18	50,293	50,274
Share premium	18	730,298	730,241
Foreign exchange reserve	18	(92,117)	(79,750)
Other reserves	18	8,511	7,755
Retained deficit	18	(143,741)	(135,330)
Total Equity	**18**	**553,244**	**573,190**

The financial statements on pages 45 to 74 were approved by the Board of Directors and authorised for issue on 13 November 2013 and are signed on their behalf by:

John D Brown
Director

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $'000	2012 $'000
Cash Flows from Operating Activities			
Loss before tax		(11,081)	(13,073)
Adjustments to reconcile Group loss before tax to net cash used in operating activities:			
Depreciation of property, plant and equipment	3	496	500
Loss on disposal of subsidiary	5	–	3,185
Finance income	6	(516)	(3,133)
Finance costs	7	509	1
Equity-settled share based payment transactions	18	1,998	1,807
Adjusted loss before tax prior to changes in working capital		(8,594)	(10,713)
Decrease/(Increase) in inventory		615	(3,458)
(Increase)/Decrease in trade and other receivables		(1,078)	443
Increase/(Decrease) in trade and other payables		981	(2,634)
Exchange differences		(328)	(71)
Net Cash used in Operating Activities		**(8,404)**	**(16,433)**
Cash Flows used in Investing Activities			
Net proceeds from disposal of subsidiary	5	–	38,601
Purchases of property, plant and equipment		(175)	(941)
Purchases of intangible exploration assets		(109,206)	(96,381)
Movement in funds on bank deposits		(5,000)	–
Interest received		556	821
Net Cash used in Investing Activities		**(113,825)**	**(57,900)**
Cash Flows from Financing Activities			
Net proceeds from issue of ordinary shares		76	122,905
Purchase of own shares		–	(2,672)
Net Cash Flows from Financing Activities		**76**	**120,233**
Net (Decrease)/Increase in Cash and Cash Equivalents		**(122,153)**	**45,900**
Effect of exchange rates on cash and cash equivalents		(586)	(92)
Cash and cash equivalents at the beginning of the year	15	142,481	96,673
Cash and Cash Equivalents at the Year End	**15**	**19,742**	**142,481**

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $'000	2012 Restated $'000
Cash Flows from Operating Activities			
Loss before tax		(9,653)	(12,641)
Adjustments to reconcile Company loss before tax to net cash used in operating activities:			
Depreciation of property, plant and equipment		347	313
Impairment costs		–	7,811
Finance income		(516)	(3,242)
Finance costs		223	1
Equity-settled share based payment transactions		1,666	1,544
Adjusted loss before tax prior to changes in working capital		(7,933)	(6,214)
(Increase)/Decrease in trade and other receivables		(3,091)	31,261
Increase/(Decrease) in trade and other payables		161	(3,051)
Exchange differences		(38)	39
Net Cash used in Operating Activities		**(10,901)**	**22,035**
Cash Flows used in Investing Activities			
Funding to subsidiaries*		(106,577)	(99,020)
Purchases of property, plant and equipment		(79)	(898)
Movement in funds on bank deposit		(5,000)	–
Interest received		556	819
Net Cash used in Investing Activities		**(111,100)**	**(99,099)**
Cash Flows from Financing Activities			
Net proceeds from issue of ordinary shares		76	122,905
Net Cash Flows from Financing Activities		**76**	**122,905**
Net (Decrease)/Increase in Cash and Cash Equivalents		**(121,925)**	**45,841**
Effect of exchange rates on cash and cash equivalents		(590)	(90)
Cash and cash equivalents at the beginning of the year	15	142,087	96,336
Cash and Cash Equivalents at the Year End	**15**	**19,572**	**142,087**

* Reclassified from Operating Activities.

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Attributable to Owners of the Parent Company					
	Equity share capital* $'000	Foreign exchange reserve $'000	Shares held in trust $'000	Other reserves $'000	Retained deficit $'000	Total equity $'000
At 1 July 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**
Loss for the year	–	–	–	–	(11,081)	(11,081)
Other comprehensive income for the year	–	(405)	–	–	–	(405)
Total comprehensive income for the year	**–**	**(405)**	**–**	**–**	**(11,081)**	**(11,486)**
Proceeds from issue of share capital	76	–	–	–	–	76
Share based payments	–	–	–	1,998	–	1,998
Transfer between reserves	–	–	–	(1,242)	1,242	–
At 30 June 2013	**780,591**	**(58,121)**	**(489)**	**13,932**	**(165,894)**	**570,019**

* Includes both share capital and share premium.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Attributable to Owners of the Parent Company				
	Equity share capital* $'000	Foreign exchange reserve $'000	Other reserves $'000	Retained deficit $'000	Total equity $'000
At 1 July 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**
Loss for the year	–	–	–	(9,653)	(9,653)
Other comprehensive income for the year	–	(12,367)	–	–	(12,367)
Total comprehensive income for the year	**–**	**(12,367)**	**–**	**(9,653)**	**(22,020)**
Proceeds from issue of share capital	76	–	–	–	76
Share based payments	–	–	1,998	–	1,998
Transfer between reserves	–	–	(1,242)	1,242	–
At 30 June 2013	**780,591**	**(92,117)**	**8,511**	**(143,741)**	**553,244**

* Includes both share capital and share premium.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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

In making their going concern assessment, the Directors have considered Group budgets and cash flow forecasts and recognised that in order to continue to finance exploration and appraisal activities it will be necessary to raise additional funds.

The Group is currently conducting FEED activities for the Etinde development project. On 13 November 2013 the Company raised, subject to settlement, equity capital of $18.7 million (gross) to fund ongoing activities and to allow the Group to progress towards achieving FID on the Etinde project. In addition, the Group is actively engaged in negotiations with industry sources and providers of debt finance to secure the additional finance to achieve FID but both their timing and completion is subject to further work. Several term sheets have been received, and to date such additional finance is structured as bridging or convertible loans. There can be no guarantee that these alternative financing options will complete and accordingly this uncertainty must be recognised when considering the financial statements.

As described more fully in the Chairman's and Chief Executive's Review, it is targeted that the Etinde development project sanction for both the upstream and midstream elements of the fertiliser project will have been achieved by the beginning of H2 2014. In anticipation of FID, the Group entered into a Strategic Alliance Agreement with Petrofac in November 2012. This provides access to up to $500 million of development funding for the Etinde project, including the $60 million reimbursement at FID for IM-5 costs.

The Board recognise that a delay to the FID date may have implications on the Group's continued ability to fund its obligations and commitments as they fall due beyond the middle of 2014. The Directors believe that as we move closer to achieving project sanction other funding options for this period may also become available if required, including, but not limited to, conventional project debt, mezzanine finance, and new equity. In addition, with a 75% interest in Etinde, the Group retains ample opportunity to access industry funding through a farm-out transaction.

Against this background, the Board believe that, additional funds can be raised from any one of a number of sources (as discussed above) but note that as this has not been secured at the date of this report it creates a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Directors are confident that sufficient flexibility exists to secure additional funding if required, and on this basis, believe the adoption of the going concern basis in preparing the Financial Statements is appropriate and that no adjustments are therefore required to the carrying value of the assets.

ACCOUNTING STANDARDS

No improvements to standards and interpretations were adopted during the period to 30 June 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
CONTINUED

1 ACCOUNTING POLICIES CONTINUED
NEW STANDARDS ISSUED AND EFFECTIVE
The revision to IAS 1 was adopted in the current year. As a result, the Statement of Comprehensive Income includes an additional heading for items that will be reclassified to profit and loss.

Standards and Interpretations Issued but Not Yet Effective
At the date the financial statements were authorised for issue, the following standards, interpretations and amendments were in issue but not yet effective:

Standard	Effective date
Potential future impact	
IFRS 10 'Consolidated Financial Statements'*	1 January 2013
As Bowleven own 100% of all subsidiaries, and believe all control criteria are satisfied, there is currently no direct impact from IFRS 10. The future impact of the post balance sheet event on the Group's accounting policies is being considered by the Directors.	
IFRS 11 'Joint Arrangements'*	1 January 2013
As current joint arrangements are not structured through a separate vehicle they should continue to be accounted for as joint operations therefore there is currently no direct impact from IFRS 11.	
IFRS 12 'Disclosure of interests in Other Entities'*	1 January 2013
Implementation of IFRS 12 will result in increased disclosure of interests in joint arrangements.	
IFRS 13 'Fair Value Measurement'	1 January 2013

No future impact	
IFRS 7 'Disclosures (Amendment) – Offsetting Financial Assets and Liabilities'	1 January 2013
IFRS 9 'Financial Instruments'	1 January 2015
IAS 19 'Employee Benefits'	1 January 2013
IAS 27R 'Separate Financial Statements'*	1 January 2013
IAS 28R 'Investment in Associates and Joint Ventures'*	1 January 2013
This revision has no impact as there are no associate or joint venture entities within the Group	
IAS 32 'Offsetting Financial Assets and Liabilities'	1 January 2014
IAS 36 'Recoverable amount Disclosures for Non-financial Assets'	1 January 2014
IAS 39 'Financial Instruments: Recognition and Measurement'	1 January 2014
IFRIC 21 'Levies'	1 January 2014

There is no intention to adopt any of these standards early.

* EU mandatory effective date 1 January 2014.

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

BASIS OF CONSOLIDATION
The consolidated accounts include the results of Bowleven plc and all its subsidiary undertakings at the Balance Sheet date.

BUSINESS COMBINATIONS
Business combinations are 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 ARRANGEMENTS
Bowleven participates in joint arrangements 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 operation, classified in the appropriate Balance Sheet and Income Statement headings.

Bowleven's interests in unincorporated joint arrangements are detailed in the Chairman's and Chief Executive's Review.

OIL AND GAS: INTANGIBLE EXPLORATION ASSETS

The Group applies a successful efforts based method of accounting for exploration and appraisal costs and applies 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 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 arrangement partner, no costs are recognised in intangible assets for the period of the carry. In the situation where the Group contributes through a carry to a joint arrangement partner, full 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 on-going 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 whenever there is an indicator 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)

There were no development and producing assets during the reported periods.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
CONTINUED

1 ACCOUNTING POLICIES CONTINUED

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 property, plant and equipment, 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 the lease payments under an operating lease agreement are 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.

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 can use 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 over 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 spot trades 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 less any provision for impairment.

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.

Bank Deposits
Bank deposits with an original maturity of over three months are held as a separate category of current asset and presented on the face of the Balance Sheet.

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 a third party using an appropriate suite of models, 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 20. 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 where a taxable temporary difference arises from the initial recognition of goodwill or where temporary differences arise from the initial recognition (other than in business combinations) of other assets and liabilities in a transaction which at the time of the transaction 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 arrangements, 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 presiding 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 loss of control of the subsidiary. At loss of control 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 2013 is $1.5259/£1 (2012: $1.5605/£1).

2 SEGMENTAL INFORMATION

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

'Africa' operations focus on exploration activities in Cameroon, Kenya and previously Gabon. Our exploration activities in Gabon ceased in 2012 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 'Africa'. Exploration in Kenya is a new activity in 2013. Prior to the inclusion of Kenya, this segment was called 'West Africa'.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
CONTINUED

2 SEGMENTAL INFORMATION CONTINUED
'Other' includes amounts of a corporate nature which are not specifically attributable to the Africa segment such as head office costs, property, plant and equipment and cash balances. These amounts are net of inter company transactions.

	2013 Africa $'000	2013 Other $'000	2013 Group $'000	2012 West Africa $'000	2012 Other $'000	2012 Group $'000
Administration expenses	(993)	(9,599)	**(10,592)**	(1,194)	(7,758)	**(8,952)**
Depreciation	(149)	(347)	**(496)**	(187)	(313)	**(500)**
Unsuccessful exploration costs	–	–	**–**	(3,568)	–	**(3,568)**
Loss on disposal of subsidiary	–	–	**–**	(3,185)	–	**(3,185)**
Foreign exchange	(286)	(223)	**(509)**	(111)	2,480	**2,369**
Interest income	–	516	**516**	2	762	**764**
Finance costs	–	–	**–**	–	(1)	**(1)**
Taxation	–	–	**–**	–	–	**–**
Loss for the Year*	**(1,428)**	**(9,653)**	**(11,081)**	**(8,243)**	**(4,830)**	**(13,073)**
Capital expenditure	107,189	94	**107,283**	88,396	927	**89,323**
Non-current assets**	532,692	745	**533,437**	425,652	1,013	**426,665**
Segment assets	558,715	26,872	**585,587**	443,678	144,328	**588,006**
Segment liabilities	(13,896)	(1,672)	**(15,568)**	(7,064)	(1,511)	**(8,575)**

* Segmental result.
** The majority of non-current assets, within the Africa segment, relate to Cameroon.

Other segment assets include cash balances.

3 OPERATING LOSS
Operating loss is stated after charging:

	2013 $'000	2012 $'000
Depreciation of property, plant and equipment	496	500
Loss on disposal of property, plant and equipment	–	6
Operating lease rentals – land and buildings	354	579
Unsuccessful exploration costs	–	3,568

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, was paid and recognised in the 2012 financial year.

Audit and non-audit fees are analysed as follows:

In respect of Ernst & Young LLP and its associates:	2013 $'000	2012 $'000
Audit Fees in Respect of the Group(i)	**129**	**137**
Other fees to auditors and its associates:		
– auditing accounts of associate companies	39	22
– taxation compliance services	39	48
– taxation advisory services	329	12
– other assurance services	33	135
	440	**217**

(i) $16,500 of this relates to the Company (2012: $16,000).

4 STAFF COSTS AND DIRECTORS' EMOLUMENTS
The average number of staff, including Executive Directors, employed by the Group during the financial year amounted to:

	2013 Number	2012 Number
Management	5	5
Administration and operations	69	70
	74	**75**

The number of staff, including Executive Directors, employed by the Group at 30 June 2013 was 72 (2012: 77).

The aggregate payroll costs for the above persons comprised:

	2013 $'000	2012 Restated $'000
Wages and salaries	6,291	7,430
Social security costs	730	(1,446)
Share based payments	1,998	1,807
	9,019	**7,791**

Company payroll is paid in GBP and converted at $1.57/£1.00 (2012: $1.58/£1.00).

Payroll costs totalling $2,242,000 (2012: $2,598,000) 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. 2012 social security costs have been restated to include accrued expenses in relation to share options and LTIPs.

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:

	2013 $'000	2012 Restated $'000
Directors remuneration	3,039	3,580
Compensation for loss of office	–	268
Aggregate emoluments	3,039	3,848
Social security costs	415	(1,867)
Share based payments	1,020	815
	4,474	**2,796**

The aggregate emoluments are made up entirely of short-term employee benefits. 2012 social security costs have been restated to include accrued expenses in relation to share options and LTIPs.

Remuneration of individual Directors is provided below:

	Salary $'000	Performance related bonus[iv] $'000	Benefits $'000	Fees $'000	Total 2013 $'000	Total 2012 $'000
Executives						
J D Brown	343	28	1	–	372	464
D Clarkson[iii]	–	–	–	–	–	–
K Hart[i]	609	–	2	–	611	901
J A C Morrow[ii]	–	–	–	–	–	396
Chief Tabetando	428	90	14	–	532	434
E A F Willett	381	28	3	–	412	520
P G Wilson	343	25	3	–	371	459
Non-Executives						
C Cook	–	–	–	71	71	72
R G Hanna	–	–	–	157	157	159
P O J Tracy	–	–	–	450	450	379
T Sullivan	–	–	–	63	63	64
Total	**2,104**	**171**	**23**	**741**	**3,039**	**3,848**

(i) Highest paid Director.
(ii) Resigned 22 July 2011. The 2012 total includes $268k as compensation for loss of office.
(iii) Appointed 26 June 2013.
(iv) In addition to the amounts included in the table above, an element of the total available performance related bonus has been deferred and made subject to further performance conditions.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
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4 STAFF COSTS AND DIRECTORS' EMOLUMENTS CONTINUED

Remuneration of Key Management Personnel continued

During the year, the Company paid a total of $387,002 (2012: $314,679) to Greyhair Advisory Services LLP 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 (2012: six). The aggregate amount of gains on vesting of LTIPs was nil (2012: $2,856,000). Based upon the Performance Conditions applicable to the 2009 LTIP Awards, 20% of the relevant Awards would have vested at the end of the performance period on 9 December 2012 but the Company's Remuneration Committee recommended, and the Executive Directors consented to the addition of an additional condition to the vesting of these Awards, namely that vesting of the remaining 20% will take place on the date the Board approves the Final Investment Decision to proceed with the Etinde Development, provided that such approval is given on or before 31 December 2014. It was also agreed that the deferred 2009 LTIP Awards would automatically vest on a change of control of the Company before that date.

Further details on Directors' remuneration is provided in the Remuneration Report on pages 37 to 41.

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

	2013 $'000	2012 $'000
Bank interest	516	765
Exchange rate gain	–	2,368
	516	**3,133**

7 FINANCE COSTS

	2013 $'000	2012 $'000
Bank interest	–	1
Exchange rate loss	509	–
	509	**1**

8 TAXATION

(a) Recognised in the Income Statement:

	2013 $'000	2012 $'000
UK Corporation Tax Based on the Results for the Year at 23.75% (2012: 25.5%)	**–**	**–**

(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:

	2013 $'000	2012 $'000
Loss before tax	(11,081)	(13,073)
Corporation tax at the domestic income tax rate of 23.75% (2012: 25.5%)	(2,632)	(3,334)
Effects of:		
Expenses not deductible for tax purposes	508	1,556
Depreciation in excess of capital allowances	42	22
Tax losses not utilised	1,796	1,425
Other	286	331
Total Tax	**–**	**–**

Applicable tax rate is computed at 23.75% (2012: 25.5%). On 1 April 2013 the corporation tax rate was reduced from 24% to 23%.

(c) Deferred Tax

At 30 June 2013, tax losses were $68 million (2012: $59 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:

	2013 $'000	2012 $'000
Net Loss Attributable to Owners of the Parent Undertaking	**(11,081)**	**(13,073)**

	2013 Number	2012 Number
Basic Weighted Average Number of Ordinary Shares	**294,378,745**	**266,415,583**

	2013 $	2012 $
Basic and Diluted Loss per Share – Ordinary Shares	**(0.04)**	**(0.05)**

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.

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10 INTANGIBLE EXPLORATION ASSETS

Group	Exploration and appraisal expenditure $'000
Cost	
At 1 July 2011	340,637
Additions	84,777
At 30 June 2012	**425,414**
Additions	107,093
At 30 June 2013	**532,507**
Impairment	
At 1 July 2011	–
At 30 June 2012 and 30 June 2013	**–**
Net book value	
At 30 June 2013	**532,507**
At 30 June 2012	**425,414**
At 1 July 2011	**340,637**

In February 2013 Ministerial approval to extend the exploration phases under the PSC's for both the Etinde Permit and the Bomono Permit to December 2014 was granted. Further details of our plans for each of the licences are discussed in the Chairman's and Chief Executive's Review and the Exploration and Operational Review.

On 17 September 2012, the Group entered into a farm-in agreement to acquire a 50 percent equity interest in onshore exploration block 11B, North West Kenya, from Adamantine Energy Limited. In return for acquiring this interest the Group will fund the work programme for the initial two year exploration period. The Group entered into an arrangement with First Oil on 3 July 2013. Under the arrangement First Oil will provide funding towards this initial work programme. Refer to note 26 for further details.

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

11 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements $'000	Plant and machinery $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Cost					
At 1 July 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**
Foreign currency adjustment	(15)	(7)	(30)	–	(52)
Additions	–	38	152	–	190
At 30 June 2013	**933**	**541**	**1,863**	**526**	**3,863**
Depreciation					
At 1 July 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**
Foreign currency adjustment	(4)	(5)	(28)	–	(37)
Charge for year	131	65	283	17	496
At 30 June 2013	**421**	**415**	**1,571**	**526**	**2,933**
Net book value					
At 30 June 2013	**512**	**126**	**292**	**–**	**930**
At 30 June 2012	**654**	**155**	**425**	**17**	**1,251**
At 1 July 2011	**77**	**120**	**551**	**54**	**802**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
CONTINUED

11 PROPERTY, PLANT AND EQUIPMENT CONTINUED

Company	Leasehold improvements $'000	Plant and machinery $'000	Computer equipment $'000	Total $'000
Cost				
At 1 July 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**
Foreign currency adjustment	(15)	(7)	(30)	(52)
Additions	–	19	75	94
At 30 June 2013	**668**	**301**	**1,351**	**2,320**
Depreciation				
At 1 July 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**
Foreign currency adjustment	(4)	(5)	(28)	(37)
Charge for year	131	35	181	347
At 30 June 2013	**149**	**220**	**1,206**	**1,575**
Net book value				
At 30 June 2013	**519**	**81**	**145**	**745**
At 30 June 2012	**661**	**99**	**253**	**1,013**
At 1 July 2011	**85**	**43**	**299**	**427**

12 INVESTMENTS

Company	Shares in group companies $'000
Cost	
At 1 July 2011	50,289
Foreign currency adjustment	(10,197)
Additions	464,147
At 30 June 2012	**504,239**
Foreign currency adjustment	(11,963)
Additions	106,910
At 30 June 2013	**599,186**
Impairment	
At 1 July 2011	48,413
Impairment	25,806
At 30 June 2012 & 2013	**74,219**
Net book value	
At 30 June 2013	**524,967**
At 30 June 2012	**430,020**
At 1 July 2011	**1,876**

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. Ongoing funding advanced from the Company to Bowleven Resources Limited and FirstAfrica Oil Limited is capitalised on a regular basis. During the year $106.6 million has been capitalised.

In 2012 the Company's investment in FirstAfrica Oil Limited was fully impaired following the disposal of GGPC Gabon (EOV) Limited and the relinquishment of the Epaemeno licence which was GGPC Gabon (Epaemeno) Limited's sole asset.

During the year $332,000 (2012: $263,000) 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
Bowleven New Ventures Limited(iv)	Scotland	100%	Ordinary £1
Bowleven (Kenya) Limited(iv)	Scotland	100%	Ordinary £1
Bowleven Etinde Limited(v)	British Virgin Islands	100%	Ordinary $1
Bowleven Holdings Limited(vi)	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 2012 FirstAfricaOil 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.
(iv) Bowleven New Ventures Limited owns 100% of Bowleven (Kenya) Limited. The principal activity of Bowleven New Ventures Limited is as an intermediate holding company for the operating subsidiary in Kenya. The principal activity of Bowleven (Kenya) Limited is to procure and analyse scientific and technical data in order to assess exploration and development potential for oil and gas production in Kenya. On 3 July 2013 First Oil acquired a 30% holding in Bowleven (Kenya) Limited as discussed in note 26.
(v) Bowleven Etinde Limited is a dormant company owned 100% by Bowleven plc.
(vi) Bowleven Holdings Limited is a dormant company owned 100% by Bowleven plc.

All subsidiaries are included in the Group consolidation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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13 INVENTORY

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Inventory	**11,023**	**11,638**	**–**	**–**

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

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Other receivables	1,740	2,211	757	583
Amounts owed by Group undertakings	–	–	3,077	353
Joint venture debtors and prepayments	13,645	4,215	–	–
Accrued interest	31	64	31	64
	15,416	**6,490**	**3,865**	**1,000**
Other taxation and social security	213	283	213	283
Prepayments	756	449	554	298
	16,385	**7,222**	**4,632**	**1,581**

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 2011	24,755
Utilised	(24,755)
At 30 June 2012	**–**

Group:
As at 30 June, the ageing analysis of trade and other receivables, excluding prepayments and taxation and social security, 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
2013:							
Neither past due nor impaired	15,191	15,191	–	–	–	–	–
Past due but not impaired	225	–	–	–	–	–	225
As at 30 June 2013	**15,416**	**15,191**	**–**	**–**	**–**	**–**	**225**
2012:							
Neither past due nor impaired	6,266	6,266	–	–	–	–	–
Past due but not impaired	224	–	–	–	–	–	224
As at 30 June 2012	**6,490**	**6,266**	**–**	**–**	**–**	**–**	**224**

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.

Company:
As at 30 June, the ageing analysis of trade and other receivables, excluding prepayments and taxation and social security, 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
2013:							
Neither past due nor impaired	3,865	3,865	–	–	–	–	–
As at 30 June 2013	**3,865**	**3,865**	**–**	**–**	**–**	**–**	**–**
2012:							
Neither past due nor impaired	1,000	1,000	–	–	–	–	–
As at 30 June 2012	**1,000**	**1,000**	**–**	**–**	**–**	**–**	**–**

15 BANK DEPOSITS, CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Bank deposits	**5,000**	**–**	**5,000**	**–**
Cash at bank and in hand	8,161	1,563	7,991	1,169
Short-term deposits	11,581	140,918	11,581	140,918
	19,742	**142,481**	**19,572**	**142,087**

The Group and Company balances as at 30 June 2013 include $5.5 million of restricted cash to cover bank guarantees. The cash is held in bank deposits, plus $500,000 of short-term deposits. The bank guarantees are a requirement of current operating activities.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Trade payables	764	417	688	249
Joint venture creditors and accruals	13,674	6,557	–	–
	14,438	**6,974**	**688**	**249**
Other taxation and social security	206	201	182	181
Accruals	924	1,400	802	1,081
	15,568	**8,575**	**1,672**	**1,511**

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

	2013			2012		
	Less than one month $'000	Greater than one month $'000	Total $'000	Less than one month $'000	Greater than one month $'000	Total $'000
Trade payables	764	–	764	417	–	417
Joint venture creditors and accruals	13,674	–	13,674	6,557	–	6,557
	14,438	**–**	**14,438**	**6,974**	**–**	**6,974**

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

	2013			2012		
	Less than one month $'000	Greater than one month $'000	Total $'000	Less than one month $'000	Greater than one month $'000	Total $'000
Trade payables	**688**	**–**	**688**	**249**	**–**	**249**

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17 ISSUED SHARE CAPITAL

	2013 Number	2012 Number	2013 $'000	2012 $'000
Allotted, called-up and fully paid:				
Ordinary shares of £0.10 each at 1 July	294,630,343	215,934,313	50,274	37,881
Issued during the year	–	77,500,000	–	12,204
Issued to Employee Benefit Trust	–	816,174	–	129
Issued on exercise of share options	121,000	379,856	19	60
At 30 June	**294,751,343**	**294,630,343**	**50,293**	**50,274**

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 nil ordinary shares (2012: 816,174 at £0.10) to the Employee Benefit Trust (2012 nominal value: $129,041).

The Company issued 121,000 (2012: 379,856) 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 $18,816 (2012: $60,453) and an increase in the share premium reserve of $56,637 (2012: $139,273).

18 RECONCILIATION OF MOVEMENTS IN EQUITY

Group	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	Total equity $'000
Balance at 1 July 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**
Proceeds from issue of share capital	19	57	–	–	–	–	–	76
Exchange differences arising on translation	–	–	(405)	–	–	–	–	(405)
Retained loss for the year	–	–	–	–	–	–	(11,081)	(11,081)
Transfer between reserves	–	–	–	(1,242)	–	–	1,242	–
Share based payments	–	–	–	1,998	–	–	–	1,998
Balance at 30 June 2013	**50,293**	**730,298**	**(58,121)**	**8,695**	**(489)**	**5,237**	**(165,894)**	**570,019**

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 17.

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. The transfer between reserves relates to LTIPs and share options exercised or lapsed in the period and represent the amount previously expensed through the Group Income Statement.

Shares Held in Trust

The balance in the shares held in trust reserve (354,414 shares) relates to Bowleven plc shares held by the EBT for the settlement of share based payment obligations. During the year the EBT purchased nil shares (2012: 2,997,125) and issued nil shares (2012: 3,019,319).

Merger Reserve

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

Company	Share capital $'000	Share premium $'000	Foreign exchange reserve $'000	Share based payment reserve $'000	Retained deficit $'000	Total equity $'000
Balance at 1 July 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**
Proceeds from issue of share capital	19	57	–	–	–	76
Exchange differences arising on translation	–	–	(12,367)	–	–	(12,367)
Retained loss for the year	–	–	–	–	(9,653)	(9,653)
Transfer between reserves	–	–	–	(1,242)	1,242	–
Share based payments	–	–	–	1,998	–	1,998
Balance at 30 June 2013	**50,293**	**730,298**	**(92,117)**	**8,511**	**(143,741)**	**553,244**

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
As no LTIPs vested in 2013 there was no transfer of shares to the EBT (2012: $2,763,000).

19 CAPITAL COMMITMENTS
Oil and gas expenditure:

Group	2013 $'000	2012 $'000
Intangible exploration assets	829	16,580
Contracted for	**829**	**16,580**

The above capital commitments represent Bowleven's share of obligations in relation to the Bomono asset in 2013 and Etinde asset in 2012.

The Company's capital commitments were nil as at 30 June 2013 (2012: nil).

20 SHARE BASED PAYMENTS
The Group operates share based payment schemes for the benefit of its employees.

Approved and Unapproved CSOP Scheme
Options granted under the Approved CSOP Scheme are exercisable three to ten years following the date of grant. 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.

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20 SHARE BASED PAYMENTS CONTINUED

Approved and Unapproved CSOP Scheme 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.

Both schemes were adopted by the Directors on 10 December 2004 and the Approved scheme was approved by the Inland Revenue with effect from 15 December 2004. Under the Approved scheme, certain employees were granted options which are exercisable between 2008 and 2023 at prices between £0.45 and £3.80. At 30 June 2013, there were 515,816 options (2012: 423,145) outstanding with a weighted average contractual life of 7.50 years (2012: 7.60 years). Under the Unapproved scheme, certain employees were granted options which are exercisable between 2007 and 2023 at prices between £0.33 and £3.80. At 30 June 2013, there were 10,217,937 options (2012: 6,214,310) outstanding with a weighted average contractual life of 8.29 years (2012: 8.06 years).

The following table details the number, weighted average exercise price (WAEP) and weighted average fair value (WAFV) of share options for the Approved and Unapproved Schemes as at the Balance Sheet date:

	Approved			Unapproved		
	Number	WAEP £	WAFV £	Number	WAEP £	WAFV £
Outstanding at 1 July 2011	**280,918**	**2.10**	**1.12**	**3,854,745**	**1.43**	**0.63**
Granted during the year	169,713	0.88	0.38	2,736,809	0.72	0.31
Exercised during the year	–	–	–	(145,917)	0.33	0.11
Lapsed during the year	(27,486)	2.18	1.28	(231,327)	1.91	0.64
Outstanding at 1 July 2012	**423,145**	**1.61**	**0.81**	**6,214,310**	**1.13**	**0.49**
Granted during the year	163,829	0.73	0.29	4,646,270	0.65	0.24
Exercised during the year	–	–	–	(121,000)	0.40	0.15
Lapsed during the year	(71,158)	1.26	0.63	(521,643)	1.31	0.58
Outstanding at 30 June 2013	**515,816**	**1.38**	**0.70**	**10,217,937**	**0.91**	**0.37**

Exercisable at 30 June 2013	**196,007**	**2,702,324**
Exercisable at 30 June 2012	142,949	3,038,638

The above were valued at grant date utilising the following inputs:

	2012 and 2013	2011 and 2012
Risk-free rate	1.5%–1.97%	1.7%–3.4%
Expected volatility	58%–88%	88%–90%
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 £0.29 (2012: £0.38). The weighted average fair value of unapproved options granted during the year was £0.24 (2012: £0.31). Settlement is in shares and the exercise price is the share price at date of grant. Expected volatility has been set as an estimate of the rate which the Company share price is expected to fluctuate during the life of the option. Estimation included consideration of movements in the historic volatility of the Company share price. 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.

Bowleven plc share options were exercised throughout the year. The weighted average share price during the year was £0.74 (2012: £1.09).

Long-Term Incentive Plan (LTIP)

The fair value of the LTIP scheme awards has been calculated using an appropriate suite of models. 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:

	2013	2012
Expected to Vest	42.5%–44.3%	44.2%
Volatility	58%–88%	88%–90%

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 fourteen (2012: fifteen) main competitors ('the comparators') over the vesting period.

The awards under the existing LTIP are shown below:

	Number	WAGP* £
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 1 July 2012	**4,452,463**	**1.01**
Granted during the year	2,962,900	0.68
Lapsed during the year	(1,845,275)	0.32
Outstanding at 30 June 2013	**5,570,088**	**1.06**

* Weighted average grant price.

As at 30 June 2013, there were 5,570,088 awards (2012: 4,452,463) outstanding with a WAGP of £1.06 (2012: £1.01) and a weighted average remaining contractual life of 1.82 years (2012: 1.56 years).

The weighted average fair value of LTIP awards granted during the year was £0.29 (2012: £0.31).

No LTIPs vested during the period (2012: 3,019,319). The weighted average share price at the date LTIPs vested during the year was nil (2012: £0.71).

21 CONTINGENT LIABILITIES

The Group has the following contingent liability:

	2013 $'000	2012 $'000
Unfulfilled PSC commitments payment	16,000	–
	16,000	**–**

The Directors are actively seeking to farm-out part of the Company's interest in the Bomono Permit. As described in the Chairman's & Chief Executive's Review there is a two well commitment under the second exploration phase of the Bomono PSC. If the Group is unable to satisfactorily demonstrate progress on meeting the Bomono PSC work programme commitments by the end of the licence term (December 2014) there is a possibility a $16 million non-completion payment may become callable by the Cameroon Authorities and the licence relinquished. The Board recognise this as a potential risk, however, consider there is still sufficient time available to secure a farm-in or source alternative funding to fulfill the required PSC commitments.

22 CONTINGENT ASSETS

There are no contingent assets in existence for the Group at 30 June 2013 (2012: nil).

23 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:

	Land and buildings	
Group	2013 $'000	2012 $'000
No later than one year	657	333
More than one year but not more than five years	955	1,336
	1,612	**1,669**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
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23 COMMITMENTS UNDER OPERATING LEASES CONTINUED

Company	Land and buildings 2013 $'000	2012 $'000
No later than one year	329	333
More than one year but not more than five years	877	1,336
	1,206	**1,669**

In 2013 and 2012, total rent paid was $353,707 and $578,719 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.

24 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 prior year.

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

Group Deposits and cash at bank:	In currency 2013 '000	In US Dollars 2013 '000	In currency 2012 '000	In US Dollars 2012 '000
GB Pound	10,928	16,676	28,095	43,842
US Dollar	7,938	7,938	98,330	98,330
Euro	1	2	1	2
Central African Franc	63,330	126	159,848	307

Company Deposits and cash at bank:	In currency 2013 '000	In US Dollars 2013 '000	In currency 2012 '000	In US Dollars 2012 '000
GB Pound	10,916	16,658	28,083	43,824
US Dollar	7,912	7,912	98,260	98,260
Euro	–	–	–	–
Central African Franc	535	2	1,454	3

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.

	Effect on (loss)/profit before tax		Effect on equity	
Change in US Dollar:GB Pound rate	2013 $m	2012 $m	2013 $m	2012 $m
+10%	(1)	(10)	–	–
-10%	1	10	–	–

(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 2013, the largest balance held with one institution was $7.8 million (2012: $16 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.

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. 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 finance their operations from cash reserves funded from share issues. As the Group moves towards development alternative sources of funding, including the strategic alliance with Petrofac, are likely to be used.

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.

Cash and cash equivalents include restricted cash of $5.5 million as detailed in note 15.

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 16.

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 currently considers equity to be the capital of the Group. As the Group moves towards development alternative sources of funding, including the strategic alliance with Petrofac, are likely to be used.

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 source debt funding.

No changes were made in the objectives, policies or processes during the year ended 30 June 2013.

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Trade and other payables	(15,568)	(8,575)	(1,672)	(1,511)
Bank deposits, cash and cash equivalents	24,742	142,481	24,572	142,087
Net funds	9,174	133,906	22,900	140,576
Equity	570,019	579,431	553,244	573,190
Equity Less Net Funds	**560,845**	**445,525**	**530,344**	**432,614**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
CONTINUED

24 FINANCIAL INSTRUMENTS CONTINUED

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 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
As at 30 June:				
Loans and Receivables:				
Trade and other receivables*	15,416	6,490	3,865	1,000
Bank deposits, cash and cash equivalents	24,742	142,481	24,572	142,087
	40,158	**148,971**	**28,437**	**143,087**
Financial Liabilities:				
Trade and other payables*	(14,438)	(6,974)	(688)	(249)
	25,720	**141,997**	**27,749**	**142,838**

* Excluding tax, prepayments and accruals.

In the current year all of the above financial assets are unimpaired. An analysis of the ageing of the trade and other receivables is provided in note 14.

25 RELATED PARTY TRANSACTIONS

The Company's principal subsidiaries are listed in note 12. The following table provides the balances which are outstanding with subsidiary undertakings at the Balance Sheet date:

	2013 $'000	2012 $'000
Amounts owed from subsidiary undertakings	3,094	353
Amounts owed to subsidiary undertakings	(17)	–
Amounts Owed from Subsidiary Undertakings	**3,077**	**353**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

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 $4.6 million (2012: $5.4 million).

Remuneration of Key Management Personnel

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

26 POST BALANCE SHEET EVENTS

(a) As described in note 1, on 13 November 2013, the Company raised, subject to settlement, equity capital of $18.7 million (gross).

(b) On 3 July 2013, the Company signed a strategic partnership with Aberdeen based First Oil, a privately owned UK E&P company. Under the arrangement First Oil acquired a 30% holding in Bowleven (Kenya) Limited, which in turn holds the Group's 50% interest (net 35% interest) in block 11B, in return for funding exploration activities.

Under this agreement First Oil have committed to fund up to $9 million of an estimated $10 million initial work programme, with a further commitment to fund up to $12.5 million of an additional contingent work programme during the second two year exploration phase.

Separately, the parties have also agreed to co-operate in investigating early entry exploration opportunities across the east-African Rift System. As part of this agreement First Oil may contribute up to $3.6 million towards Bowleven's share of funding in any resulting new investments.

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 20 December 2013 (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 2013 together with the reports of the Directors and auditor thereon.
2. To re-appoint David Clarkson, who was appointed as a Director since the last AGM, as a Director of the Company.
3. To re-elect Kevin Hart, who retires at the AGM by rotation, as a Director of the Company.
4. To re-elect Caroline Cook, 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 £10,807,378 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 £10,807,378 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 2014 or, if earlier, at the end of the next AGM of the Company to be held in 2014 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 2013 (**'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 £3,242,213, representing approximately 10%. of the issued share capital of the Company as at 19 November 2013; 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 2013

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 available on the Company's website at www.bowleven.com.

RESOLUTION 2 – RE-APPOINTMENT OF DIRECTOR

The Company's articles of association require that any director newly appointed by the Directors of the Company will retire at the first Annual General Meeting following his appointment. Accordingly, David Clarkson, who was appointed by the Board as Operations Director on 26 June 2013, retires and, being eligible, offers himself for re-appointment this year.

RESOLUTIONS 3 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. Kevin Hart and Caroline Cook 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 30 and 31 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 £19,648,556, 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 £10,807,378, representing approximately one third of the Company's issued ordinary share capital as at 19 November 2013, 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 £10,807,378, representing approximately a further one third of the Company's issued ordinary share capital as at 19 November 2013, 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 2014, 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 19 November 2013, 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 £3,242,213, representing approximately 10%. of the Company's issued ordinary share capital as at 19 November 2013, being the latest practicable date prior to publication of this document.

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.

SHAREHOLDER NOTES

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 18 December 2013.

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. (UK time) on 18 December 2013 (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 2013;
— copies of the service contracts of John Brown, David Clarkson, 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 19 November 2013 (being the latest practicable date prior to publication of this notice) the Company's issued share capital consisted of 324,221,343 ordinary shares which each carry one vote. Therefore, total voting rights in the Company as at 19 November 2013 are 324,221,343.

GLOSSARY

Adamantine	Adamantine Energy Limited, the current operator of, and holder of a 50% participating interest in block 11b
AGM	annual general meeting
AIM	the market of that name operated by the London Stock Exchange
Articles of Association	the internal rules by which a company is governed
bcf or bscf	billion standard cubic feet of gas
bcpd	barrels of condensate per day
block 11B	the production sharing contract between the Republic of Kenya, Adamantine Energy (Kenya) Limited and Bowleven Kenya Limited (an indirectly wholly owned subsidiary of the Company) dated 30 May 2012 in respect of the area of approximately 14,287km^2 onshore Kenya and designated as block 11B; or, as the context may require, the contract area to which this production sharing contract relates
Board of Directors	the Directors of the Company
boe	barrels of oil equivalent
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 2,328km^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 (LSE: BLVN) and/or its subsidiaries as appropriate
Bowleven (Kenya) Ltd	Bowleven (Kenya) Limited, a wholly owned subsidiary of the Company, incorporated in Scotland
CAMOP	Cameroon Offshore Petroleum S.A.R.L., the holder of a 25% non-operated participating interest in the Etinde Permit
CFA	Central African CFA francs
CGR	condensate gas ratio
CIIP	condensate initially in place
CLNG	Cameroon LNG, the GDF Suez S.A. and SNH strategic partnership to advance the monetisation of the substantial undeveloped gas resource within Cameroon, via an in-country gas aggregation scheme to supply a LNG facility
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
contingent resources	those quantities of hydrocarbons that are estimated to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable
CPR	competent persons' report
CSOP	company share option plan
CSR	corporate social responsibility
EA	Exploitation Authorisation
E&A	exploration and appraisal
EBT	employee benefit trust
EEAA	Etinde Exploitation Authorisation Application
ERP	emergency response plan
ESIA	environmental and social impact assessment
Etinde Permit	the production sharing contract between the Republic of Cameroon and EurOil Limited (an indirectly wholly owned subsidiary of the Company) dated 22 December 2008 in respect of the area of approximately 2,316km^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
FEED	front end engineering and design
Ferrostaal	Ferrostaal GmbH, a global provider of industrial services in plant construction and engineering services, headquartered in Essen, Germany
FID	final investment decision
First Oil	First Oil plc, a private UK independent exploration and production company based in Aberdeen
FTG	full tensor gravity gradiometry
G&A	general and administration
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
GTE	gas to electricity
HIIP	hydrocarbons initially in place
HSSE	health, safety, security and environment
HWC	hydrocarbon water contact
H1	first half

H2	second half
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
km	kilometres
km^2	square kilometres
KPI	key performance indicator
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LTIP	long term incentive plan
m	million
MD	measured depth
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
mmbbls	million barrels
mmboe	million barrels of oil equivalent
mmscfd	million standard cubic feet of gas per day
mscf	thousand standard cubic feet of gas
NGLs	natural gas liquids, being liquid hydrocarbon found in association with natural gas
ordinary shares	ordinary shares of 10p each in the capital of the Company
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
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
Q4	fourth quarter
scf	standard cubic feet
SNH	Société Nationale des Hydrocarbures, the national oil and gas company of Cameroon
Stage I Development	the initial development of the Etinde Permit to be contained in the corresponding field development plan agreed at FID, currently envisaged to be the offshore development of the IE/ID and IM fields in block MLHP-7 and including export line to shore, onshore processing facilities and NGLs plant.
strategic alliance	means the proposed strategic alliance between the Company and Petrofac in respect of the Stage 1 Development on the terms set out in the Strategic Alliance Agreement
Strategic Alliance Agreement	the agreement of that name dated 6 November 2012 between Bowleven and Petrofac
TD	total depth
TRACS	TRACS International Consultancy Limited
TSR	total shareholder return
WAEP	weighted average exercise price
WAFV	weighted average fair value
WAGP	weighted average grant price
WGIIP	wet gas initially in place
2D	two dimensional
3D	three dimensional
4C OBC	four component ocean bottom cable
£	Great Britain Pounds Sterling
$	United States of America Dollars

Notes:
Prospective resources, contingent resources and reserves shall have the meanings given to them by the guidance on petroleum resources classification contained in the 2007 SPE Petroleum Management System published jointly by the Society of Petroleum Engineers, The American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers.

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

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