

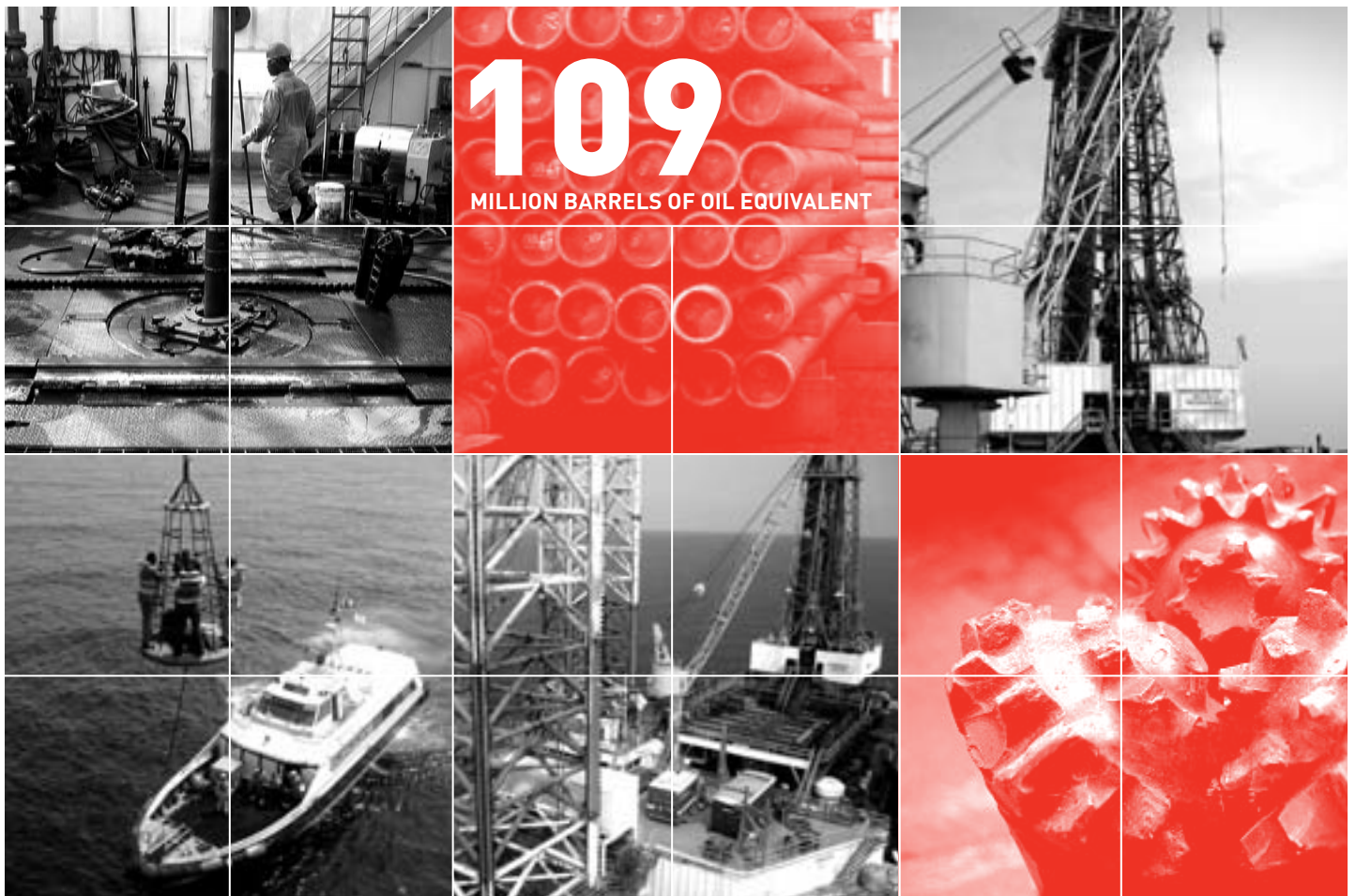


BOWLEVEN PLC
OIL & GAS COMPANY



BASED IN EDINBURGH, BOWLEVEN OWNS A NUMBER OF VALUABLE ASSETS IN CAMEROON, ONE OF THE MOST ATTRACTIVE OIL AND GAS EXPLORATION REGIONS IN WEST AFRICA.

BOWLEVEN CONTROLS, VIA ITS WHOLLY-OWNED OPERATING SUBSIDIARY EUROIL LIMITED, THREE SHALLOW-WATER OFFSHORE BLOCKS IN THE ETINDE PERMIT AREA OF CAMEROON, WITH PROVED AND PROBABLE (P50) RECOVERABLE RESERVES (INDEPENDENTLY ASSESSED) OF 33.7 MILLION BARRELS OF OIL EQUIVALENT ("MMBOE") PLUS P50 CONTINGENT RESOURCES, OF 75.3 MMBOE: I.E. A TOTAL OF 109 MMBOE OF RECOVERABLE HYDROCARBON VOLUMES. AS WELL AS P50 HYDROCARBON RESERVES AND CONTINGENT RESOURCES, THE 2,314 SQUARE KM ACREAGE, WITHIN WHICH 11 WELLS HAVE BEEN DRILLED, HAS VERY ATTRACTIVE EXPLORATION POTENTIAL. THE COMPANY HAS OPERATED IN CAMEROON SINCE 1999. BOWLEVEN WAS ADMITTED TO AIM IN DECEMBER 2004.



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OUR MAIN ACHIEVEMENTS SINCE THE LAST ANNUAL REPORT

- ACQUIRED 813 SQUARE KM OF 3D SEISMIC DATA OVER BLOCKS MLHP-5 AND 6.
- SECURED A RIG FOR A FOUR-WELL DRILLING PROGRAMME IN EARLY 2007.
- PROGRESSED COMMERCIALISATION OF EXISTING AND POTENTIAL RESOURCES THROUGH GTE.
- AGREED STRATEGIC ALLIANCE WITH SUNTERA.
- STRENGTHENED BOARD COMPOSITION AND MANAGEMENT TEAM.
- COMPLETED A SIGNIFICANT EQUITY FUND-RAISING IN OCTOBER 2005.

OUR OBJECTIVES FOR 2007

- PROCESS AND INTERPRET 3D SEISMIC OVER BLOCKS MLHP-5 AND 6.
- DRILL UP TO FOUR EXPLORATION AND APPRAISAL WELLS.
- CONTINUE TO CONSIDER OUR NEEDS AND OPPORTUNITIES FOR TIMING ON FARM-OUT.
- PROGRESS THE GTE BUSINESS TO A FIRM INVESTMENT DECISION.
- AUGMENT OUR EXISTING ASSET BASE THROUGH SELECTIVE ACQUISITIONS.



PROGRESS ON ALL OBJECTIVES AND THE STRENGTHENING OF THE BOARD AND THE MANAGEMENT TEAM



Following the disappointing drilling results of 2005, the Company has concentrated on its stated plans and objectives at the time of listing its shares on the AIM market, which are to:

- implement a Gas to Electricity ("GTE") business plan for block MLHP-7, to produce gas/condensate reserves, with the support of the Cameroon authorities;
- establish a plan to monetise additional existing recoverable hydrocarbon reserves and contingent resources within block MLHP-7;
- acquire and interpret 3D seismic over blocks MLHP-5 and 6, and identify attractive drilling prospects;
- secure one or more industry joint venture partners;
- assess the additional exploration potential of the Etinde Permit;
- prepare to drill four wells in early 2007;
- strengthen the Board composition and management team.

Progress has been made on all fronts.

Our 100% owned subsidiary, EurOil Limited ("EurOil"), is actively engaged with the Cameroon authorities in negotiating a production-sharing contract ("PSC") for block MLHP-7, as a prelude to development of its recoverable hydrocarbon reserves.

EurOil is also actively engaged in discussions with Société Nationale des Hydrocarbures ("SNH") and other operators on the subject of establishing a Cameroon national gas-gathering system, with a hub at Limbe, which is onshore at block MLHP-7.

The acquisition and processing of 3D seismic over blocks MLHP-5 and 6 has been completed, and interpretation of the data is at an advanced stage. Several leads and plays have been identified and drilling prospects are being worked up.

Early in 2006, we conducted a preliminary exercise to farm out some of our equity in blocks MLHP-5 and 6. Although there was significant industry interest, we decided, for a variety of reasons, not to farm out at that time. We continue to evaluate our farm-out needs and opportunities.

A rig has been secured for a four-well drilling programme in early 2007, and drilling locations are currently being finalised.

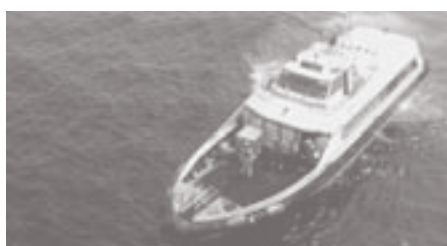
More details on our progress to date are included in the Chief Operating Officer's report on page 08.

BOARD CHANGES

The Board has been strengthened by the appointment of our new CEO, Kevin Hart, the former Finance Director of Cairn Energy PLC, who joins the Company with effect from 17 November. This is a key appointment for Bowleven and I am certain that Kevin's professional and entrepreneurial skills, plus his determination to succeed, will drive the Group forward towards the attainment of significant shareholder value. Kevin's strategic vision for the future is set out on page 06.

Terry Heneaghan, E

Chairman



EXPLORATION

COMPLETED ACQUISITION OF 3D SEISMIC

OUR BUSINESS PLANS ARE BACK ON TRACK

In addition, I am pleased to announce that a new Non-Executive Chairman has been selected to succeed me immediately after our AGM on 6 December 2006. Your new Chairman will be Ronnie Hanna, a man with a proven management track record in various fields and considerable main Board experience. Most recently, until 2003, Ronnie was for 11 years the Chief Executive of the successful house-building firm, Bett Brothers plc. He is currently a Non-Executive Director of several companies, including two investment trusts, and has considerable experience in dealing with the City. This is another excellent appointment for BowLeven and I have no doubt that Ronnie's broad experience will prove to be of great value to the Company.

Also, Caroline Cook, formerly Managing Director and Co-Head of Equity Research (Oil and Gas) for Deutsche Bank, will join the Board of BowLeven immediately after the AGM as a Non-Executive Director.

More information on the career histories of these new Board members can be found on page 14.

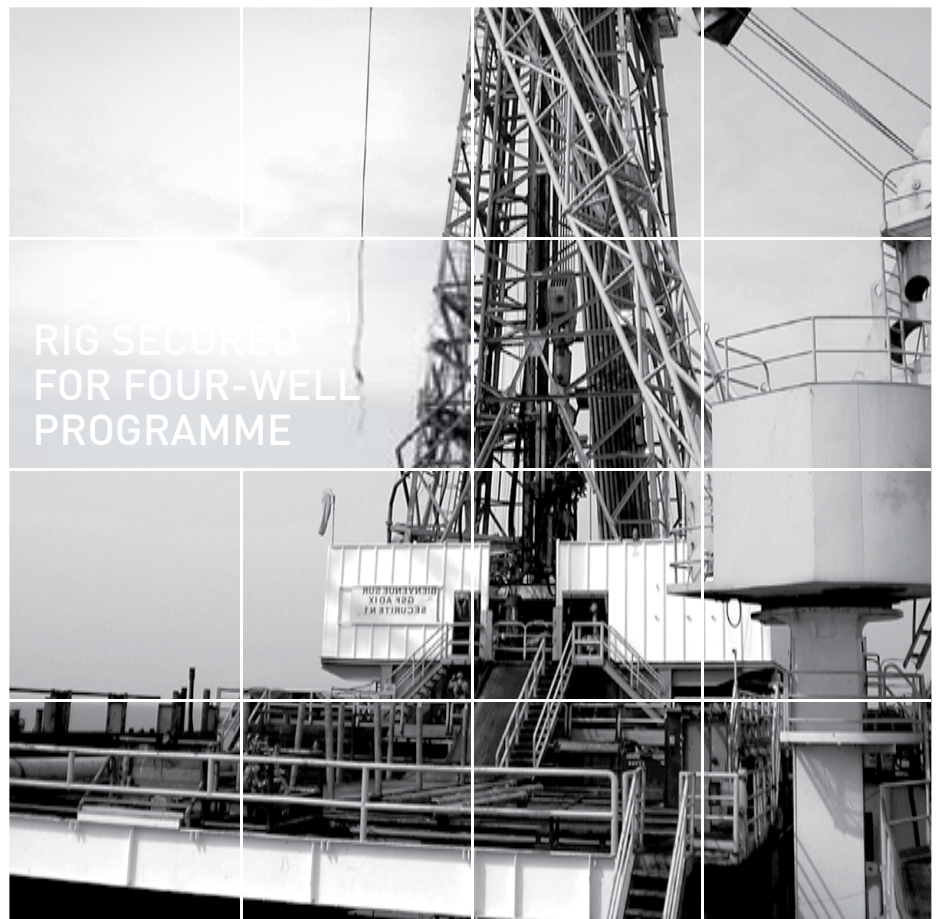
I have been a founder of BowLeven, and its Executive Chairman, since March 1998. I had always intended to give up full-time executive life once I had reached the age of 60 and the time has now come for me to step down as Executive Chairman immediately after the AGM.

Dr. A. Easton Wren has also been with BowLeven since 1998. His contribution to the Company is most highly regarded, and it is with some regret to the Directors that he has decided to retire, at the age of 68, immediately after the AGM.

I welcome the new Board members and am very pleased to leave such a strong and able team to run the Company. This Board of Directors, which will determine the future direction of the Company, is backed by a solid management team with the talent and experience to build a very successful oil and gas business.

In the interest of best corporate practice, it is the Board's firm intention to have a majority of Non-Executives on the Board. It is planned that the Board will reduce to a more manageable size of around eight members in the foreseeable future, comprising three Executive Directors and five Non-Executive Directors. Two other Non-Executive Directors are being actively sought to add experience to the Board. It is expected that future announcements of new Board appointments will be made in the near future.

All aspects of Corporate Governance will be the responsibility of this Board.



THE GROUP MANAGEMENT BOARD WILL FOCUS ON GENERATING VALUE FROM THE EXISTING ASSET BASE AND FROM NEW OPPORTUNITIES FOR CORPORATE GROWTH

GROUP MANAGEMENT BOARD

The former Executive Committee of the Company is disbanded. A Group board of management which will manage the day-to-day aspects of the business is now established. This Group Management Board, which comprises all the Executive Directors of the Company, will focus on generating value from the existing asset base and from new opportunities for corporate growth.

The Group Management Board is made up of:

Chief Executive Officer:	Kevin Hart*
Exploration Director:	Jerry Anthony
Finance Director:	John Brown
Chief Operating Officer:	John Morrow
Chairman of EurOil:	Chief Tabetando
Commercial Director:	Peter Wilson**

* Kevin Hart will chair the Group Management Board.

** Peter Wilson also fulfils the roles of General Counsel and Company Secretary to the main Board.

This board of management will follow all of the procedures and disciplines that have been established by the Board.

The Group Management Board is the executive engine of the Company. It will advise the Board on policy matters and implement declared policies as determined from time to time. Apart from managing day-to-day business matters, the future direction of the business will be substantially determined by the recommendations of the Group Management Board.

This is a strong and capable management team and I have every confidence in its ability to move the Company forward with success. I am also very pleased to announce that Mr. Ed Willett, a senior explorationist at Cairn Energy PLC, has agreed to join BowLeven in the New Year as Deputy Exploration Director. Ed is a proven finder of hydrocarbons and we are confident that he will be a valuable member of the team.

LONG-TERM INCENTIVE PLAN ("LTIP") AND SHARE OPTION SCHEME

A LTIP has been designed to incentivise the Executive team. Details of the scheme are set out in a separate circular, which is intended to be posted to shareholders shortly for their consideration at an EGM, to be held on 6 December 2006, immediately prior to our AGM.

Currently, only Executive Directors are being offered LTIPs under this scheme; the previously approved share option scheme remains in place for all other employees.

NOMINATED ADVISER AND BROKER

With effect from 2 November 2006, the broker to BowLeven is Hoare Govett Limited (a subsidiary of the ABN-AMRO Group) and, with effect from 6 December 2006, the position of Nominated Adviser to the Company will also change to Hoare Govett.



STRATEGIC
ALLIANCE WITH
SUNTERA AGREED

EXPLORATION POTENTIAL REMAINS EXCITING

Whilst I am pleased to announce the appointment of Hoare Govett, it is with some sadness that we are changing the advisory and broking relationship. Noble & Company ("Noble") were appointed financial advisers to BowLeven in 1998 and, despite several difficult years, when they were not being fully rewarded for their efforts, they persevered with BowLeven and sponsored the Company to list its shares on the AIM market in December 2004.

Noble's broking arm also raised in excess of £87 million of new funds for the Company in 2004/05, and shareholders should be very grateful for the loyalty, commitment and dedication that Noble gave to the Company over the past several years.

STRATEGIC ALLIANCE, SUNTERA

On 3 July 2006, Suntera Resources Limited ("Suntera"), a joint venture owned 50% by Sun Energy Limited and 50% by Itera Oil & Gas LLC, acquired a 13% interest in the Company, through a placing of 4,438,000 new Ordinary Shares at approximately 245 pence each, for a cost of £10.9 million. This investment by Suntera is the basis of an important strategic alliance for BowLeven. Suntera, which has considerable experience in monetising gas assets, has built up a strong knowledge base and solid relationships in West Africa, and aims to help the BowLeven Group to secure new opportunities in the region. The strategic alliance with Suntera can help BowLeven to deliver its longer-term strategic objectives.

FINANCIAL RESULTS

The Group reported a loss of £1.7 million for the 12 months ended 30 June 2006. The main contributor to the loss was administrative expenses, as the Group expanded operations to properly carry out its work programme and exploit the potential of the Etinde Permit.

The Company, which had £42.5 million of cash at bank at year end, as further supplemented by the £10.9 million share placing to Suntera, has the financial resources to fulfil its 2007 capital investment plans and drilling programme.

Some £5 million has been spent since 30 June, on 3D seismic acquisition, processing and interpretation, which should prove to be a significant asset to the Group.

RESERVES & CONTINGENT RESOURCES

In accordance with the London Stock Exchange's recently published AIM guidelines for resources companies, BowLeven summarises, from the Competent Person's Report, its recoverable hydrocarbon reserves and contingent resources on page 10.

These figures, which were independently assessed by Scott Pickford, are expanded upon in more detail in the Chief Operating Officer's Statement.

OUTLOOK

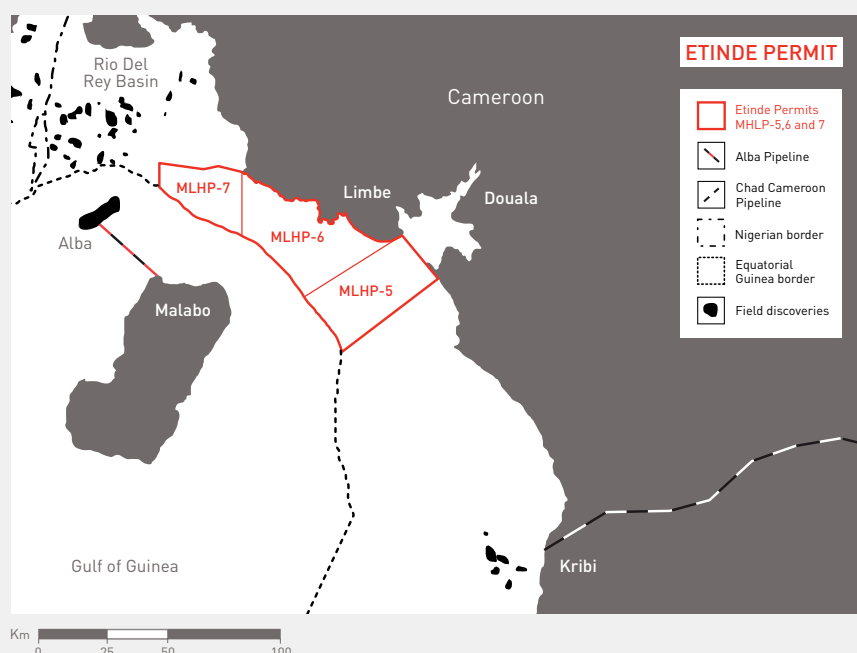
Despite the drilling of two unsuccessful wells in 2005, the stated hydrocarbon asset base of the Group has not materially changed since the listing of BowLeven's shares on AIM two years ago. The potential to exploit these recoverable reserves and contingent resources remains intact, and I am confident that the management team will do so.

The exploration potential of the Etinde Permit remains; blocks MLHP-5 and 6 have the potential for discovery of substantial hydrocarbon reserves and resources, with consequent benefits for shareholder value.

The Board and management team have been strengthened and this team has the undoubted potential to drive the Company forward to success.

Terry Heneaghan
Executive Chairman
2 November 2006

ASSETS



FIRST, MAY I EXPRESS A WARM WELCOME TO ALL OF BOWLEVEN'S EXISTING SHAREHOLDERS AND STAKEHOLDERS. GOING FORWARD, I SINCERELY HOPE THAT BOTH YOUR AND MY EXPERIENCE OF BEING ASSOCIATED WITH THE COMPANY WILL BE A PLEASURABLE AND REWARDING ONE

Since announcing my departure from Cairn Energy PLC, I have been asked frequently why I would give up my role in arguably one of the most successful oil and gas businesses of recent times to join BowLeven.

While my friends and colleagues have suggested a multitude of answers to this question, the simple truth is that I thrive on challenges and love the oil and gas industry. More importantly, however, I genuinely believe that BowLeven represents an excellent platform from which to build a successful value-adding E&P business.

DO YOU ADD SHAREHOLDER VALUE?

During the 16 years in which I have been involved in advising and working directly in the upstream sector, I have seen many E&P businesses succeed and fail. Based on my own experiences and observations, and the valuable insights and advice I have received from others, I have developed a strongly-held set of views on the positioning of E&P companies to maximise their chance of success and creation of shareholder value. These are namely:

- having an asset base with the potential for material exploration success, augmented with opportunistic niche acquisitions;
- creating the environment for a competitive advantage to exist through the focused active management of political, commercial and technical risk;
- fostering strong external partnerships and excellent relationships with host nations, based always on mutual respect;
- keeping control of your destiny by acting as exploration operator;
- dealing from a robust financial position;
- building a world-class team: everyone needs luck but, ultimately, the difference between success and failure is down to your people, their ability and their desire to "make things happen".

VALUE CREATION THROUGH FOCUSED EXPLORATION AND NICHE ACQUISITIONS

With the more than capable existing management team at BowLeven, I hope to apply to the business these beliefs and the lessons I have learned. To this end, the Company will have a simple but challenging objective of providing material capital value growth. The strategy to achieve this end will be a focus on exploration-led, organic growth in West Africa, and more particularly, in the Gulf of Guinea.

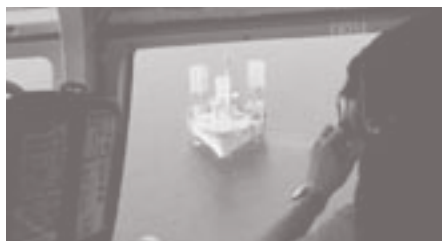
In the near term, it is also an objective to augment the existing asset base through further license application and selective niche acquisitions in the region. One goal in particular is the acquisition of production to underpin the value of the Company and provide cash flow to support the future exploration activity.

Our technical team is currently in the process of interpreting a significant volume of 3D seismic data on blocks MLHP-5, 6 and 7, where we hold 100% of the equity. Subject to the evaluation of this data, it is currently the intention to drill four appraisal/exploration wells during the first half of 2007.

FOCUS ON ORGANIC GROWTH AND SELECTIVE ACQUISITIONS



Kevin Hart, Chief Executive Officer

**FINANCE****SIGNIFICANT EQUITY
FUNDRAISING
COMPLETED**

The decision to farm out or to go forward with 100% will ultimately be a judgement based on the risk versus reward proposition that presents itself. The key, as always, is to ensure we have the right information and the right people empowered to make the decisions when the time comes.

WARM WELCOMES AND FOND FAREWELLS

A key first step forward has been the identification and recruitment of new, high-calibre Non-Executive Board members. In this regard, I'm delighted that Ronnie Hanna will be joining the Board as Chairman (Non-Executive) and that Caroline Cook will also be joining us as an independent Non-Executive Director. I'm sure that they will individually and collectively provide a significant contribution to the business going forward, and, as a team, will significantly enhance our chance of success.

I would also like to take this opportunity to welcome Ed Willet, who will shortly be joining the BowLeven team as Deputy Exploration Director. Ed previously worked at Cairn Energy PLC, where he was Head of Exploration for Bangladesh and Nepal, and was in charge of new ventures.

Finally, I want to register my heartfelt thanks to Terry Heneaghan, who will step down as Executive Chairman at the AGM. He has gone out of his way to make me feel welcome at BowLeven and deserves great credit for securing the position that BowLeven has today.

OUTLOOK

To succeed in any industry, you need to create a real business edge. This is especially true of the oil and gas industry, which is a highly competitive environment, and where the road to success is rarely smooth.

Against this backdrop, and whilst there are certainly no guarantees, I believe that the management team and asset base at BowLeven gives us a real chance of success in our quest to add shareholder value.

Kevin Hart

Chief Executive Officer Designate
2 November 2006



A YEAR OF SIGNIFICANT PROGRESS IN BOWLEVEN'S EFFORT TO COMMERCIALISE ITS CAMEROON ASSETS



John Morrow, Chief Operating Officer

Over the past year, the Company has pressed ahead with its exploration of the Etinde Permit, offshore Cameroon, and has also made good progress in its plans to commercialise the existing reserves. A farm-out exercise was conducted during the spring of 2006 and, although this attracted significant interest, it was decided not to farm out any equity at that time. The Company has also been pursuing opportunities to acquire additional acreage both in Cameroon and in other Gulf of Guinea and Western African countries.

The management team has been strengthened with the addition of Geology and Geophysics, Drilling, and Project managers. The Company has succeeded in attracting high-calibre individuals into these positions and this will provide an excellent foundation for exploration success and project delivery in the coming year.

Following the indifferent results of the 2005 drilling campaign, the Company has spent the past 12 months focusing on its plan to appraise and develop the reserves in block MLHP-7 and

to explore the so far untested blocks MLHP-5 and 6. Through its subsidiary EurOil, an indigenous Cameroonian company, BowLeven is well placed to move ahead with exploitation of its existing acreage and to look for further opportunities within Cameroon. The Company is currently targeting to secure additional acreage in Cameroon.

OPERATIONS REVIEW

Over the past 12 months, the Company has:

- drilled two exploration wells in the 2005 drilling campaign in block MLHP-7;
- acquired a marine 3D seismic survey of 436 Square km in blocks MLHP-5 and 6
- acquired a further 377 Square km of; 3D seismic in the transition zone of blocks MLHP-5 and 6;
- completed a feasibility study for the development of block MLHP-7 reserves;
- opened negotiations with AES-Sonel, the power generation company in Cameroon, on the sale of gas to the Limbe power station;
- opened discussions with the SNH, the Cameroonian State National Oil Company, on the conversion of block MLHP-7 from an exploration to an exploitation permit;
- contracted the Adriatic VI drilling rig from GlobalSantaFe (GSF) to drill four wells in the Etinde acreage, commencing in late December 2006;
- studied and progressed a number of new acreage opportunities in Cameroon; and
- investigated a number of acreage opportunities in other Gulf of Guinea countries and in other parts of West Africa.

OUR FOCUS

BUILDING SHAREHOLDER
VALUE THROUGH THE
FURTHER EXPLORATION
OF ETINDE, THE
COMMERCIALISATION
OF BLOCK MLHP-7
AND THE PURSUIT OF
COMPANY ENHANCING
ACQUISITIONS

ZERO LTIs IN THE LAST 12 MONTHS,
WITH 2 WELLS DRILLED
AND 813 SQUARE KM OF
SEISMIC ACQUIRED, OF
WHICH NEARLY HALF
WAS TRANSITION ZONE

HEALTH SAFETY AND ENVIRONMENTAL

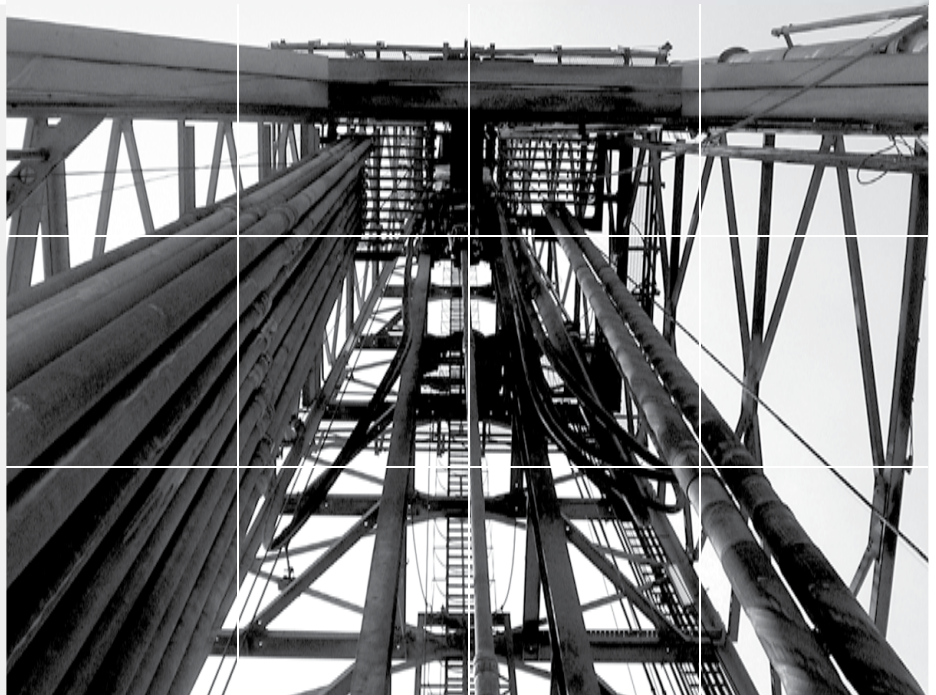
BowLeven takes its responsibilities for protecting the environment, for protecting the health and safety of its employees, contractors and the general public, and for protecting property very seriously. In the past 12 months the Company has had no lost time severity injurious incidents ("LTIs"); four months of this time has been spent in acquiring Transition Zone (TZ) 3D seismic with a work force of over 70 and a further four months spent drilling two wells. All incidents are avoidable and the Company will continue to plan all its operations in such a way as to make safety the priority. In preparation for the TZ seismic activity the Company conducted an Environmental Impact Assessment ("EIA") survey which was submitted to the Government. The Company also

THE CO-OPERATION BETWEEN THE CAMEROON GOVERNMENTAL AUTHORITIES AND THE COMPANY IN THE PLANNING OF OUR ACTIVITIES THIS YEAR HAS BEEN EXCEPTIONAL

undertook a campaign to familiarise those in nearby fishing villages and harbour towns with the planned operations. This included combined visits with Government and representatives of national agencies to all the villages on the perimeter of the TZ. The Company has also commenced an EIA in preparation for the upcoming drilling campaign in block MLHP-5.

EXPLORATION

The exploration drilling campaign in the latter part of 2005 tested two prospects in block MLHP-7 – Manyikebi and Bachuo, utilising the GSF rig Adriatic IX. The Manyikebi-1 well targeted an oil play at the Biafra level and was drilled in time for the preliminary results to be included in last year's Annual Report. Post-drilling analysis shows that the well resulted in a modest gas discovery of some 56 bcf. No oil was found and the well was abandoned. The rig then moved onto spud the Bachuo-1 well, which was drilled to test a large channel feature in the south of block MLHP-7, that was hoped to contain gas and condensate. The well, which was drilled to 10,353 ft, encountered a series of stacked channel sediments very much as predicted, with some gas evident within sandier units. However, these channels contained a significant amount of volcano-clastics and although porosities were in the order of 15% to 24%, permeability was inhibited and gas saturations were low. The most prospective zone was production-tested but flowed water at a low rate. As volcano-clastic reservoirs are unusual and therefore log data difficult to interpret, the well was suspended pending a full post-well analysis of all available data. As the well-head was secured below the sea bed there is no need to return to the well for abandonment and thus no further liability.



In the first half of 2006, the Company undertook two 3D seismic campaigns in blocks MLHP-5 and 6. The Company first acquired 436 Square km of 3D in a marine survey using WesternGeco's vessel, Gilivar. The Company then went on to acquire a further 377 Square km of 3D seismic in the transition zone on the inshore side of the blocks. This survey was undertaken by Veritas and was completed at the end of July. There is now a total of 1,019 Square km of 3D seismic available over blocks MLHP-5 and 6, with 206 Square km shot as a marine survey in 2005. Data quality is good. The two marine surveys have now been processed and are being interpreted. It is expected that the fast-track processing of the transition zone will be available for interpretation by the middle of February next year.

Early in 2006, the Company ran a farm-out exercise for blocks MLHP-5 and 6. The amount of interest shown by the industry was encouraging, with 11 companies taking the data. However, as interpretation of the 3D surveys was not yet available, it was decided to suspend the farm-out until initial interpretation of the seismic data was complete. A decision will be taken at a later date on whether to continue with the farm-out process. Four companies, all currently active in the Gulf of Guinea, remain interested in potentially farming-in to block MLHP-5 and 6, with most seeking increased equity to that originally on offer.

**DEVELOPMENT**

GAS INFRASTRUCTURE IS DEVELOPING QUICKLY IN THE GULF OF GUINEA – BOWLEVEN IS WELL POSITIONED TO TAKE FULL ADVANTAGE OF THE RESULTING OPPORTUNITIES

DEVELOPMENT

A full sub-surface review of block MLHP-7 has been undertaken this year by PGL, which has incorporated all 11 wells drilled to date and the 3D seismic survey shot in early 2005. A subsequent resource audit and CPR undertaken by Scott Pickford confirms 2P Hydrocarbon Resources of 530 bscf of gas and 20.7 million barrels of condensate, all in block MLHP-7. When compared to the resource levels at admission to AIM, these numbers show a small increase in gas volumes of 83 bscf, principally due to the Manyikebi discovery (56 bscf) and an increase in Isongo Marine gas (20 bscf); and a reduction in condensate of 23.3 million barrels, principally due to a reduced expectation of condensate recovery from the Upper Isongo reservoir in the Isongo Marine field (5.6 million barrels), a reduction of condensate in place in the Middle Isongo reservoir (resulting in a recoverable reserves reduction of 8 million barrels) and a reduction in the expectation of recovery in the Isongo "E" field of 9.3 million barrels. Other small variations make up the remainder of the differences between the reserves declared on admission to AIM and the 2006 update.

In accordance with the London Stock Exchange's recently published AIM guidelines for resources companies, BowLeven summarises below its Recoverable Hydrocarbon Volumes as extracted from the Scott Pickford Competent Person's Report as at 26 October 2006.

**RECOVERABLE HYDROCARBON VOLUMES –
ETINDE PERMIT**

	P90	P50	P10
Gas (Bcf)	419	530	659
Condensate (MMbbls)	15.3	20.7	24.3
Total (mmboe)	85.1	109.0	134.1

During the year, the Company has made good progress with its plans to commercialise the block MLHP-7 reserves. A feasibility study has been carried out by Genesis on the development of block MLHP-7 gas either into a dedicated GTE project or into a national gas gathering scheme prior to export. In addition, a study of the Cameroon electricity market has been undertaken by IPA. Based on the results of these studies, discussions were opened with AES-Sonel, the owner and operator of the Limbe Heavy Fuel Oil power plant and a prospective buyer of block MLHP-7 gas.

The Company has also now discussed the application for an Exploitation Licence with SNH, the Cameroon National Oil Company. It is proposed to apply for an Exploitation Licence for block MLHP-7 and to retain blocks MLHP-5 and 6 in the current Etinde Exploration license. A Field Development Plan is now being developed in support of the Exploitation License application. This plan will set out the subsurface development plan, details of the surface facilities, pipelines and gas plant, and will provide estimates of project costs, schedule and economics. It is currently proposed to drill two appraisal/development wells in the Isongo Marine field in early 2007. If these wells are successful, the Company will push forward with commercialisation activities in order to allow development of the field with the objective of producing first sales gas in 2009.

NEW OPPORTUNITIES

The Company has continued to pursue further opportunities to acquire acreage within Cameroon, in other Gulf of Guinea countries and in Western Africa. These activities are ongoing and it is hoped to secure further acreage in Cameroon soon.

WORK PROGRAMME FOR 2007

The Company has a full work programme planned for 2007. The GlobalSantaFe rig Adriatic VI is due to commence a contract to drill four wells at the end of 2006. Preparations are well advanced for this drilling campaign, with all materials and services contracted.

It is planned that the four wells will consist of two appraisal/development wells on the Isongo Marine field in support of gas commercialisation and two exploration wells in blocks MLHP-5 and 6. The Isongo Marine field wells if successful will be suspended, with at least one well production tested, for later completion as a development well.

Depending on the results of the Isongo Marine field appraisal, commercialisation activities for the GTE project will continue, with the target for finalisation of a gas sales agreement at the end of the first quarter and project approval planned for mid-year. Financial closure for the project is expected at the end of the third quarter 2007.

OUTLOOK

Activities over the last year have been focused on the commercialisation of block MLHP-7 reserves and on preparations for the drilling of exploration wells in blocks MLHP-5 and 6. With the Adriatic VI due on contract for a four-well campaign shortly, the Company is well placed to move forward to the next phase of the development programme for blocks MLHP-7 and will be able to take full advantage of the recent 3D seismic surveys acquired over blocks MLHP-5 and 6.

Following the fund-raising in October 2005, and the issue of shares to Suntera in July 2006, which raised a further net £10.7 million, the Company has adequate funds in place to complete the full 2007 Work Programme, including the block MLHP-7 commercialisation activities.

My team and I look forward with enthusiasm to the coming year.

John Morrow
Chief Operating Officer
2 November 2006

I AM PLEASED TO REPORT THAT THE FINANCIAL OUTLOOK IS POSITIVE. THE GROUP CONTINUES TO BE IN A HEALTHY POSITION TO DEVELOP ITS BUSINESS AND HAS THE FINANCIAL RESOURCES TO MEET ITS WORK PROGRAMME FOR THE REMAINDER OF 2006 AND 2007



John Brown, Finance Director

RESULTS

The Group recorded a loss of £1.7 million for the year ended 30 June 2006, compared to a loss of £2.1 million for the previous financial year. As was expected, there was an increase in administrative expenses during the year by £2.0 million to £3.4 million, reflecting the expansion in the scale of the Group's operations to properly carry out the work programme to exploit the potential of the Etinde Permit.

The greater cash balances held by the Group resulted in an increase in interest receivable during the year of £1.2 million to £1.7 million.

Loss per share was £0.06 compared to £0.13 for the previous year.

FLOW AND CAPITAL EXPENDITURE

There was a Group cash outflow from operating activities (cash operating loss, adjusted for movements in current assets and liabilities) of £3.4 million for the year against a cash outflow of £2.9 million for the 2004/2005 year.

Returns on investment totalled £1.7 million in the year to 30 June 2006.

In the year under review, £29.4 million of cash flow was invested in capital expenditure in the Etinde Permit (£5.7 million for the comparative period). The principal components of this were the drilling of two exploration wells on block MLHP-7 (approximately \$28 million) and the spend to date on the acquisition of 3D seismic over parts of blocks MLHP-5 and 6 (approximately £12 million).

BowLeven is currently financed entirely from shareholders' equity. The most significant financing activity in the year was the issue of equity share capital for £53.1 million (net of expenses).

The above elements resulted in a net increase in cash balances of £21.9 million.

BALANCE SHEET AND FINANCING

The balance sheet was considerably strengthened by the net £53.1 million of equity finance received during the year. Shareholders' funds had increased by £51.4 million to £84.0 million as at 30 June 2006.

The Group is well funded for its forthcoming drilling programme in the first half of 2007, being debt-free and having cash resources of approximately £42.5 million as at 30 June 2006.

On 3 July 2006, the Company raised an additional £10.7 million net of expenses by the issue of 4,438 million new Ordinary Shares. The capital raised will provide the Group with additional funds and the financial flexibility to enhance the development of its business.

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and liquid resources, and various items, such as trade creditors, which arise directly from its operations. It is, and has been throughout the year under review, the Group's policy that there is no trading in financial instruments.

The main risks currently coming from the Group's financial instruments are: foreign currency risk, interest risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks, and monitors them on a regular basis.

The only hedges entered into during the year under review were currency forward contracts to manage the impact of fluctuations in the payments that have to be transacted in US Dollars.

John Brown
Finance Director
2 November 2006

FINANCIAL SUMMARY

	Year ended 30 June	
	2006	2005
	£000's	£000's
Operating loss	3,429	1,373
Retained loss	1,744	2,132
Cash outflow from operating activities	3,411	2,905
Net cash	42,453	20,518
Net assets	84,029	32,679



Terry Heneaghan

Executive Chairman of BowLeven

Aged 60, has had over 30 years of experience in the oil and gas business. He spent three years with British Gas, seven years with the Elf Aquitaine Group in various finance and general management positions, and, most recently, he was CEO of Pittencrieff plc for approximately 10 years until 1997. He has an honours degree in Physics and an MBA degree. He is a founder of the Company and its Chairman.



John Morrow

Chief Operating Officer

Aged 52, he was previously employed by the BG Group as Project Director (Middle East), responsible for developing their LNG project in Iran. He was previously responsible for BG's technical effort in the Mediterranean Basin and its Africa assets, and was also Venture Director for the Karachaganak project in Kazakhstan. Prior to his 10 years with BG, he was with Royal Dutch Shell for 15 years in a variety of operational and commercial roles in the UK, Malaysia and the Netherlands.



Chief Tabetando

Chairman of EurOil

Aged 58, a Cameroon citizen, he is a qualified lawyer with a degree in law from the University of London. He has been a senior attorney with a prominent law firm in Cameroon since 1975. He is also a legal adviser and Director of Fakoship Company Limited, a shipping and marine services company, and one of the largest cement importers in Cameroon. He is a founder of the Company and of EurOil.



John Brown

Finance Director

Aged 42, he was previously the Group Finance Director for Thistle Mining Inc., the Canadian gold-mining company. He was a Director of British Linen Advisers for four years before joining Thistle Mining. Prior to this he was Finance Director for Paladin Resources, the UK independent oil and gas exploration and production company. He is a fully qualified Scottish Chartered Accountant.



Jerry Anthony

Exploration Director

Aged 51, he qualified as a geologist in 1976, and has approximately 30 years' experience in the international exploration and production arena, primarily with Chevron Corporation, where he gained experience in a number of African countries, including Sudan and Angola as well as Yemen and Kazakhstan, and was Africa New Ventures Manager with Chevron Overseas Petroleum Inc. In 2002 he joined Sasol Petroleum International Ltd in London as General Manager for the Gulf of Guinea and New Ventures, a role which included responsibility for establishing upstream positions for their Gas to Liquids business.



Peter Wilson

Commercial Director

Aged 43, he has been advising BowLeven on general corporate and contractual issues for a number of years and has considerable experience of oil and gas commercial matters. He joined from McClure Naismith, the Company's solicitors, where he was a corporate partner. His role there involved advising on a wide spectrum of corporate and commercial matters, including acquisitions and disposals, the raising of capital and the structure and form of joint ventures.



Dr. A. Easton Wren

Non-Executive Director

Aged 68, a British and Canadian citizen, he is recognised internationally as an innovative geophysicist. He is an independent consultant and visiting professor to the University of Calgary, Canada, and currently lectures at US and Canadian universities on state-of-the-art seismic methods. His professional experience includes positions with Ray Geophysical Company in Libya, the United Nations in Uganda, Amoco Canada and Pan Canadian in Calgary.



Steve Lowden

Non-Executive Director

Aged 48, he is the CEO of Suntera Resources Inc, a privately funded investment company focusing on the energy sector. In his 25 years in the oil and gas business he has had a highly successful career in operations and business development. He was previously President of Marathon Oil International responsible for gas developments and before that an Executive Director at Premier Oil in charge of exploration and production.

Three new Board appointments will be made before the end of 2006.



Kevin Hart

Chief Executive Officer

Aged 38, previously the Finance Director at Cairn Energy PLC for over eight years, a role which 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, and is also a Non-Executive Director of Glasgow Income Trust plc. He holds a B.Sc. Hons in Physics and Natural Philosophy. He will be appointed to the Board on 17 November 2006.



Ronnie Hanna

Non-Executive
Chairman Designate

Aged 64, was Chief Executive of house builders and property developers Bett Brothers plc between 1992 and 2003. He was previously Joint Group MD of CALA plc, a director of Scottish Western Trust and a senior consultant with PA Management Consultants. He is currently Chairman of Glasgow Income Trust and his other non-executive roles include A G Barr and Edinburgh New Income Trust. He is a Scottish Chartered Accountant.



Caroline Cook

Non-Executive Director

Aged 38, has spent most of her career as a highly-rated equity research analyst covering the oil & gas sector. For the six years to 2005, she was a Managing Director at Deutsche Bank and co-head of their global oil & gas team. Prior to the switch to equities in 1994, she worked for oil industry consultants Wood Mackenzie (where her coverage included West Africa), and before that in the specialist oil & gas M&A team at Schroders. She has a degree in Modern History from the University of Cambridge.

ADVISERS

Nominated Adviser & Broker

Hoare Govett Limited
250 Bishopgate
London EC2M 4AA

Solicitors

McClure Naismith
3 Ponton Street
Edinburgh EH3 9QQ

Auditors

Baker Tilly
23 Queen Street
Edinburgh EH2 1JX

Competent Person

Scott Pickford Limited
4th Floor, Leon House
233 High Street
Croydon CR0 9XT

Bankers

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

Registrars and Receiving Agents

Park Circus Registrars Limited
James Sellars House
144-146 West George Street
Glasgow G2 2HG

Financial PR Consultants

The Maitland Consultancy
Orion House
5 Upper St. Martin's Lane
London WC2H 9EA

The Directors submit their report and Group financial statements of BowLeven plc for the year ended 30 June 2006.

PRINCIPAL ACTIVITIES

The principal activities of the Group in the period under review were to procure and analyse scientific and technical data in order to assess exploration and development potential for oil and gas production in Cameroon, West Africa.

REVIEW OF THE BUSINESS

The Directors are satisfied with the results for the year. Two wells were drilled on block MHLP-7 of the Etinde Permit and further seismic data acquired over the acreage. A significant capital-raising was completed to carry out the ongoing work programme and exploit the potential of the hydrocarbon assets.

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 Directors have not recommended a dividend.

FUTURE DEVELOPMENTS

As discussed in the Chairman's Statement on pages 2 to 5, there have been a number of events since the year end that place the Group in a strong position to continue to develop its asset base.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group currently finances its operations from cash reserves funded from share issues. The management's objectives are to retain sufficient liquid funds to enable it to meet its day-to-day obligations as they fall due, while maximising returns on surplus funds.

Hedge accounting is not used by the Group.

The Group's surplus funds are held primarily in short-term variable-rate deposit accounts. 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. All deposits are with reputable European and American banks, and the Directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

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 2006	At 1 July 2005
Terence A. Heneaghan	795,800	795,800
Chief Ndieb-Nso Tabetando	950,000	950,000
Donald Vandergrift (i)		1,000,000
Dr. A. Easton Wren *	100,000	100,000
Philip B. Rhind (ii)		30,303
John D. Brown	4,150	1,500
Peter G. Wilson	28,700	8,700
John A. C. Morrow (iii)	16,505	–
Steven Lowden *	10,000	–
Jerry S. Anthony (iv)	8,720	–
	1,913,875	2,886,303

In addition to the Ordinary Shares attributed to Mr. Heneaghan above, there are a further 250,000 Ordinary Shares held in trusts for the beneficial interests of Mr. Heneaghan's wife and children.

* denotes Non-Executive Directors

(i) resigned 20 October 2005

(ii) resigned 20 February 2006

(iii) appointed 20 October 2005

(iv) appointed 1 January 2006

Mr. K. Hart, who joins the Board as CEO on 17 November 2006, has an interest in 171,337 shares of the Company.

SUBSTANTIAL INTERESTS

As of 27 October 2006, the Company had been notified, in accordance with Section 198 to 208 of the Companies Act 1985, of the following interests of 3% or more in the Company's Ordinary Share Capital (excluding Directors' interests, already disclosed above):

	Shares	%
Suntera Resources Limited	4,428,000	13.0
Credit Suisse Securities (Europe) Limited	2,910,850	8.6
FMR Corporation	1,115,160	3.3
UBS AG London	1,214,000	3.6

The Company has 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 27 October 2006, the broad distribution of the Ordinary Shares in issue was as follows:

	Shares	%
Institutions	20,890,681	62
Directors and management	1,163,875	3
Other individuals	11,990,369	35

CORPORATE GOVERNANCE

The Directors are aware of the Combined Code applicable to listed companies, which consolidates the work of the Cadbury, Greenbury and Hampel Committees on corporate governance. As a company which is quoted on AIM, the Company is not required to comply with the Combined Code, but the Directors intend to comply with its main provisions as far as is practicable having regard to the size of the Group.

BOARD STRUCTURE

The Board currently comprises six Executive Directors, including the Chairman, and two Non-Executive Directors. The Board meets at least six times throughout the year, and as issues arise which require Board attention.

Biographies of the Directors are set out on page 12 to 13 of this Annual Report.

The Chairman conducts Board and shareholder meetings, and ensures that all Directors are properly briefed. The Directors are responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and senior personnel appointments. The Directors have access to independent professional advice at the Company's expense, and to the Company Secretary (who is also a Director), and receive appropriate training, where necessary.

There are transparent procedures for the appointment of new Directors to the Board in place, and all Directors are required to retire by rotation at least every three years, when they can offer themselves for re-election, if eligible. In accordance with the company's Articles of Association, at this year's AGM two Directors would be required to offer themselves for re-election but because the Chairman and Dr. A. Easton Wren are standing down and not seeking re-election this satisfies the requirement in accordance with the provisions of the Articles of Association. Accordingly, there will be no resolution to re-elect Directors at this year's AGM.

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

AUDIT COMMITTEE

An Audit Committee has been established and currently comprises the Chairman and Dr. A. Easton Wren. It meets at least twice a year and is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. It liaises with the auditors and reviews the reports from the auditors relating to the accounts and internal control systems.

NOMINATION COMMITTEE

A Nomination Committee has been established and currently comprises the Chairman, Dr. A. Easton Wren and Mr. S. Lowden. It reviews and recommends to the Board the appointment of Directors.

REMUNERATION COMMITTEE

A Remuneration Committee has been established and currently comprises the Chairman, Dr. A. Easton Wren and Mr. S. Lowden. It reviews the performance of the Executive Directors and sets the scale and structure of their remuneration on the basis of their service agreements with due regard to the interests of the shareholders and the performance of the Group. The Remuneration Committee also makes recommendations to the Board concerning employee incentives, including the allocation of share issues to employees. Directors of the Group are not permitted to participate in discussions or decisions of the Committee concerning their own remuneration.

Membership of the above Committees will be re-constituted following the first Board meeting after the AGM.

RELATIONS WITH SHAREHOLDERS

Communications with shareholders are considered important by the Directors. The primary contact with shareholders, investors and analysts is the Chairman; however, the Executive Directors regularly speak to investors and analysts during the year. Company circulars and press releases have also been issued throughout the year and since the balance sheet date, in relation to various proposals and to keep investors informed about the Group's progress.

The Company also maintains a website on the internet: www.bowleven.com which is regularly updated and contains a wide range of information about the Group.

INTERNAL CONTROLS

The Board acknowledges that it is responsible for establishing and maintaining the Group's system of internal controls and reviewing its effectiveness. The procedures which include inter alia financial, operational 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 an internal audit function but does not consider it necessary at the current time.

REMUNERATION REPORT

In addition to complying with the main provisions of the Combined Code, as far as is practicable having regard to the size of the Group, the Company is committed to the Principles of Good Governance relating to Directors' remuneration.

DIRECTORS' REMUNERATIONS AND INTEREST IN SHARES

Details of the annual remuneration of the Directors and their interests in share options are set out in Note 3 on pages 25 to 27 of the financial statements.

SERVICE CONTRACTS

No Directors have any service contracts, consultancy agreements or other such arrangements with a notice period in excess of one year.

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 then 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.

DONATIONS

During the year, the Group made no donations to political parties (2005: Enil).

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 will continue. The training, career development and promotion of a disabled person is, as far as possible, identical to that of a person fortunate enough not to suffer from 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.

AUDITORS AND THE DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person is aware who was a Director at the date of approving this report, there is no relevant audit information, this being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Each Director has taken all the steps which in their position they are obliged to take to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Baker Tilly, Chartered Accountants, were re-appointed as the Company's auditors during the year, and are willing to continue in office. A resolution for their re-appointment, and authorising the Directors to fix their remuneration, will be submitted to the Annual General Meeting.

On behalf of the Board

Peter G. Wilson
Director
2 November 2006

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for complying with the AIM listing rules and for ensuring website access to the financial statements.

We have audited the consolidated financial statements on pages 20 to 33 for the year ended 30 June 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report, the Chairman's Statement, the Chief Executive Officer's Statement, the Chief Operating Officer's Statement and the Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 30 June 2006 and of the Group's loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly

Registered Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

2 November 2006

	Notes	2006 £'000	2005 £'000
TURNOVER		–	–
Distribution costs		–	–
Administrative expenses		(3,429)	(1,373)
OPERATING LOSS	1	(3,429)	(1,373)
Interest receivable and similar income		1,687	512
Interest payable and similar charges	5	(2)	(1,271)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,744)	(2,132)
Taxation	7	–	–
LOSS FOR THE FINANCIAL YEAR	6	(1,744)	(2,132)
Basic Earnings Per Share (£/share)	8	(0.06)	(0.13)
Diluted Earnings Per Share (£/share)	8	(0.06)	(0.13)

The operating loss for the year arises from the Group's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented, as all such gains and losses have been dealt with in the Profit and Loss Account.

	Notes	2006 £'000	2005 £'000
FIXED ASSETS			
Intangible assets	9	40,953	11,289
Tangible assets	10	381	336
		41,334	11,625
CURRENT ASSETS			
Stocks	12	810	853
Debtors	13	435	527
Cash at bank		42,453	20,518
		43,698	21,898
CREDITORS			
Amounts falling due within one year	14	(1,003)	(844)
NET CURRENT ASSETS		42,695	21,054
TOTAL ASSETS LESS CURRENT LIABILITIES		84,029	32,679
CAPITAL AND RESERVES			
Called up equity share capital	15	2,961	2,111
Share premium account	16	86,002	33,758
Other reserves	16	2,883	2,883
Profit and loss account	16	(7,817)	(6,073)
SHAREHOLDERS' FUNDS	17	84,029	32,679

The financial statements on pages 20 to 33 were approved by the Board of Directors and authorised for issue on 2 November 2006 and are signed on their behalf by:

John D. Brown
 Director

	Notes	2006 £'000	2005 £'000
FIXED ASSETS			
Tangible assets	10	121	143
Investments	11	1,018	1,018
		1,139	1,161
CURRENT ASSETS			
Stocks	12	–	–
Debtors	13	40,554	10,528
Bank and cash		42,453	20,518
		83,007	31,046
CREDITORS			
Amounts falling due within one year	14	(212)	(199)
NET CURRENT ASSETS		82,795	30,847
TOTAL ASSETS LESS CURRENT LIABILITIES		83,934	32,008
CAPITAL AND RESERVES			
Called up equity share capital	15	2,961	2,111
Share premium account	16	86,002	33,758
Profit and loss account	16	(5,029)	(3,861)
SHAREHOLDERS' FUNDS		83,934	32,008

The financial statements on pages 20 to 33 were approved by the Board of Directors and authorised for issue on 2 November 2006 and are signed on their behalf by:

John D. Brown
 Director

	Notes	2006 £'000	2005 £'000
Net cash outflow from operating activities	20	(3,411)	(2,905)
Returns on investments and servicing of finance	20	1,685	(759)
Capital expenditure and financial investment	20	(29,433)	(5,686)
CASH OUTFLOW BEFORE FINANCING		(31,159)	(9,350)
Financing	20	53,094	29,706
INCREASE IN CASH IN THE PERIOD		21,935	20,356

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Notes	2006 £'000	2005 £'000
Increase in cash in the year		21,935	20,356
Net cash inflow from loan instruments		–	4,944
CHANGE IN NET DEBT	20	21,935	25,300
NET FUNDS AT 1 JULY 2005	20	20,518	(4,782)
NET FUNDS AT 30 JUNE 2006	20	42,453	20,518

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice for Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities, and with applicable accounting standards.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies.

As a consolidated Group profit and loss account is published, a separate profit and loss account for the parent Company is omitted from the Group financial statements by virtue of Section 230(4) the Companies Act 1985.

GOING CONCERN

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation.

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

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

INTANGIBLE FIXED ASSETS

The Group follows the full cost method under which expenditure relating to the acquisition, exploration, appraisal and development of oil and gas interests, including an appropriate share of overheads and relevant financing costs, is initially capitalised as intangible assets pending determination of commercial reserves. These costs are then written off unless commercial reserves have been established or the determination process has not been completed. Following the discovery of a commercially viable field, the attributable costs are transferred to tangible fixed assets in single field cost centres and then depreciated over their useful lives.

INVESTMENTS

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

STOCKS

Stocks comprise equipment and materials purchased for the drilling programme and are valued at the lower of cost and net realisable value.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable, and therefore only recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

The Group may use certain derivative instruments for hedging purposes to alter the risk profile of an underlying exposure of the business in accordance with the Group's risk management policies. Gains or losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised. The Group does not enter into speculative derivative contracts.

1 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2006 £'000	2005 £'000
Depreciation of owned assets	128	24
Auditors' remuneration – as auditors	37	37
Net loss/(profit) on foreign currency translation	385	(172)

2 PARTICULARS OF EMPLOYEES

The average number of staff employed by the Group during the financial year amounted to:

	2006 No.	2005 No.
Number of administrative staff	10	4
Number of management staff	6	6
Number of other staff	5	5
	21	15

The aggregate payroll costs of the above were:

	2006 £'000	2005 £'000
Wages and salaries	1,503	676
Social security costs	131	41
	1,634	717

Certain payroll costs are capitalised in EurOil Limited since the amounts represent exploration and development costs. Further details are disclosed in Note 3 (below) to the financial statements.

3 DIRECTORS' EMOLUMENTS

The Directors' aggregate emoluments in respect of qualifying services were:

	2006 £'000	2005 £'000
Emoluments receivable	1,232	568

Emoluments of highest paid Director:

Total emoluments (excluding pension contributions):	217	120
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£248,000 (2005: £156,000) of Directors' remuneration was capitalised in EurOil Limited.

DIRECTORS' REMUNERATION

The remuneration of the Directors were as follows:

	Salary £'000	Benefits £'000	Fees £'000	Total 2006 £'000	Total 2005 £'000
Executives					
T. A. Heneaghan	217	2	–	219	120
J. D. Brown	163	–	–	163	86
Chief Tabetando	195	–	–	195	98
P. G. Wilson	163	1	–	164	38
J. A. C. Morrow	149	2	–	151	–
J. S. Anthony	85	–	–	85	–
Subtotal	972	5	–	977	342
Non-Executives					
Dr. A. E. Wren	–	–	24	24	24
S. Lowden	–	–	18	18	–
Former Directors					
D. B. Vandergrift (i)	50	3	–	53	94
P. B. Rhind (ii)	145	3	–	148	102
R. J. W. Walvis (iii)	–	–	12	12	–
M. Lironi (iv)	–	–	–	–	3
J. Lockhart (iv)	–	–	–	–	3
Total	1,167	11	54	1,232	568

(i) Resigned 20 October 2005

(ii) Resigned 20 February 2006

(iii) Resigned 13 January 2006

(iv) Resigned 1 December 2004

The Group makes no contributions to Directors' pension schemes.

DIRECTORS' SHARE OPTIONS

The options of the Directors at 30 June 2006, over the existing share capital of the Company, were as undernoted, for which £Nil has been paid.

		As at 1 July 2005	Granted	Exercised/ Lapsed	As at 30 June 2006	Exercise Price	Exercisable From	Exercisable To
T. A. Heneaghan	Approved	8,264	–	–	8,264	£3.63	17.12.07	16.12.14
	Unapproved	212,122	–	–	212,122	£3.63	17.12.06	16.12.14
J. D. Brown	Unapproved	150,000	–	–	150,000	£3.30	22.11.06	21.11.14
	Approved	8,264	–	–	8,264	£3.63	17.12.07	16.12.14
	Unapproved	20,662	–	–	20,662	£3.63	17.12.06	16.12.14
Chief Tabetando	Unapproved	110,193	–	–	110,193	£3.63	17.12.06	16.12.14
	Unapproved	55,097	–	–	55,097	£3.825	28.04.07	27.04.15
P. G. Wilson	Approved	7,843	–	–	7,843	£3.825	28.04.08	27.04.15
	Unapproved	156,540	–	–	156,540	£3.825	28.04.07	27.04.15
J.A.C. Morrow	Approved	–	8,163	–	8,163	£3.675	05.04.09	04.04.16
	Unapproved	–	266,837	–	266,837	£5.30	26.10.07	25.10.15
J.S. Anthony	Approved	–	17,143	–	17,143	£1.75	05.04.09	04.04.16
	Unapproved	–	267,857	–	267,857	£1.75	05.04.08	04.04.16
		728,985	560,000	–	1,288,985			

Approved options are granted under the BowLeven plc Approved CSOP Scheme. Unapproved options were granted under the Company's Unapproved Share Option Scheme.

On 26 October 2005, the Company granted unapproved share options to J.A.C. Morrow at £5.30 per Ordinary Share.

On 5 April 2006, the Company granted approved share options to J.S. Anthony at £1.75 per Ordinary Share and unapproved share options at £1.75 per Ordinary Share. In addition, the Company granted approved share options to J.A.C. Morrow at £3.675 per Ordinary Share.

Approved options are exercisable within the period beginning on the third anniversary of the Date of Grant and ending on the day prior to the tenth anniversary. Unapproved options are exercisable within the period beginning on the second anniversary of the Date of Grant and ending on the day prior to the tenth anniversary.

The share price at 30 June 2006 was 227p and the highest and lowest prices during the year were 815p and 162p respectively.

4 SEGMENTAL ANALYSIS

For the purposes of segmental information, the operations of the Group comprise one class of business: oil and gas exploration.

The major areas of operation are the United Kingdom and the Republic of Cameroon. The turnover, operating losses and Group net assets are split as follows:

	2006 £'000	2005 £'000
Turnover		
United Kingdom	–	–
Cameroon	–	–
	–	–
Loss on ordinary activities before taxation		
United Kingdom	(1,169)	(1,715)
Cameroon	(575)	(417)
	(1,744)	(2,132)
Net assets		
United Kingdom	42,644	20,638
Cameroon	41,385	11,843
	84,029	32,679

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £'000	2005 £'000
Debenture loan redemption premiums	–	411
Redemption premium on other loans	–	860
Bank interest	2	–
	2	1,271

The redemption premiums in the previous year were converted into Ordinary 10p Shares of BowLeven plc.

6 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £1,167,842 (2005: £1,719,000).

7 TAXATION ON ORDINARY ACTIVITIES

Current tax:

	2006 £'000	2005 £'000
In respect of the year:		
UK corporation tax based on the results for the year at 19% (2005 – 19%)	Nil	Nil
The tax assessed on the loss on ordinary activities for the year has been affected by the following factors:		
	2006 £'000	2005 £'000
Loss on ordinary activities before taxation	(1,744)	(2,132)
Loss on ordinary activities by rate of tax (19%)	(331)	(405)
Effects of:		
Expenses not deductible for tax purposes	307	9
Amounts written off investments	109	79
Depreciation in excess of capital allowances	4	(8)
Tax losses (utilised)/not utilised	(89)	325
Total current tax	–	–

The Group has not recognised a deferred tax asset of £924,000 (Company £640,000), which would only be recoverable if the Group/Company makes sufficient taxable profits.

8 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

	2006 £	2005 £
Basic EPS – Ordinary Shares of £0.10 each	(0.06)	(0.13)
Diluted EPS – Ordinary Shares of £0.10 each	(0.06)	(0.13)
Loss for the financial year	1,743,517	2,132,145
Weighted average number of Ordinary Shares in the period – basic EPS	27,138,432	16,788,012
Weighted average number of Ordinary Shares in the period – diluted EPS	27,285,274	16,788,012

9 INTANGIBLE FIXED ASSETS

Group	£'000
Exploration and appraisal expenditure	
Cost	
At 1 July 2005	11,289
Additions	29,664
At 30 June 2006	40,953
Amortisation	–
Net book value	
At 30 June 2006	40,953
At 30 June 2005	11,289

No intangible assets were capitalised by the individual Company at the balance sheet date.

10 TANGIBLE FIXED ASSETS

Group	Leasehold Improvements £'000	Plant and Machinery £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 July 2005	184	71	40	65	360
Additions	8	24	40	101	173
At 30 June 2006	192	95	80	166	533
Depreciation					
At 1 July 2005	6	6	5	7	24
Charge for year	56	22	22	28	128
At 30 June 2006	62	28	27	35	152
Net book value					
At 30 June 2006	130	67	53	131	381
At 30 June 2005	178	65	35	58	336

Company	Leasehold Improvements £'000	Plant and Machinery £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 July 2005	62	63	30	–	155
Additions	–	3	16	–	19
At 30 June 2006	62	66	46	–	174
Depreciation					
At 1 July 2005	3	5	4	–	12
Charge for year	12	17	12	–	41
At 30 June 2006	15	22	16	–	53
Net book value					
At 30 June 2006	47	44	30	–	121
At 30 June 2005	59	58	26	–	143

11 INVESTMENTS

Fixed assets investments

Company	Shares in Group Companies £'000
Cost	
At 1 July 2005 and 30 June 2006	1,018
Net book value	
At 30 June 2006	1,018
At 30 June 2005	1,018

11 INVESTMENTS (continued)

Tangible assets investments comprise:

Company	Country of Incorporation	Holding	Class of Share
BowLeven Resources Limited	Scotland	100%	Ordinary 10p
EurOil Limited	Cameroon	100%	Ordinary 500,000 CFA

BowLeven Resources Limited owns 100% of EurOil Limited, thereby the figures stated above incorporate this investment.

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 Cameroon.

12 STOCKS

	Group 2006 £'000	2005 £'000	Company 2006 £'000	2005 £'000
Stock	810	853	–	–

The stock relates to the casing, tubular goods and other equipment that was purchased in preparation for the drilling programme in the Etinde Permit.

13 DEBTORS

	Group 2006 £'000	2005 £'000	Company 2006 £'000	2005 £'000
Amounts owed by Group undertakings	–	–	40,265	10,196
Other debtors	250	435	142	269
Prepayments and accrued income	185	92	147	63
	435	527	40,554	10,528

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2006 £'000	2005 £'000	Company 2006 £'000	2005 £'000
Trade creditors	450	467	61	69
Other creditors	66	69	66	69
Accruals and deferred income	487	308	85	61
	1,003	844	212	199

15 SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised: 50,000,000 Ordinary Shares of £0.10 each (2005: 30,000,000)	5,000	3,000
Allotted and called up: 29,606,925 Ordinary Shares of £0.10 each (2005: 21,106,925)	2,961	2,111

On 14 October 2005, the Company completed an institutional placement share issue of 8,500,000 Ordinary Shares at a price of £6.50 per share, with a nominal value of £850,000. The total aggregate increase in the share premium reserve regarding this issue was £52,243,903, after deducting £2,156,097 in expenses.

16 RESERVES

Group	Share Premium £'000	Other Reserve £'000	Profit and Loss £'000
Balance brought forward	33,758	2,883	(6,073)
Loss for the year	–	–	(1,744)
Premium arising on shares issued in the year	52,244	–	–
Balance carried forward	86,002	2,883	(7,817)

The other reserve results from a Group reconstruction by way of share exchange.

Company	Share Premium £'000	Profit and Loss £'000
Balance brought forward	33,758	(3,861)
Loss for the year	–	(1,168)
Premium arising on shares issued in the year	52,244	–
Balance carried forward	86,002	(5,029)

17 RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Loss for the financial year	(1,744)	(2,132)
New equity share capital subscribed	850	1,081
Premium on new share capital subscribed	52,244	33,569
	53,094	34,650
Net increase to funds	51,350	32,518
Opening shareholders' equity funds	32,679	161
Closing shareholders' equity funds	84,029	32,679

18 CAPITAL COMMITMENTS

At 30 June 2006, EurOil Limited, a subsidiary of the Company, had contracted a drilling rig for a four-well programme commencing late 2006 or early 2007. The estimated cost of this contract at 30 June 2006 was approximately \$23.2 million.

19 CONTINGENT LIABILITIES

As announced on 4 January 2006, the Company was served a claim by Addax Petroleum NV ('Addax') seeking repayment of a non-refundable deposit of \$3 million. This sum was paid as part of an agreement in which a farm-in arrangement was contemplated. Addax subsequently indicated that it would not proceed with this arrangement. The Directors, having taken legal advice, are defending the claim.

20 CASH FLOWS**a. Reconciliation of operating loss to net cash outflow from operating activities**

	2006 £'000	2005 £'000
Operating loss	(3,429)	(1,373)
Depreciation	128	24
Decrease/(Increase) in stocks	43	(616)
Decrease/(Increase) in debtors	68	(392)
Decrease in creditors	(221)	(548)
Net cash outflow from operating activities	(3,411)	(2,905)

b. Analysis of cash flows for headings netted in the cash flow**Returns on investment and servicing of finance**

	2006 £'000	2005 £'000
Interest received	1,687	512
Interest paid	(2)	(1,271)
Net cash inflow from returns on investments and servicing of finance	1,685	(759)

Capital expenditure

	2006 £'000	2005 £'000
Payments to acquire tangible fixed assets	(173)	(360)
Payments to acquire intangible fixed assets	(29,260)	(5,326)
Net cash outflow from capital expenditure	(29,433)	(5,686)

Financing

	2006 £'000	2005 £'000
Issue of equity share capital	53,094	34,651
Advance of other loans	–	2,100
Repayment of loans	–	(7,045)
Net cash inflow from financing	53,094	29,706

c. Analysis of net debt

	At 1 July 2005 £'000	Cash Flows £'000	Non-Cash Flows £'000	At 30 June 2006 £'000
Cash in hand and at bank	20,518	21,935	–	42,453
Total	20,518	21,935	–	42,453

d. Major non-cash transactions

During the year, the Group had material non-cash flow transactions in relation to the premiums on loan redemptions of Enil (2005: £775,000).

21 FINANCIAL INSTRUMENTS

The Group's financial instruments principally comprise cash at bank, and various items such as trade debtors and creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for BowLeven's operations.

BowLeven has taken advantage of the exemption of the disclosures in respect of short-term debtors and creditors.

Financial assets and liabilities

BowLeven policy is to ensure that adequate cash is available and BowLeven does not trade in financial instruments and has not entered into any derivative transactions.

BowLeven had no financial assets that do not fall under the exemption of short-term debtors or short-term creditors and are therefore due within one year.

Interest rate risk profile of financial assets

	2004 £'000	2005 £'000	2006 £'000	Interest Rates
Financial assets:				
Cash at bank	162	20,518	42,453	Variable

Cash at bank earns interest at floating rates related to the published rate of the bank.

Fair values of financial assets and liabilities

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

The Group has outstanding forward contracts to hedge foreign currencies, as follows:

Commitment to buy US\$3 million per month at \$1.8625 from 1 January 2007 to 30 June 2007.

Maturing within one year:	In Currency 2006	2005	Sterling Equivalents 2006	2005
– to hedge future operating payments against US dollars	US\$18m	–	£9.664m	–

22 POST-BALANCE SHEET EVENTS**Placing of 4,438,000 new Ordinary Shares, raising £10.9 million at a price of 245.63p per share**

BowLeven announced, on 3 July 2006, that Suntera Resources Ltd had made a strategic investment in the Company by way of a placing of 4,438,000 new Ordinary Shares of 10p each at an issue price of 245.63p per Ordinary Share, raising £10.9 million (before expenses). Mr. S. Lowden, Non-Executive Director of BowLeven plc, is also the CEO of Suntera Resources Ltd.

Notice is hereby given that the 2006 Annual General Meeting of BowLeven plc ("the Company") will be held at The George Hotel, George Street, Edinburgh, EH2 2PB, on Wednesday 6 December 2006 at 11.30am, to consider the following business:

ORDINARY BUSINESS

To consider, and if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive the Company's annual accounts for the financial year ended 30 June 2006, together with the reports of the Directors and the auditors thereon.
2. To re-appoint Baker Tilly as auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company, at a remuneration to be determined by the Directors.

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution which will be proposed as a special resolution:

3. That in addition to all existing authority under that Section, the Directors be generally empowered, pursuant to Section 95 of the Companies Act, 1985, to allot equity securities (within the meaning of Section 94(2) of the Companies Act) as if Section 89(1) of the Companies Act did not apply to the allotment, provided that this power:
 - 3.1 shall expire on the conclusion of the next AGM of the Company after the passing of this resolution, but provided that the Company may make an offer or enter into an agreement which would or might require equity securities to be allotted, after expiry of this authority, and the Directors may allot equity securities in pursuance of that offer or agreement; and
 - 3.2 shall be limited to allotments of equity securities for cash (otherwise that pursuant to (i) the exercise of any outstanding share options in the capital of the Company at the date of this resolution; (ii) the exercise of any options granted pursuant to the BowLeven plc Approved CSOP Scheme (with Unapproved Schedule); and (iii) any shares allotted to the trustee of any employee benefit trust established by the Company for the purposes of the BowLeven Long Term Incentive Plan) up to a maximum aggregate nominal amount equal to 15% of the issued Ordinary Share Capital of the Company.

Dated 2 November 2006

By Order of the Board
Peter G. Wilson
Company Secretary

Registered Office:
68/70 George Street
Edinburgh EH2 2LT

EXPLANATORY NOTES:**1. VOTING**

All shareholders who wish to attend and vote at the meeting must be entered on the Company's register of members no later than 11.30am on 4 December 2006 (being 48 hours prior to the time fixed for the meeting) or, in the case of an adjournment, as at 48 hours prior to the time of the adjourned meeting. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

2. PROXY

Shareholders entitled to attend and vote at the meeting may appoint a proxy or proxies to attend on their behalf. A proxy need not be a member of the Company. Investors who hold their shares through a nominee may wish to attend the meeting as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker. While proxies may vote on a poll on any resolution, they are not entitled to vote on a show of hands. Proxies may ask questions at the meeting if, in his discretion, the Chairman of the meeting allows it. Shareholders are invited to complete and return the enclosed Proxy Form. Completion of the Proxy Form will not prevent a shareholder from attending and voting at the meeting if subsequently he/she finds they are able to do so. To be valid, completed Proxy Forms must be received at the offices of the Company's registrars: Park Circus Registrars Limited, James Sellars House, 144-146 West George Street, Glasgow G2 2HG, by no later than 11.30am on 4 December 2006 (being 48 hours prior to the time fixed for the meeting) or, in the case of an adjournment, as at 48 hours prior to the time of the adjourned meeting.

3. CORPORATE SHAREHOLDERS

Representatives of shareholders which are corporations attending the meeting should produce evidence of their appointment by an instrument executed in accordance with Section 36A of the Companies Act, 1985, or signed on behalf of the corporation by a duly authorised officer or agent.

4. CREST

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of Ordinary Shares registered in the register of members of the Company at 11.30am on 4 December 2006 (being 48 hours prior to the time fixed for the meeting), shall be entitled to attend and vote at the Extraordinary General Meeting in respect of such number of shares registered in their name at that time. Changes to entries in the register of members after 11.30am on 4 December 2006 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

GLOSSARY

B

BBL or bbl: Barrel of oil.

BCF or bcf: Billion cubic feet of gas.

BOE or boe: Barrels of oil equivalent.

BOPD or bopd: Barrels of oil produced per day.

C

CIIP: Condensate initially in place.

Condensate: A light oil, often discovered with significant volumes of natural gas, which is gaseous under certain reservoir conditions.

COS: Chance of success

CPR: Competent Person's Report

D

Discovery: A discovery of hydrocarbons not previously evidenced by drilling, recoverable at the surface in a flow measurable by conventional petroleum industry testing methods.

E

Etinde Permit: The permit granted by the Government of Cameroon which covers the area of 2,314 Square km and consists of block MLHP-5, block MLHP-6 and block MLHP-7, all within the Rio del Rey Basin and the Douala Basin.

G

GIIP: Gas initially in place.

GTE: Gas to electricity.

GTL: Gas to liquids.

H

HFO: Heavy fuel oil.

I

Isongo Marine: The Isongo Marine gas/condensate reserves field in block MLHP-7.

M

MCF or mcf: Thousand cubic feet of gas.

MMbbls or mmbbls: Million barrels of oil.

MMBOE or mmboe: Million barrels of oil equivalent.

MMCF or mmcf: Million cubic feet of gas.

MW: A unit of electrical power equal to one million watts or one thousand kilowatts.

P

P50 or 2P: Means 50% probability that volumes will be equal to or greater than stated volumes.

Prospect, lead and play: A play is an exploration concept or idea that is conducive to the identification of leads, which in turn may become prospects when they are ready to be drilled.

PSC: Production-sharing contract.

R

Risked Recoverable Reserves: Unrisked reserves, which have been reduced in volume as a consequence of applying COS factors to their recoverability.

S

2D seismic data: Data resulting from two-dimensional seismic acquisition.

3D seismic data: Data resulting from three-dimensional seismic acquisition.

U

Unrisked recoverable reserves: Estimated reserves of hydrocarbons before applying the COS factor as to their recoverability.

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BOWLEVEN PLC

OIL & GAS COMPANY

