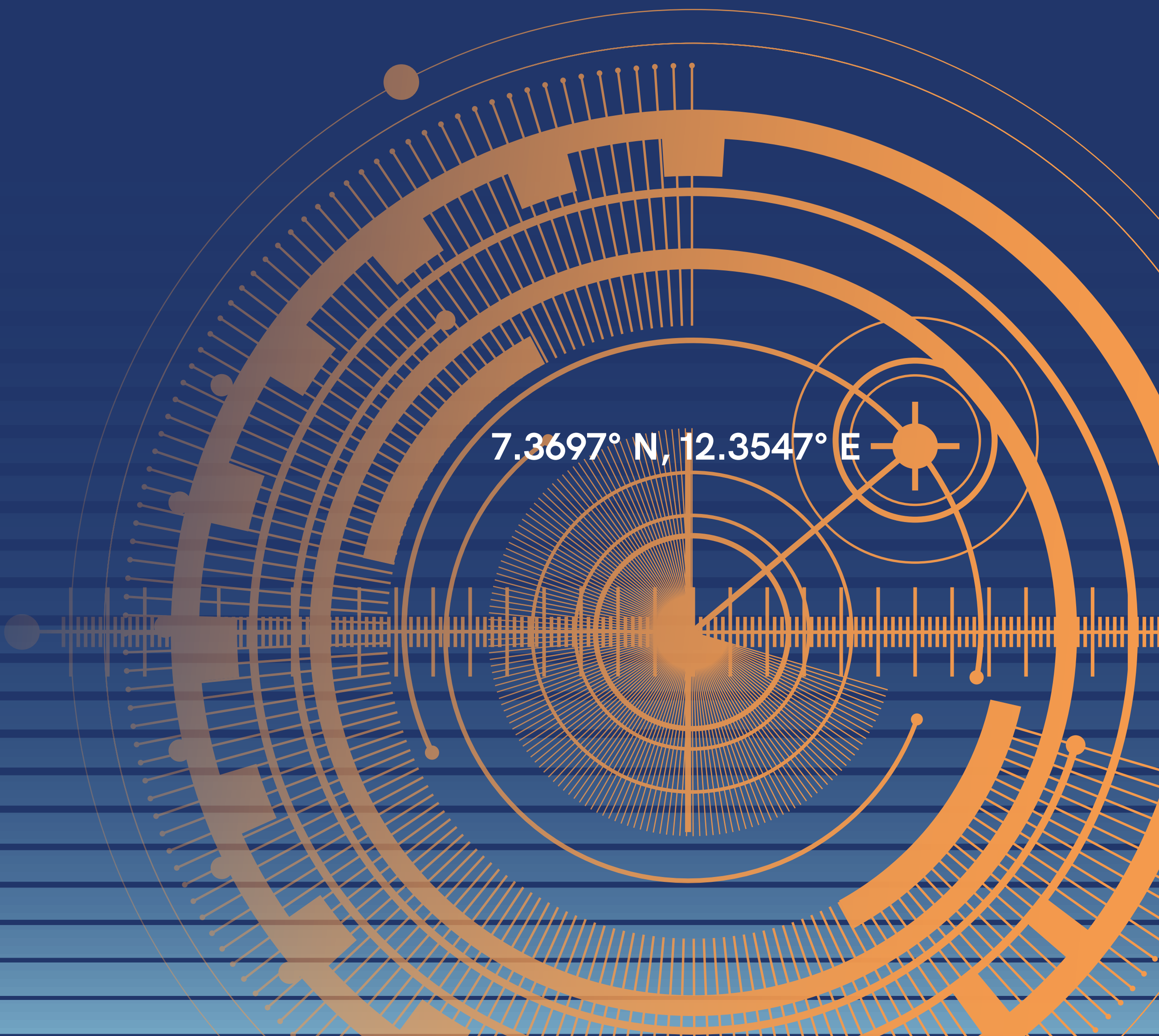
ADVANCING OUR ETINDE PROJECT

bowleven

BOWLEVEN PLC
ANNUAL REPORT AND ACCOUNTS 2020



WHO WE ARE

Bowleven plc is an independent AIM listed oil and gas company focused on Africa, where it holds a development and exploration interest in Cameroon.

OUR PURPOSE

Bowleven plc is dedicated to realising material shareholder value from its asset in Cameroon, whilst maintaining capital discipline and employing a rigorously selective approach to other value-enhancing opportunities.

OUR VISION

To deliver shareholder value through monetisation of our discovered hydrocarbons by creating value from the asset and managing risk.

Find out more on our website
www.bowleven.com

CORPORATE HIGHLIGHTS

$9.1m

Cash and bank deposits held at end of June 2020; no debt. No outstanding work programme commitments (2019: $11m)

$2m

Invested in publicly traded debt instruments and equity in the form of limited partnership structures (2019: $4m)

$25m

Payment of $25m is due from joint venture (JV) partners once FID is reached on the development of the Etinde field (2019: $25m)

$11.1m

Total value of funds which comprises cash and financial investment (2019: $15m)

OPERATIONAL

Etinde, offshore Cameroon

- Front End Engineering Design (FEED) contract awarded to Technip in Q1 2020. Commencement was delayed until 1 July 2020 due to the impact of the COVID-19 pandemic. This contract focuses on the design and engineering of the onshore gas processing facility, the IM wellhead platform and the appropriate production and sales pipeline infrastructure.
- FEED is expected to complete in November 2020 and is currently on time and within budget.
- Work is also progressing on the sub-surface development plan, including location, number and type of wells required to produce wet gas from IM reservoirs.

FINANCIAL

- The loss for the financial year was $2.6 million.
- Bowleven closed the year with $9.1 million of cash and a financial investment of $2.0 million giving a total value of funds of $11.1 million.
- Having assessed the forecast cash expenditure to Financial Investment Decision (FID) and the receipt of $25 million on FID from the JV partners, the Company believes the Group has sufficient funds to continue in operation for the foreseeable future until at least FID, which is expected in 2021.

CORPORATE

- Bowleven and New Age Ltd (New Age) have jointly appointed a lead financial advisor, Cofarco to manage raising investment finance for the Etinde development.
- The Etinde JV partners are in discussion with Société Nationale des Hydrocarbures (SNH) and various other commercial parties in respect of the sale of gas, Liquefied Petroleum Gas (LPG) and condensate.
- The Group commenced closing its Employee Benefit Trust during the year following the cessation of the Group's long-term incentive plan (LTIP) and employee share option schemes.
- E&Y resigned as auditor during the year. Following a tender process, BDO was appointed to the role of auditor in the interim and will be nominated to be reappointed at the forthcoming annual general meeting (AGM).

OUTLOOK

Key objectives are to deliver on a revised strategy in FY2021 which include:

- Working with JV partners on FEED, Commercial and Finance matters in respect of the Etinde development options with the aim of Etinde project FID in 2021.
- The JV partners propose to address the Etinde Exclusive Exploitation Agreement (EEEA) licence duration as part of the FID process regulatory submission to the Government of Cameroon. The risk of the Etinde licence potentially expiring in January 2021 is considered low to medium at the current time.
- Disciplined capital management to secure progress towards FID and thereafter explore funding options regarding development capital.

BOWLEVEN AT A GLANCE

AN AFRICA-FOCUSED OIL AND GAS COMPANY

Bowleven plc has a strategic interest in key hydrocarbon licences in Cameroon. It currently has a 25% interest in the offshore, shallow water Etinde Permit. Our vision is to deliver shareholder value by monetising our discovered hydrocarbons. Creating value from this asset and managing risk are core deliverables to our shareholders. The Company together with its partners, seeks to adopt best-in-class Environmental, Social and Governance principles in corporate strategy and decision-making to ensure long-term business value.

Population in Cameroon

25.9m

Population growth rate (2020 est.)

2.6%

Gross Domestic Products (GDP) per capita

$1,553

WHERE WE OPERATE

The West African state of Cameroon has an established hydrocarbon industry with a history of oil production from the Rio del Rey Basin.

The Group has a strategic equity interest in the offshore shallow water Etinde Permit (non-operated) in Cameroon.

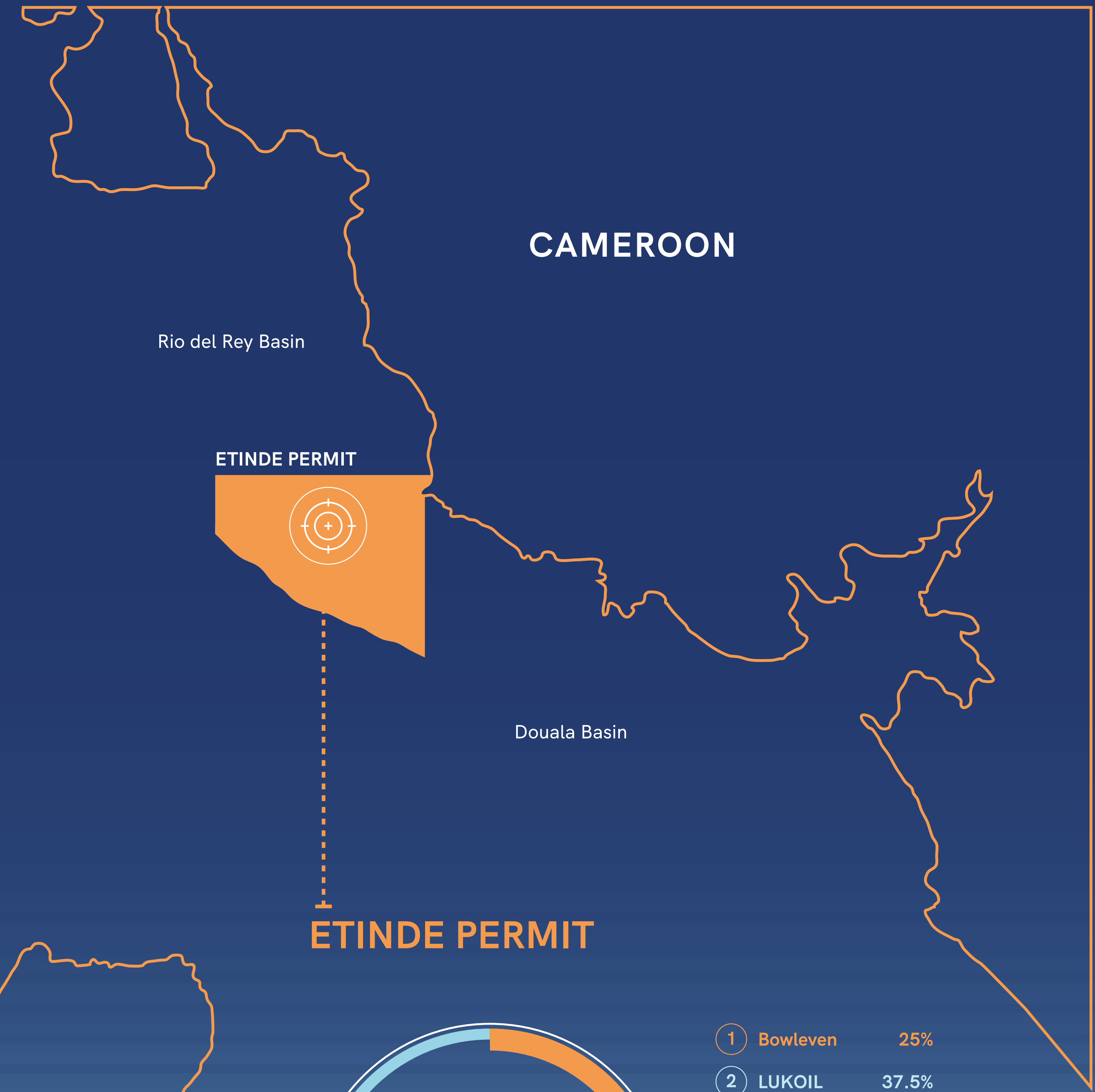
OUR PORTFOLIO

ETINDE

The Etinde Permit (formerly MLHP-7 block) which lies in shallow water in the prolific Rio del Rey Basin was awarded an Exploitation Authorisation (EA) in January 2015. The production sharing contract (PSC) based permit has a term of 20 years with an option to extend for a further ten years. The IM-5 well drilled in 2013, encountered liquid-rich hydrocarbons at sufficient volumes to underpin a development scheme within the EA framework. Following the successful 2018 appraisal campaign, the Etinde project has moved to a development planning phase. FEED Studies based on the earlier concept selection to optimise the development of the Etinde field are currently underway with a view to reaching a Final Investment Decision in 2021.

OUR FOCUSED STRATEGY

- Continued delivery of value from our asset
- Commitment to implementing sustainable long-term business procedures
- Agreeing development concept and progressing the Etinde field
- A strong focus on achieving FID



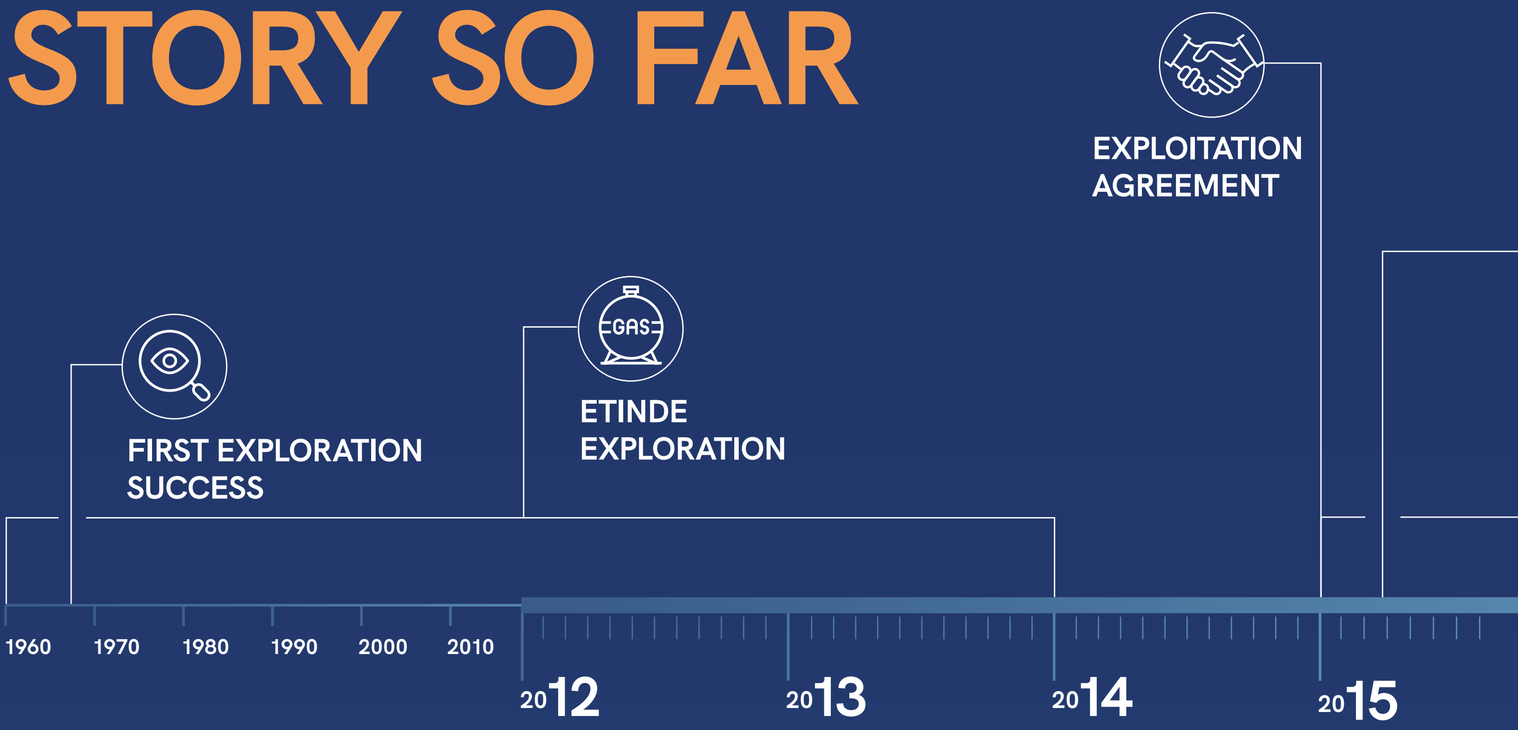
ETINDE PERMIT

1 Bowleven 25%
2 LUKOIL 37.5%
3 New Age 37.5%
4 SNH*

* SNH has a potential right to back-in the PSC, which would have the impact of reducing Bowleven's interest to 20%.

CASE STUDY

THE ETINDE STORY SO FAR



FIRST EXPLORATION SUCCESS

The Etinde Permit has been moderately explored. 18 exploration and appraisal wells have been drilled since 1967, of which 14 discovered hydrocarbons. Several separate gas condensate discoveries were made in the Upper and Middle Isongo (IM and IC fields) alongside the IF oil field.

ETINDE EXPLORATION

Bowleven commenced the modern era of exploration by a combination of acquiring new 3D seismic data, reprocessing older data and drilling several new exploration wells. We focused on the existing IM discoveries in the Upper and Middle Isongo and drilled the IE-3 well to explore the complex series of fault blocks (IB, ID and IE areas).

The final IM-5 exploration well drilled in early 2013 discovered gas condensate in the Intra Isongo formation, which opened up a significant new potential reservoir formation.

Test flow rates in the Intra and Middle Isongo reservoirs determined that the IM-5 well had delivered a substantial increase in estimated hydrocarbon volumes, potentially making Etinde licence commercially viable.

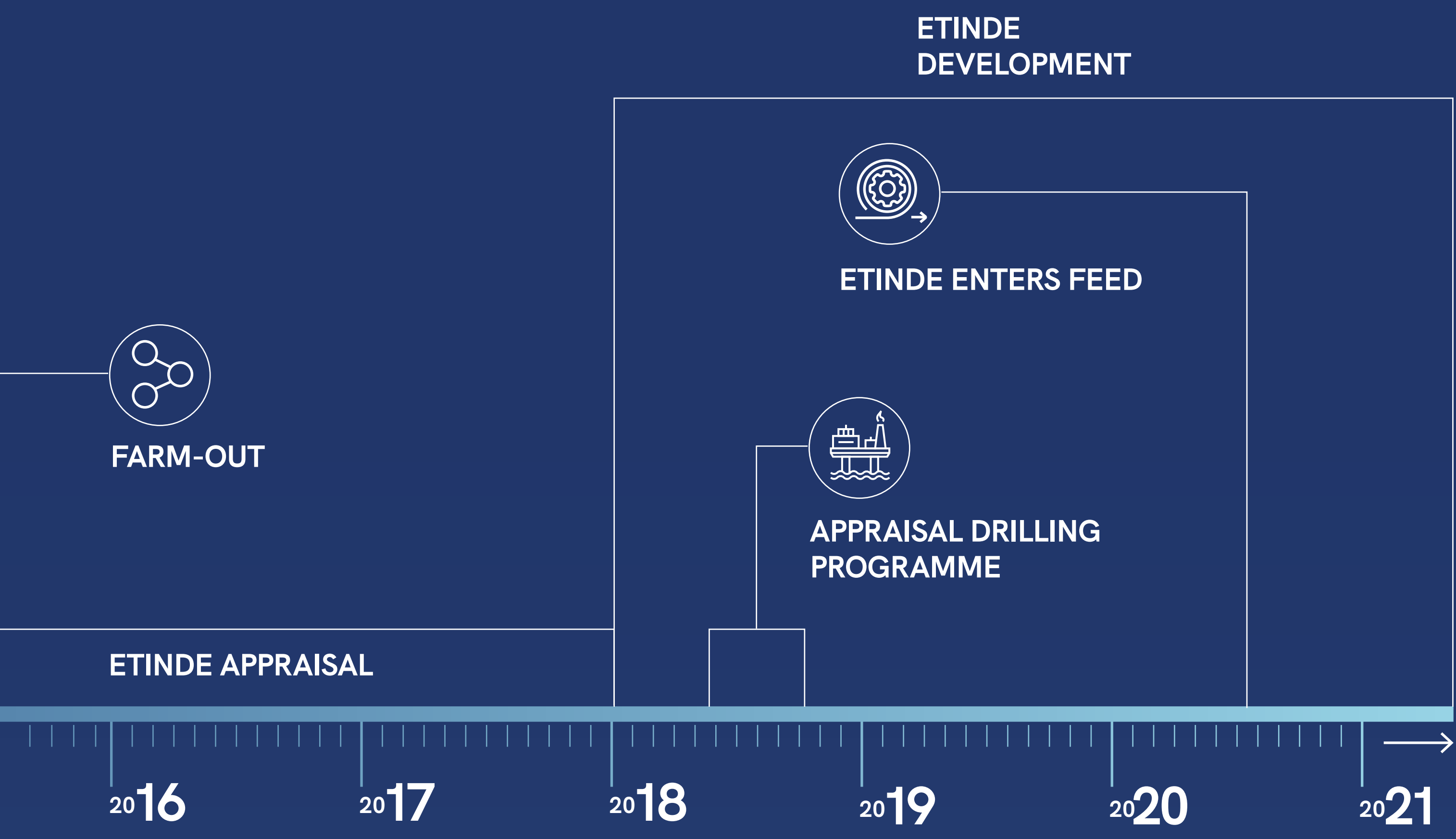
EXPLOITATION AGREEMENT

In 2013/14, Bowleven drew up an application to the Government of Cameroon to move from exploration to exploitation stage under the terms of the PSC. The Government awarded the EEEA by Presidential Decree in January 2015. Under the terms of the EEEA, the development was meant to supply gas to an SNH-nominated fertiliser development based in Limbé. This project formed part of SNH's sector development plans and was to be financed, developed and operated by a third party under a commercial agreement. Etinde entered a Memorandum of Understanding (MOU) to sell gas to this project. Further, the EEEA permitted Etinde partners to sell any additional gas to liquefied natural gas (LNG) offtakers.

FARM-OUT

In March 2015, Bowleven announced it had entered into a farm-out agreement with New Age and LUKOIL for 37.5% each, whereby New Age acquired a 37.5% operated interest in the Etinde Permit for a total initial consideration of c.$185 m and a $40 m (net) carry for further appraisal drilling.

Following a change in Operator, discussions continued with SNH regarding the commercial arrangements agreed under the EEEA. By 2016, it became obvious that the proposed Limbé fertiliser project could not be made commercially viable and would not be developed in its planned form.



APPRAISAL DRILLING PROGRAMME

In 2018, a two-well appraisal drilling campaign was undertaken. The first well (IM-6) focused on proving up wet gas resource in the intra Isongo reservoir. Whilst successful in this respect, significant increase in resources wasn't achieved. The second well (IE-4) made a new light black oil discovery, in a new unexpected reservoir in the complex IE area. The success of this well has led to a reappraisal of the prospectivity of the Etinde licence as a whole as well as opening up new avenues for both incremental development of existing discoveries and exploration on new prospects and leads.

Since the appraisal drilling programme has completed, the JV partners have completely reassessed the basis upon which Etinde can be developed focusing on making the existing discoveries commercially viable to develop. We invested considerable funds on an extensive pre-FEED project to help us determine the best available development option. Subsequently, we agreed that the JV should progress to a development planning phase. Bowleven will receive $25 million cash contingent upon development project final investment decision.

ETINDE ENTERS FEED

In July 2020, the Etinde project commenced FEED with a world-class contractor, Technip. The front end engineering design study is based on the information prepared for the development screening concept studies undertaken in 2018/19. The FEED study, complemented by sub-surface well location and development optimisation studies led by New Age, will allow the JV partners to finalise the facilities and infrastructure required to develop Etinde based on the current IM field reserves. The Company having due regard for commercial and finance issues, will use this to prepare a revised field development plan (FDP) for regulatory approval and subsequent FID approval by the JV partners and all stakeholders during 2021.

CURRENT CHAPTER OF THE ETINDE STORY

There are a number of factors which are currently being worked on. These include:

- the inclusion of the IE field in the initial development plan or as a later step-out addition;
- commercial resolution on initial and subsequent domestic gas demand and appropriate GSAs;
- the availability and amount of gas that may be exported;
- development finance; and
- revised (FDP).

These issues are expected to be finalised in 2021, with a Final Investment Decision expected during 2021. First production continues to be envisaged in 2023/24

CEO & CHAIRMAN STATEMENT

A STRONG CASE FOR DEVELOPMENT

2020 was a pivotal year for our company and we are well positioned to be a leading Cameroon oil and gas producer. Whilst we still have some work to do, our field is expected to prove worthy of its world class title.

ELI CHAHIN
CHIEF EXECUTIVE OFFICER

Dear Shareholders,

2020 has been a milestone year, both for society and for our industry. The onset of COVID-19, resulted in widespread global medical and economic issues. Coupled with the Opec oil price war, further pressure was made on an already tight oil price environment. We expect to see continued pressure as more developed economies focus on adopting a lower carbon future.

At an industry level, the short-term environment remains uncertain and turbulent, with the absence of any meaningful market equilibrium leading to significant challenges to our thinking as executives. This market dislocation was very publicly illustrated when, in April this year, WTI contracts traded at negative prices for the first time in history.

Several difficult-to-judge demand and supply catalysts remain precariously poised to contribute to continued market volatility in the near term. In these circumstances, final investment decisions are being delayed/deferred and the sanctioning of higher-cost projects remains under significant pressure. Today's underinvestment will invariably lead to a future rebalancing of the oil and gas market and we remain confident that shareholder patience will be rewarded. Given Etinde will produce natural gas and condensates, from an environmental and oil price volatility perspective, we continue to believe there is a strong investment rationale for developing the asset. The Company continues to place great importance on addressing environmental, social and governance issues and is pleased to update on these matters further, later in the document.

At an operational level, we, along with our partners, have adapted to the current impact of the pandemic. We placed the welfare of our employees at the top of the list of priorities and implemented work-from-home practices to keep our workforce safe. As a result of the travel bans, office closures and 'social distancing' measures, the Etinde JV, which included our FEED contractor Technip, effectively started running its processes and projects entirely virtually – meaning remote management presentations, virtual due diligence and online question and answer forums. So far that approach has been relatively successful, although some slippage in the Etinde timetable was inevitable, as the various parties adjusted to remote ways of working. With no physical data rooms and communal workstations to verify seismic and geological data, the absence of face-to-face negotiations was always going to give rise to delays. Further, as we enter commercial negotiations with our various stakeholders the need to finalise the incremental development and phasing of development on the Etinde Permit is our pressing priority.

In February 2020, we were very pleased to see the signing of a non-binding Letter of Intent (LOI) between Victoria Oil & Gas Plc (AIM: VOG) and New Age, for the supply of gas from the Etinde Field. This LOI has the potential to lead to a Gas Supply Agreement (GSA) further down the line, as the project evolves. This event marks a considerable step forward regarding the commercialisation of the licence.

During March 2020, Technip was appointed to the role of Front End Engineering Design (FEED) contractor, to lead the onshore and offshore elements of the first phase of the field development programme. The reservoir engineering and sub-surface development aspects of the wider FEED process continue to be undertaken by our partner, New Age, as Operator. We are also fortunate to benefit from the extensive support provided by LUKOIL and our host Government of Cameroon. The initial phase of the development concept proposed by the JV partners comprises an onshore gas processing, storage and export facility linked to an unmanned wellhead platform with associated pipeline infrastructure.

On the financial side, Bowleven continues to benefit from a robust balance sheet, with a cash balance of $7.4 million as at 30 October 2020. The Company also continues to operate in a lean fashion, with a very low G&A spend compared with its peers in the space. Also, it is important to note that we will receive a payment of $25 million from the JV partners once FID is achieved, which, as before, we now expect to be in 2021.

In mid-2020, a Paris-based financial advisory firm, Cofarco, was appointed by Bowleven and New Age to support the process of obtaining financing for the project. Discussions will likely advance alongside completion of the FEED work, with a range of potential senior debt providers. Engagement continues with the Government of Cameroon on a range of environmental, fiscal and regulatory matters with a view to obtaining the consents and agreements necessary to be in a position to reach a final investment decision in 2021 at the latest. Delays have been on account of several factors, most notably ensuring the most economic plan meets with stakeholder consensus, the impact of the COVID-19 pandemic on the various workstreams (both in and outside Cameroon), and the geological work with regard to IE which is ongoing. Our efforts have been continuing to accelerate whatever is feasible to do so with a view to ensure the field development plan is that which delivers the best value accretion.

Environmental, Social, and Health Impact Assessment (ESHIA) is critical to the JV and particularly for a project of this size for the country of Cameroon. This work is progressing with relevant international standards being part of FEED. This is in combination with our corporate social responsibilities (CSR) on account of which the JV has donated medical equipment to two local hospitals in Douala and Limbé in relation to the fight against COVID-19.

Stakeholder engagement is encouraging and has become an increasingly important project requirement, with heightened expectations from governments and lending institutions. The integration of these factors into project decision-making will be a key success factor to the delivery of long-term project value.

Due to the delays caused by the outbreak of COVID-19 and despite significant operational progress being made this year, an FID on Etinde is now expected during 2021. Notwithstanding this somewhat minor delay in timing, the Company remains confident that the current trajectory will generate value for all Bowleven stakeholders once our efforts are realised.

In December 2020, Matt McDonald, Chairman, will step down from the Board following his three-year contract tenure and we have secured a high calibre individual to replace him. We welcome Jack Arnoff as a Non-Executive member of the Board. The Company would like to thank Matt for his significant contribution throughout his stewardship which has been key to imposing the capital and cost discipline to assist the Company in funding its way to FID. We wish him well. A process is ongoing and a replacement Chairman will be named in due course. Given our continued focus on corporate costs, we are content with the size of the reduced Board, since, at this juncture, we don't feel further Board expansion is needed to secure FID.

OUTLOOK

As the technical engineering phase of the Etinde FEED approaches conclusion at end of the calendar year, our immediate focus will be on the commercial, fiscal and financing elements of the project. Engagement with the Government of Cameroon on a range of operational, fiscal and regulatory matters has commenced alongside socialisation of the concept select report which had been tabled early in February 2020.

Having regard to the current spot price for Brent crude hovering around $40 per barrel in October 2020, and the cost efficiencies realised through the FEED process, the economics of Etinde is such that the capital returns are suitably robust to be sanctioned in the current environment, assuming the required capital investment can be secured.

The current industry under-investment, instigated by the demand slump and low commodity prices, would suggest that the timing to first gas production for Etinde in 2023/24 offers a favourable point in the investment cycle. As ever, the economic investment case of the Etinde project remains strong, with the Company's interest in the Etinde project alone having a value of $150 million (as per 2019 valuation model). Well above the Group's current market capitalisation.

The importance of the development of Etinde to our shareholders serves to keep the Board and executive team focused at this challenging time for the industry. We are in active discussions with stakeholders to mitigate the funding challenges to secure the first extraction of molecules in a capital efficient way to enable project sanctioning.

The Board believes that the production and cash flow from the Etinde project, when combined with our existing unleveraged balance sheet, will deliver significant value for our investors, secure the long-term sustainability of the Company, and secure sufficient flexibility to further grow our business into the coming decade.

Matt McDonald
Chairman
9 November 2020

Eli Chahin
Chief Executive Officer
9 November 2020

STRATEGIC FRAMEWORK

A CONTINUED FOCUS ON ACHIEVING FID

FOCUSED STRATEGY
Etinde project has moved to a development planning phase where Bowleven together with the JV partners remain focused on achieving FID.

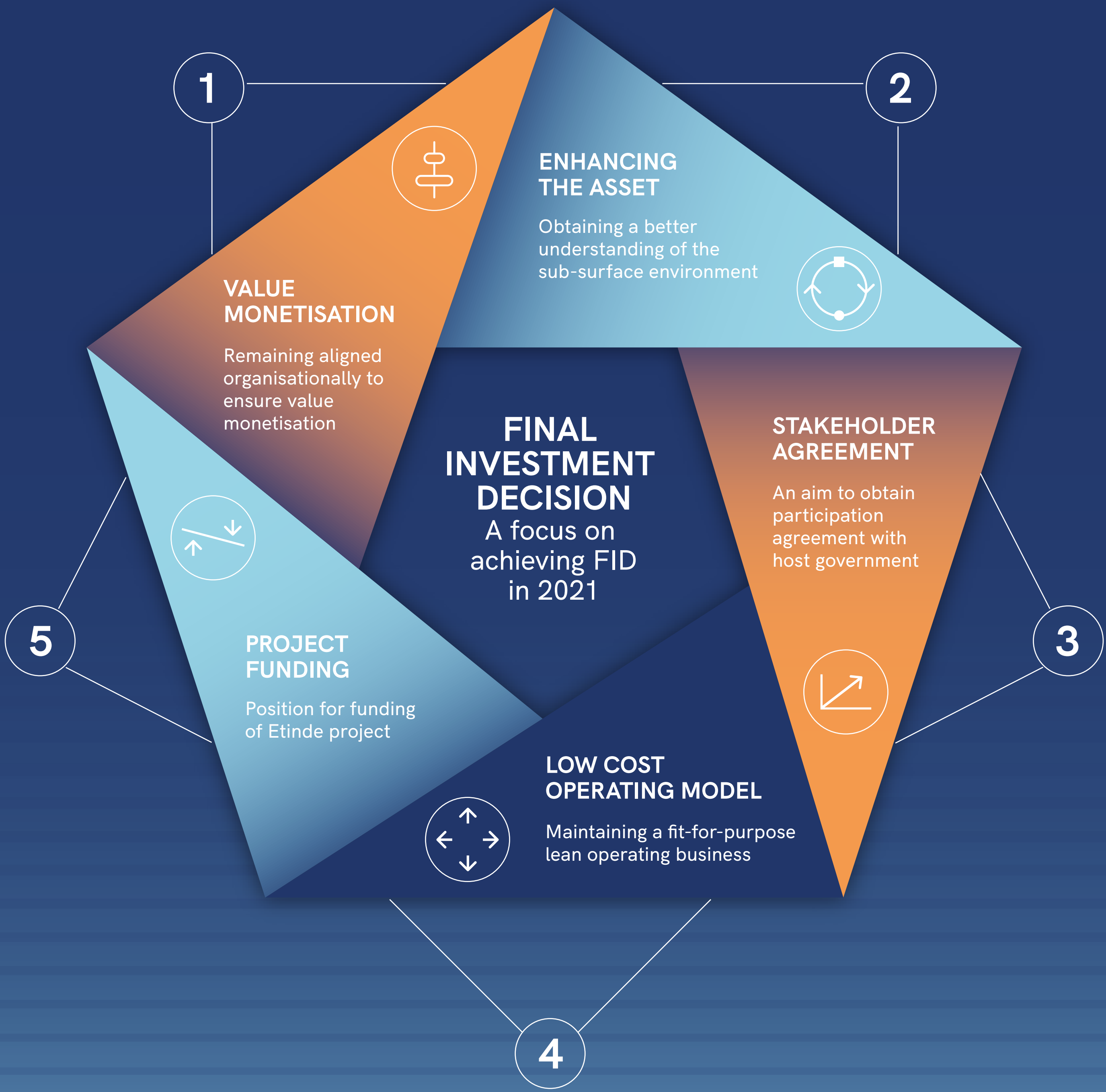
CONTINUED DELIVERY
Several development screening concept studies to optimise the development of the Etinde field are being progressed with the aim of agreeing development concept, and securing and structuring commercial agreements with various counterparties in the coming months.

STRONG POSITION
A final investment decision is expected in 2021, with first production envisaged in 2023/24.

TRANSFORMATIONAL UPSIDE POTENTIAL
The Etinde Block is regarded to be an established asset transpiring monetisation of a world-class resource and the potential for optimum return to shareholders.

PROGRESS MADE DURING 2020

- Alignment of geological data.
- FEED commencement.
- Scrutinising of all development options for optimum hydrocarbon extraction sequencing.
- Independent optimisation of the resource base.
- Multiple hydrocarbon bearing horizons.
- Further appraisal showing potential for future prospectivity.


FINAL INVESTMENT DECISION
A focus on achieving FID in 2021
1
VALUE MONETISATION
Remaining aligned organisationally to ensure value monetisation
2
ENHANCING THE ASSET
Obtaining a better understanding of the sub-surface environment
3
STAKEHOLDER AGREEMENT
An aim to obtain participation agreement with host government
4
LOW COST OPERATING MODEL
Maintaining a fit-for-purpose lean operating business
5
PROJECT FUNDING
Position for funding of Etinde project

OPERATING REVIEW

PROGRESSING TOWARDS DEVELOPMENT

Operationally our strategy is to develop our Cameroonian asset in a phased development solution, starting with Etinde Phase 1 which will commercialise its production through a domestic electricity generation scheme. Subsequent Phase 2 and 3 developments will commercialise the remaining bulk of the 234mmbbls of oil equivalent (gross) resources entailing the other IE fields into the development plan.

WHILST ETINDE ACTIVITY HAS SLOWED IN THE WAKE OF COVID-19 AND ESPECIALLY THE GROWING SECOND WAVE, WE ARE PRESSING AHEAD WITH AN AMBITIOUS TIMEFRAME AND WITH REGULATORS THAT HAVE BEEN ACCOMMODATING. WE LOOK FORWARD TO WORKING WITH OUR PARTNERS AND CONTRACTORS TO ENSURE FID IS OUR 2021 HIGHLIGHT.

a) Pre-FEED Studies

Extensive pre-FEED engineering design studies were undertaken by independent contractors throughout 2019. The studies were commissioned in Summer/Autumn 2018 following the completion of the 2018 appraisal drilling programme. As part of the programme several potential development options were reviewed and costed in detail. The main options include:

- wellhead platform with gas condensate processing facility (with/without an FSO);
- FPSO-based development;
- onshore gas processing facility;
- gas reinjection; and
- export and domestic gas sales options.

The Operator presented their summary of the project and their conclusions and recommendations in a 'Concept Select Report' in late 2019. The JV partners agreed to focus on an onshore gas processing facility-based development in December 2019. An Expression of Interest (EOI) process for FEED studies commenced in December 2019, which was followed by a competitive tender process in February 2020.

b) FEED Studies

Technip (Malaysia) was awarded the contract to supply FEED studies in March 2020 following completion of the tender. Unfortunately, global lockdown measures associated with the COVID-19 pandemic required considerable restructuring of the work plan and timetable and a shift to managing the project using remote rather than direct management of FEED activities by the JV partners. As a result, FEED did not commence until June 2020.

The two key deliverables of the FEED project included:

- a FEED engineering design package, developing the project scope, identifying long lead delivery items and areas of risk using ISO quality management standards/processes and using the appropriate HSSE protocols; and
- ensuring all the requisite approvals and consents which will be required from Cameroon state government bodies in relation to the work documents are being designed into the process.

The FEED project has been designed and implemented based on the extensive pre-FEED project work completed. FEED is progressing based on ISO standards and appropriate petroleum industry best practice internal design standards (such as those issued by the Norwegian Petroleum Directorate guidelines). FEED activity outputs are designed to reflect the usage of a suitable environmental standards framework having regard to the World Bank's International

Finance Corporation Environmental, Health and Safety guidelines.

The primary aim of the Technip FEED project is split between onshore and offshore development activities as follows:

a) Etinde Onshore Facilities Will Comprise of Five Main Elements

- to extract the liquid streams from the gas;
- store the liquid products prior to sale;
- export high pressure lean gas for domestic purposes;
- produce high pressure gas for potential export; and
- export high pressure lean gas for injection offshore.

The relative importance of export, domestic and gas reinjection processes to the final development are subject to commercial and regulatory discussions.

b) Offshore Facilities

- unmanned wellhead platform design; and
- pipeline infrastructure.

The current activity covers the IM field area only. It is anticipated that further FEED design project work would be required to include the IE fields into the development plan.

c) Sub-Surface Activities

Alongside the Technip FEED contract, New Age's technical team are also leading other inter-related aspects of the wider FEED process. These are:

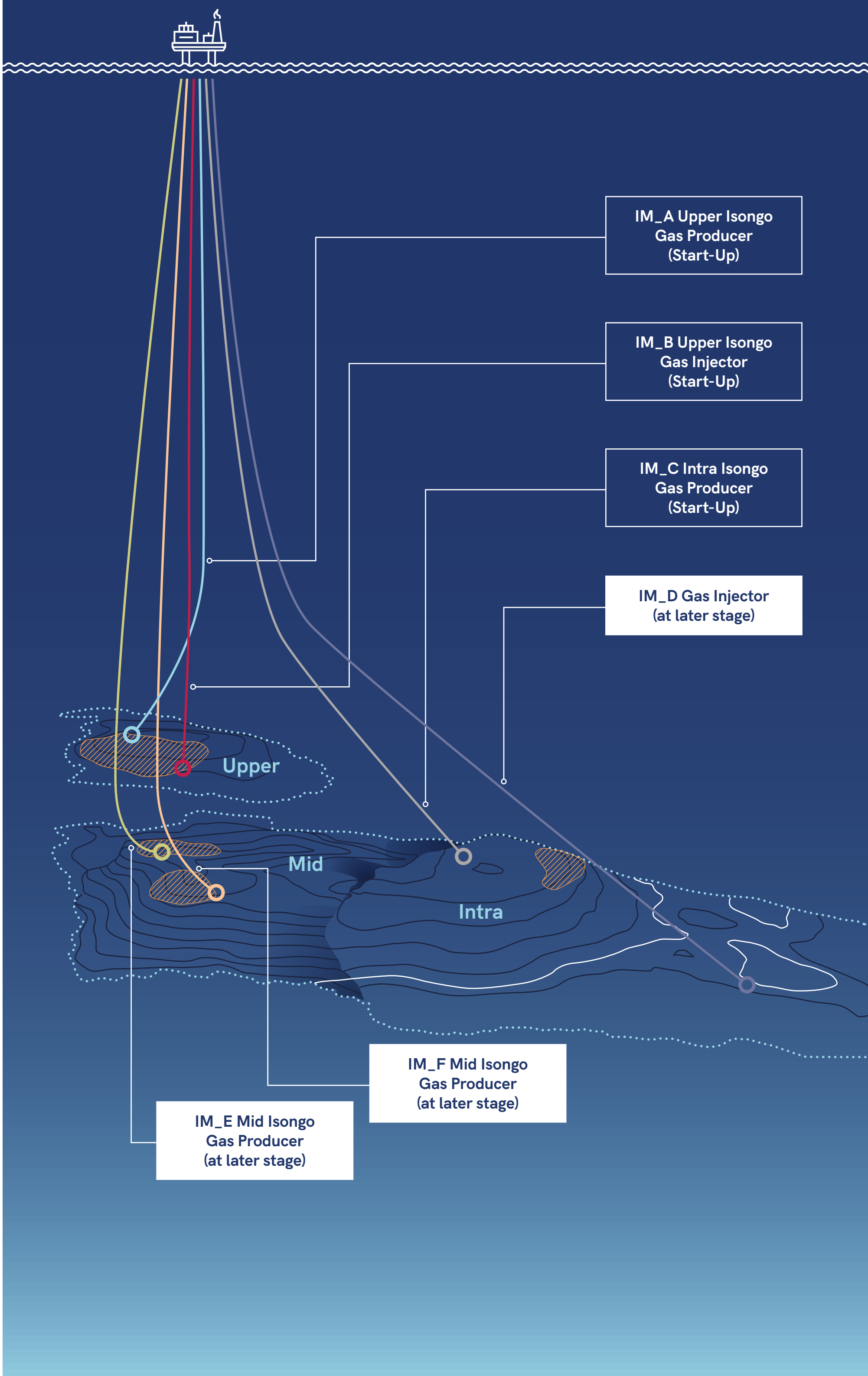
- integrated reservoir engineering modelling;
- sub-surface field optimisation studies; and
- development of the well drilling plan.

The integrated reservoir model brings together the individual reservoir assessments with the onshore gas processing facility design to create a field-wide model where individual IM reservoirs can be modelled on real-world operational parameters, with multiple reservoirs produced simultaneously through the development infrastructure.

The sub-surface work seeks to identify the optimum number of wells required to produce the three separate IM reservoirs, timing of drilling, type(s) of wells drilled (vertical, horizontal, multilateral wells), operational risk mitigation as well as optimum well location within the reservoir structure. The geological and reservoir engineering aspects have focused on the impact of the reservoir connectivity risks and gas reinjection into the Upper and Intra Isongo reservoirs.

IM FIELD

An example of the development well location and timing planning work being undertaken as part of FEED.



OPERATING REVIEW CONTINUED

The FEED project, including integrated JV project operations team, is budgeted to cost around $13 million in total. Bowleven's share is around $3.25 million.

CURRENT STATUS

Technip FEED Project.
At the time of writing, the project is broadly on budget and nearing completion with approximately 74% completed. Under the revised timetable, the work is expected to complete by November end, with variation orders completing in December.

Sub-Surface Studies
Sub-surface issues have been discussed in a series of workshops between May and October 2020, with further activity planned subsequently. New Age intend to review the IM reservoir structure following receipt of the improved seismic data during Q4 2020.

Next Steps
Following completion of FEED, the JV partners will have a detailed understanding of the field infrastructure and facility requirements for the development including detailed technical engineering requirements, a level-3 budget for the development, development timetable including ordering long lead time items, project management requirements and the development contracting strategy. A new, revised field development plan along with a detailed project implementation plan will be prepared as part of the JV partner FID approval process.

Legal and Regulatory Considerations
There are several legal and regulatory considerations which are being resolved prior to FID. These include:

SNH Joining the Development Project
Under the terms of the Etinde PSC, SNH has the right to back-in to 20% of the Etinde development project as a participating partner. The PSC requires this to have been completed by six months of the EEEA approval by way of signature of a Participation Agreement.

The JV partners are cognisant that the existing Joint Operations Agreement, which governs the management and operational relationship between the JV partners, will also have to be amended to affect SNH joining the consortium.

We have drafted a revised Joint Participation Agreement (JPA) and have opened discussion with SNH on signature of this agreement. Progress has been relatively slow to date. In part this reflects the impact of COVID-19.

Regulatory Approval
The existing EEEA is set out in a Presidential Decree which came into force in January 2015. The EEEA and its associated field development plan assume that the development will primarily supply gas to a Cameroon fertiliser development project with any excess production being available for a Cameroon LNG development.

Regulatory approval will be required for the renewed field development plan. The requirements will be drafted alongside the FEED process, with the aim of submittal in 2021. The submission timetable is dependent on agreeing the commercial issues encompassing the IE fields.

In our view, the change in the nature of the development focus from fertiliser/ LNG development to a domestic power/ LNG focus may also require a revised Presidential Decree to be issued alongside approval of the amended FDP. In either case, the submission of a new FDP will be in parallel to the Etinde licence amendment. The discussions to date with all shareholders on this matter have been collaborative and constructive and no obstacles are envisaged with regard to our objectives to date.

Project Financing Considerations
New Age and Bowleven have jointly appointed an independent European lead financial advisor (Cofarco), supported by a specialist finance consultant based in China, to lead New Age's and Bowleven's project debt funding. The lead advisor is currently focusing on the potential valuation of Etinde, preparing a project plan and virtual data room and assessing the need for the involvement of other specialist advisors.

The Etinde financing plan comprises of various elements including senior project finance debt (likely involving a combination of export credit guarantees and loans alongside commercial debt), vendor or contractor financing, offtaker financing, as well as equity.

Commercial Considerations
The domestic market for gas in Cameroon is well below that of Etinde's potential maximum production rate.

WITH THE COMPLETION OF THE SUB-SURFACE, ONSHORE AND OFFSHORE FEED PROCESSES AT THE END OF 2020, THESE DEVELOPMENTS REPRESENT MAJOR STEPS FORWARD WHICH HAVE A SIGNIFICANT IMPACT ON OUR ABILITY TO INITIATE THE FID CYCLE DURING 2021.

CONTINGENT RESOURCES

Resource and Volume Estimates

Degoyler & McNaughton (D&M) presented their independent assessment of contingent resources to the JV partners in October 2019. Bowleven have adopted this report as the basis of the Group's assessment of the resources for the Etinde licence. D&M's assessment is as follows:

Gas Condensate

The gas condensate reservoirs in the IM and IE fields, currently comprises about c.1.2tcf of wet gas in place on a P50 basis.

	1C (P90)	2C (P50)	3C (P10)
Gas initially in place (bcf)	743	1,146	1,375
Recoverable volume			
Gas (bcf)	461	810	1,091
Condensate (million bbls)	51	83	105
LPG (million bbls)	9	16	21
Total boe (million bbls)	137	234	308

The total amount of contingent resource attributable to Bowleven (25%) for the licence is estimated as follows:

	1C (P90)	2C (P50)	3C (P10)
Recoverable volume			
Dry gas (bcf)	115	203	273
Condensate (million bbls)	13	21	26
LPG (million bbls)	2	4	5
Total boe (million bbls)	34	59	77

Oil

The IE field also contains an oil reservoir, which was not previously recognised in contingent resources. D&M estimate the STOIIP and recoverable oil resources to be:

	1C (P90)	2C (P50)	3C (P10)
STOIIP (million standard bbls)	13	30	38
Recoverable volume			
Oil (million standard bbls)	3	7	12
Dry gas (bcf)	6	17	27
Total boe (million bbls)	4	10	17

Attributable to Bowleven's 25% share:

	1C (P90)	2C (P50)	3C (P10)
Recoverable volume			
Oil (million standard bbls)	1	2	3
Dry gas (bcf)	2	4	7
Total boe (million bbls)	1	3	4

In addition to these contingent resources, there are also prospective resources in drilled locations (IC, ID, IE and IF locations) as well as several undrilled prospects.

The JV partners envisage that an updated external report will be commissioned in 2021 as part of the FID process. Here the aim would be to move from a contingent resource-based report to an IASB Reserves report on the basis of the fully costed development plan and the various commercial arrangements under which Etinde hydrocarbons will be sold.

Notes:

- For the IM and IE fields, the range of contingent resources are reported based on the current proposed development plan for the field as detailed earlier in this section. The EEEA based production model previously used, is no longer considered appropriate. For the IM/IE fields, the contingent resources estimates are now reported as sales gas, primary and secondary condensate recovery and LPG recovery resources respectively.
- For all Etinde discoveries, except the IM and IE fields, 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. Gas recovery factor ranges of 50 to 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. The reported sales gas resource includes CO_2 content. This will either be removed prior to sale or adjusted for in the gas selling price depending on the actual gas sales agreement.
- For the purpose of calculating barrels of oil equivalent, 1boe = 6,000scf gas.
- 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).
- In this report, Bowleven's resource and volume reporting is based on a 25% equity interest in Etinde. Bowleven's equity would be reduced from 25% to 20% once agreement is reached between the JV partners and SNH, for SNH to take its equity share.
- To date SNH has not signed the Participation Agreement to take up their 20% interest. Therefore, the Etinde JV is proceeding on the basis that the Etinde equity split is New Age 37.5%; LUKOIL 37.5%; and Bowleven 25%.

OPERATING REVIEW CONTINUED

Domestic Gas Demand
The Government of Cameroon proposes to increase domestic electricity generation by a combination of hydroelectric and gas powered generation schemes going forward, where gas power would ultimately contribute 25 to 30% of domestic electricity supply.

For FEED purposes, the Government of Cameroon has requested that we consider two gas-powered electricity generation projects, which it intends to develop simultaneously.

Bekoko Project
The Government of Cameroon entered into an MOU with Aksa Enerji Uretim A.S. (Aksa) in relation to the development of a 150MW gas powered electricity generation facility at Bekoko on the outskirts of Douala in July 2019. Victoria Oil and Gas plc (VOG) entered a further MOU with Aksa to supply up to 25mmscf/d of gas to this facility.

VOG subsequently agreed an LOI with the Etinde Operator with a view to negotiating a Gas Sales Agreement to supply VOG with between 25 and 30mmscf/d of gas for a 20-year period. The LOI terminates on 31 March 2021 should no GSA be agreed before then. One key consideration of the GSA advancing is the practical requirement to build an offshore/onshore gas pipeline, approximately 100km long, between our proposed processing facility in Limbé and the proposed Bekoko site.

We understand that discussions, are progressing positively with all stakeholders to secure pipeline gas into the country's commercial hub. It is likely that the stakeholder will find agreement on the funding aspects, following which, GSA negotiations are expected to resume.

Limbé Project
In May 2020, the Government of Cameroon launched an EOI for international partners to develop and operate a proposed new 350MW gas powered electricity generation facility in Limbé. The EOI process ended in mid-August 2020. Whilst we understand several parties expressed their interest there has been no further updates at this time. The 350MW development would require around 50mmscf/d of gas.

Other Potential Opportunities
In addition, further potential opportunities may arise from converting existing oil-fired generation capacity to gas powered. The two such projects include an 85MW existing generation facility and the 88MW Dibamba facility on the outskirts of Douala.

Liquefied Petroleum Gas (LPG)
SNH has informed us that they are interested in becoming the sole offtaker for Etinde LPG. Their intention would be to act as an intermediary between Etinde and the domestic marketplace, with a primary aim of increasing local market volumes and replacing imported LPG with domestic supply.

Under this proposal, SNH would build and operate an LPG storage and loading facility in Limbé to supply the domestic market with LPG cylinders. The infrastructure requirements for this sales option are being considered as part of the onshore FEED facilities project.

Propane
Etinde wet gas condensate has a significant proportion of propane and the propane/butane gas ratio is higher than is typical for LPG alone. Following discussions with potential hydrocarbon traders, we have been informed there is a viable global market for propane. Accordingly, the Operator is undertaking a cost/benefit analysis project to look at the commercial economics for exporting liquefied propane as a sales gas. This option forms part of the FEED process relating to the design of the onshore gas processing plant.

Condensate
FEED/FDP outputs will determine the condensate export offtake packet size and the set storage capacity levels at the Limbé facility, which will drive both tanker size and offtake frequency. These key variables will determine net condensate revenues and cash flows.

FID
During the year, the JV partners have created an integrated operations team leading the FEED and subsequent process for the partners. This team has onboarded new hires as well as integrating key LUKOIL personnel and are in regular dialogue with the JV management committee. The level of coordination amongst the JV is further underpinned by the joint appointment of a financial advisor as referred to earlier. The completion of the milestone developments (sub-surface, onshore and offshore FEED processes) by 2020 year end have had a significant impact in accelerating the FID cycle during 2021.

There is a significant number of outstanding legal, regulatory and commercial issues which will need resolving during 2021. At the current time, we consider FID to occur during 2021.

At the half year we reported the JV were aligned around a three-stage development. This construct remains as follows:
- IM initial development focused on supplying domestic gas demand for electricity generation, gas reinjection/recycling, where appropriate;
- broader development of the gas market comprising gas export; and
- IE and/or other existing discoveries pending successful resolution of reservoir uncertainty.

Within this framework, the timing of individual elements remains uncertain pending resolution of commercial issues. In our view, the developments in the global hydrocarbon market throughout 2020 require the authorised development to maximise initial production and development Net Present Value (NPV) from the outset. Previously, we were content that a lower initial development phase could be accommodated within the development.

Based on our current understanding of the Cameroon domestic gas market, local demand at first production (in late 2023 or 2024) will probably be insufficient to maximise NPV. In our opinion, domestic gas demand will need to be supplemented by export demand. In practice there is likely to be a difference between the financial requirements of the JV partners and the Government's wish to support longer-term domestic gas supply for power generation, where domestic demand increases relatively slowly over a number of years. This is likely to require extensive discussion to resolve given the uncertainty of what actual domestic gas demand will be in 2024 and the commercial requirements of any export arrangement we may put in place. Over the longer term of the field life, the pressure is likely to fall away somewhat given the potential for developing the current IE, IB, IC and IF discoveries.

Geological and Geophysical Activities

The primary non-FEED related technical study undertaken in 2020 relates to reprocessing of the seismic data set for the entire licence area. This project costing approximately $3.0 million commenced in January 2020 following a competitive tender, which was secured by WesternGeco.

The seismic reprocessing project is ongoing and is expected to be completed in Q4 2020. Preliminary results show significant general improvements in resolution across the licence area, but especially in those areas where overlying volcaniclastic deposits have absorbed seismic energy significantly reducing the observed resolution in the IM and especially IE field areas.

This will be followed up with several further consultant-led smaller projects to investigate the potential for thin bedded reservoir horizons. A further study commencing later this year will focus on rock physics. This project will seek to provide physical data which can be used to confirm that the new seismic data can be successfully used to de-risk lithology and/or reservoir fluids type.

The immediate priority following the receipt of the reprocessed data set will be to re-examine the various IM reservoirs to validate our ongoing FEED related work on de-risking the individual reservoirs. This is accomplished by re-examining the identified potential reservoir baffles and small internal faults, as well as the channel boundary locations.

Once this is completed, the identified IE leads (principally the IE 1 and 2 well gas condensate discovery and the IE 3 and 4 well volatile oil discovery) will be reassessed with the aim of bringing any additional resources into the development plan. Other IE, IB and IC discoveries will also be reassessed for potential for adding additional resources to the development in subsequent years.

FINANCIAL REVIEW

MAINTAINING A ROBUST BALANCE SHEET

Cash and bank deposits held at 30 June 2020; no debt.

$9.1m

FINANCIAL REVIEW

Calendar year 2020 has seen very significant additional macroeconomic uncertainty due to the combination of reductions in the prices and global demand for oil, gas and products due to global market conditions combined with the results from the ongoing COVID-19 (coronavirus) pandemic. The scale and duration of these developments remain uncertain but could impact our earnings, cash flow and financial condition in future periods.

In addition, the Etinde project has formally entered into a FEED process, with the intention of progressing the project from the evaluation phase to the development cycle, with the aim of the JV partners formally approving the Final Investment Decision and raising finance to proceed with the implementation of the development project itself.

Outlook/Going Concern Considerations

The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future at least 12 months from the date of signing this report. The Directors are of the opinion that the Group has sufficient funds to meet ongoing working capital and committed capital expenditure requirements given the likelihood of reaching FID in 2021. The Group is due to receive a $25 million cash payment from its JV partners at FID.

The Directors are also satisfied that the Group will be able to secure additional debt and equity funding in order to finance its share of the Etinde development. We consider that the Government of Cameroon is unlikely to remove the PSC contract from the Etinde JV partners in 2021.

FINANCIAL PERFORMANCE

The Group's loss for the year to 30 June 2020 was $2.6 million (2019: $66.6 million). The 2019 loss for the year was largely due to an impairment provision of $62 million against the carrying value of the Etinde intangible asset. Underlying operating losses in 2020 reduced to $2.6 million from $3.7 million in the previous year.

Bowleven's non-Etinde Opex costs (defined as total administrative expenses less Etinde JV Opex costs per note 3) in the period were £1.9 million compared to $2.2 million in 2019. Cash operating costs of c.$2.0 million represents our view of the long-term average cost of operating the Group in its current form. Most of these costs are incurred in GBP. On top of this, the Group also bears a share of the administrative operating cost of the Etinde joint venture. The 2020 share amount of $1 million was significantly lower than the previous year's level (2019: $2.7 million). This reduction is in part due to the reduction in spending levels (especially on expat travel costs and travel costs for meeting with SNH and the Government of Cameroon) in 2020 due to lower activity levels caused by the COVID-19 pandemic.

The Group's investment income is generated by interest income on its cash balances and from its financial investments. Net investment income in FY2020 of $0.6 million is similar to that reported in 2019 levels of $0.7 million. However, actual investment income has reduced from $1.5 million to $0.3 million in 2020 as a result of holding much lower level of cash and financial investments through 2020 compared to 2019. However, the Group also incurred a mark to market loss of $0.8 million in 2019, compared to a gain of $0.4 million in the current year.

CASH FLOW

The Group's net cash position reduced to $9.1 million from $10.5 million at the end of the prior year. The cash value of the Group's operating losses for the financial year was $3.0 million compared to $3.7 million in the prior year.

Capital expenditure on the Etinde project increased to $1.6 million from $1.4 million due to the investment in FEED activities and the seismic reprocessing project. The Group realised $2.5 million (2019: $14 million) from the disposal of its financial investments during the year.

VALUATION OF THE ETINDE ASSET

During the previous financial year, we undertook an extensive review of the valuation of the Etinde project taking into account our current view of the most likely field development plan allowing for the post 2018 appraisal drilling programme resource assessment and the pre-FEED design studies as they reflected on estimating the capital and operating cost of the project. In 2019, the value of Etinde was determined to be $150 million, which resulted in a further impairment provision of $62 million. Full details can be found in the 2019 annual report and in Note 8 of the current year's financial statements.

During the current financial year, we have assessed whether any of the impairment review triggering events set out in IFRS 16 have been met. We are satisfied that there has been no impairment triggering event in the current financial year. In the longer term, the significant hydrocarbon price fall in early 2020, delays caused by the COVID-19 pandemic and the growing interest in transitioning to a green(er) energy sector, may all have an important impact of the development of the Etinde asset going forward.

THE GROUP HAS ADEQUATE RESOURCES TO CONTINUE IN OPERATIONAL EXISTENCE FOR THE FORESEEABLE FUTURE.

As discussed in the Operating Review, we expect FID to occur during 2021. This will require the preparation, submission and approval of a new field development plan, based on FEED and commercial arrangements that are agreed prior to FID approval. In accounting terms, the development will move from following the accounting policies based on IFRS 6 '*Exploration for and Evaluation of Mineral Resources*' to that of IAS 16 '*Property, Plant and Equipment*' and IAS 36 '*Impairment of Assets*', which will constitute a triggering event to reassess the valuation of the Etinde project on the different accounting basis.

FINANCIAL POSITION AT 30 JUNE 2020

The Group continues to have a robust unleveraged balance sheet with cash of $9.1 million (2019: $10.5 million) and reasonably liquid investments of $2.0 million (2019: $4.1 million) giving overall funds of $11.1 million (2019: $13.5 million). The $2.4 million reduction in the Group's funds is primarily due to current year operations and further capital investment in the Etinde project.

The Group has an unrecognised contingent asset of $25 million. The amount is due as part of the consideration arising from 2015 farm-out transaction with New Age and LUKOIL and is dependent on the FID for the development of the Etinde licence being approved.

INTANGIBLE ASSET

The Group's investment in the Etinde licence increased by $2 million (2019: $12 million) to $152 million (2019: $150 million). This is primarily due to Bowleven recognising its share of the Etinde project capex in the year. This primarily related to the Pre-FEED, FEED and seismic reprocessing work streams.

Accounting for Bowleven's Share of Etinde

The Etinde PSC is accounted for under IFRS 11 (*Joint Arrangements*) as an unincorporated joint venture, where Bowleven recognised its 25% interest in the individual assets and liabilities of the joint arrangement. New Age as Operator prepares a 'cash call' statement based on their estimate of short-term future expenditure, which is paid in advance. Subsequently, New Age circulates a monthly statement of actual expenditure prepared on an accruals basis.

Finalisation of the cost of 2018 appraisal drilling programme was completed in spring 2019. Subsequently, New Age undertook a further review of physical inventory of raw materials and spares to identify all materials capable of being utilised in any future drilling programme.

Following this review, a further $4.0 million (gross) of Inventory was identified during our current financial year. As this expenditure was previously capitalised in Bowleven's balance sheet as an Intangible asset addition, we have reclassified our share of the increased Inventory valuation from intangible assets to Inventory during the current financial year.

INVESTMENTS

Whilst, the Group intends to continue seeking opportunities to maximise its investment income where possible, given the short-term expectation of relatively high Etinde project expenditure alongside the continued high level of international financial market volatility, the Board has chosen to hold cash investments at the moment.

At the beginning of the financial year, the Group had a total of two investments in one company, in both limited partnership equities and debt instruments, for a total amount of $4.1 million. The debt instrument was repaid by the issuer during the current financial year, for proceeds of $2.5 million. The remaining limited partnership equity investment was valued at $2.0 million at 30 June 2020.

SHAREHOLDERS' FUNDS

Shareholders' funds are $166 million (2019: $168 million) at 30 June 2020. The reduction is due to operating loss in the current financial year as discussed above.

FINANCIAL SUMMARY

	Year ended 30 June	
	2020 $000	Restated 2019 $000
Loss for the year after impairment and similar charges	**2,625**	66,564
Net cash used in operating activities	**3,073**	3,708
Bank deposits, cash and cash equivalents	**9,102**	10,982
Financial investments	**2,010**	4,134
Shareholders' funds	**165,618**	168,136

Loss per share (basic and diluted) was $0.01 (2019: loss per share $0.20).

PRINCIPAL RISKS AND UNCERTAINTIES

MONITORING AND MANAGING BUSINESS RISKS

Risk management is fundamental to Bowleven's conduct and includes executing action plans around and within the Company's activities in order to protect business interests from risks.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has the responsibility for establishing and maintaining the system of internal controls, as well as ensuring its risk management protects shareholders effectively.

Our system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives and therefore provides reasonable, not an absolute, assurance against material misstatement or loss. We remain of the view that on account of the significantly reduced levels of business activity the need to establish an independent internal audit function is not evident. The executive team is well qualified and suitably professional for managing daily risks across the business. There is an authority matrix in place to mitigate or otherwise bring risks to the Board's attention regularly. Risk mitigation decisions are made at the right level and within the Company's defined risk appetite.

The Group's principal risks and uncertainties are listed in the following table. The process of monitoring and updating internal controls and procedures will continue throughout the year and a risk management process is in place as and when the project mobilisation of Etinde accelerates.

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

RISK	MITIGATION	RISK RATING
STRATEGIC RISKS		
Delay in Final Investment Decision (due to low oil price, increase in project costs, partner funding difficulties) and potential loss of licences interest.	The Group is due to receive a $25 million cash payment from its JV partners at FID. As FID is anticipated during 2021, the Directors are satisfied that the Group would be able to secure additional debt and equity funding in order to finance its share of the Etinde development. The Directors are satisfied that the Group has sufficient existing financial resources in place to meet its operating costs for at least 12 months from the date of approval of these accounts. Preliminary engagement with capital providers (JV partners, banks, shareholders, potential partners), has commenced to assess the range of options that are available for when additional funding will be required to meet our upstream infrastructure capex requirements. Depending on the choice of development scheme, the Group will have to raise additional finance prior to FID. A lead financial advisor has been appointed to assist two of the three JV partners looking for funding. Discussions with the host government regarding any need to extend the licence have been undertaken in parallel the collaborative efforts to formalise the field development plan for Etinde.	Medium
Political instability risk.	The Group has obtained insurance against political risk in order to protect investors and the Company in case of events promoting financial loss, such as acts of expropriation, domestic or international political unrest and violence (including war and terrorism).	High
Environmental impact. – Adverse investor and lender sentiment towards the oil and gas sector and longer-term reduction in demand for oil and gas, resulting in lower oil and gas prices.	– Best in class International Finance Corporation (IFC) Environmental Standards are built into the FEED process. – Environmental bases case assessment being undertaken to identify current level of environmental degradation at the proposed Limbé processing facility site. – Inherently safe and low pollution design facility and infrastructure design.	Medium
Reliance on JV operators for asset performance.	The Group is actively engaged with its JV partners in building and maintaining effective and transparent working relationships as a means of understanding their positions and influencing decision-making for the benefit of the JV as a whole. Due diligence is used to review development plans tabled alongside regular engagement to ensure partner interest are aligned. Cost and schedule overruns are continually monitored and managed where possible.	Medium
FINANCIAL RISKS		
Insufficient domestic gas demand.	SNH supported the Etinde appraisal drilling programme and the Government of Cameroon sanctioned a Gas Convention Agreement for exporting the Etinde gas on the basis that the JV assigns 500bcf of resource to Cameroon domestic offtakes. SNH and the Government remain interested in developing power generation capacity.	Medium to high
Volatility in hydrocarbon prices. – The Group operates in challenging market conditions with lower commodity prices than previously experienced that could adversely affect the carrying value of assets. There remains uncertainty on how long current market conditions will adversely impact Etinde investment economics.	The Group monitors its macroeconomic environment, maintains a disciplined approach to capital allocation and costs, and evaluates its business strategies appropriately. The Group works closely with its JV partners and maintains awareness of industry trends and costs to understand how the Group's assets might be valued. – A contingency will be built into development budgeting process to allow for downside movements in commodity prices. – Sustained low oil prices typically lead to a reduction in activity levels with a resultant reduction in industry development and exploration costs. – Gas prices, especially domestic gas and LPG prices are less likely to be indexed to global commodity prices. – The Company is likely to hedge a proportion of its production, particularly if the Company is reliant on such production to service debt.	Medium

RISKS AND INTERNAL CONTROLS CONTINUED

RISK	MITIGATION	RISK RATING
The Group's JV partners may fail to fund their share of joint operations.	Risk of default is mitigated by provisions in the joint operating agreement (JOA) model used in the business. The JOA allows the non-defaulting JV partners to acquire the defaulting partner's equity share in the asset concerned.	Low
COVID-19 pandemic.	The COVID-19 pandemic has had a significant impact delaying the commencement of the FEED project by several months and resulting in office closures and home working by all JV partners. Whilst the pandemic isn't finished, we expect the level of further disruption to be less significant as the JV partners have developed processes to reduce the impact of the virus. If the pandemic continues into 2022, it may cause issues with the construction of the Etinde infrastructure, either in the form of delays, increased costs or overruns.	Low
OPERATIONAL RISKS		
Development plan delivery.	The Company is investing significant time and resources to validate the various development options under consideration. The Company uses a range of third party experts to validate, coordinate and support, where necessary, the development risks and plans tabled.	Medium
Geological/reservoir risk: leading to sub-optimum development options being made.	The appraisal programme was undertaken to de-risk the Etinde asset and the JV partners are obtaining a better understanding of the reservoir geology. The Group utilises its experience and that of the JV partners to determine and correlate the resource and development assumptions to ensure that its management and Board maintain a realistic view of resources. The Etinde JV will require an independent consultant's report to verify the results of the appraisal drilling and before an FID is made.	Medium
Regulatory uncertainty.	The Group uses its influence in the JV Management Committee(s) to support the JV Operator in ensuring that there are open communication channels with Cameroon Government agencies. Also, the Group ensures that it is represented at the in-country meetings to discuss JV business with SNH and Government officials. Under the terms of the Etinde exploitation authorisation, there was an initial six-year period, ending in January 2021, linked to the sanctioning of a third party fertiliser project which did not secure any investor or government sanction. With the abandonment of the proposal some time ago, the JV has been collaboratively deliberating with the Government of Cameroon with a view to agreeing a new development plan. We have, at the time of writing, made material progress on determining a revised plan. The revised scheme has already secured indicative support. Current efforts are underway, as part of FEED related work streams, to ensure consensus for the revised new development plan for Etinde. The issue of the January 2021 date has not been raised as a formal concern by SNH and it has approved all annual work programmes and budgets up to and including the year ending 31 December 2020. We consider the risk of licence removal to be between low and medium at the moment. With SNH approval we have commenced FEED and intend to move to FID in the near term followed by the development of the Etinde licence. We will request the Government to eliminate this uncertainty as part of the FID regulatory approval process. However, should FID not happen in the near term, then the risk of licence removal will increase.	Low to medium
HSSE risks, including security risk.	The Group regularly reviews its HSSE policies and procedures within the context of its operational profile to ensure that effective HSSE measures are in place to ensure compliance with the Company HSSE policy and industry standards. Currently, the Group does not undertake oilfield operations on its own behalf and therefore, has a low staffing level. The Group monitors the application and effectiveness of the HSSE policies and procedures performed by the Operator of the Etinde JV. The Company is aware of EU and UK legislation regarding the growing threat from cybercrime. The Company continuously reviews its IT systems and implements measures to ensure that the Group systems are secure and able to adequately protect its intellectual property.	Medium

RISK	MITIGATION	RISK RATING
Bribery and corruption risks.	The Group has a zero-tolerance attitude towards bribery and corruption. The Group has an anti-bribery and corruption policy, consistent with the Group's obligations arising under the UK Bribery Act 2010, and has established procedures for monitoring compliance, including regular training for all Group staff. The Group includes anti-bribery and corruption compliance provisions in all contracts entered with third parties. As part of the regular training, staff are also reminded of the Group's whistleblowing policy and encouraged to confidentially raise any concerns that they may have about dangerous, illegal activity or any wrongdoing within the organisation.	Low
ORGANISATIONAL RISKS		
Staff recruitment, development and retention.	Notwithstanding the Company has been able to meet its management and reporting obligations to shareholders as a listed company. The Group has access to several consultants, accounting and legal firms who have knowledge of the business and support the formal reporting protocol. Additionally, the Group has retained technical expertise in geology, sub-surface engineering and analysis and facilities engineering.	Medium

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

APPROVAL OF STRATEGIC REPORT

The Strategic Report on pages 1 to 21 of the Annual Report and Accounts has been approved by the Board of Directors.

On behalf of the Board

Eli Chahin
Chief Executive Officer
9 November 2020

CORPORATE RESPONSIBILITY

CONTINUALLY PURSUING OUR ESG RESPONSIBILITIES

Bowleven, together with its JV partners, is conscious of the responsibility to continually support the increasing awareness of the environmental, social and business impacts of its drilling programme activities and seeks to manage these to safeguard the protection of the environment, the local communities, our employees and the business.

HAVING A HISTORY WITH THE PROJECT SINCE 2008 AND NOW AS THE CAMEROON COUNTRY REPRESENTATIVE SINCE 2019, I AM CONFIDENT THAT OUR GOVERNMENT OF CAMEROON RELATIONSHIP WILL BODE WELL FOR THE SUCCESS OF THIS PROJECT. OUR LOCAL COMMUNITIES WILL BENEFIT THROUGH OUR UNDERTAKINGS TO COMMIT OURSELVES TO SOCIAL AND COMMUNITY PROGRAMS INTENDED TO CONTRIBUTE TO SUSTAINABLE SOCIAL DEVELOPMENT

Thompson Namanga Molonge – Cameroon Country Representative

ENVIRONMENT

PROTECTING THE ENVIRONMENT BY:

- Upholding environmental consideration at the forefront of our drilling activities to ensure development in a sustainable and environmentally manner.
- adhering to stringent processes as part of the Environmental and Social Health Impact Assessment certification.
- controlling potential impact through monitoring regimes and statutory reporting.
- prioritising the stabilisation of the site to be non-polluting and an acceptable risk standard.
- installing proper waste treatment facilities and controlling waste disposal and disposal of oil-based mud materials to keep waste levels to a minimum to ensure minimal impact on the environment.
- ensuring local fishing communities will not be affected by the seabed work/ocean floor mapping for the development of the Etinde project.

SOCIAL

PROTECTING THE PEOPLE BY:

- Supporting the rights and opportunities of all persons that seek employment at the Company, regardless of ethnicity, gender, sexual orientation or religious belief and maintaining an environment free from bullying, harassment, intimidation and discrimination.
- ensuring the JV Operator maintains high standards of Health and Safety as standard practice and continual improvement of HSSE performance through monitoring, reporting and periodic audits.
- striving to eliminate HSSE risks and minimise exposure to hazards through HSSE risk education and training and diligent risk management.
- placing employee welfare above all other business factors during COVID-19 period and adopting several measures to achieve this, including travel restrictions and the option to work from home.
- supporting human rights and adhering to a Slavery and Human Trafficking Statement which opposes all forms of slavery and human trafficking and related activities.
- contributing to social investment of the Cameroon community through CSR activities driven by the JV Operator such as donating medical equipment to two local hospitals in Douala and Limbé to help fight against COVID-19.
- encouraging and promoting investments in the local community that stimulate employment, improve welfare and support local businesses.
- consulting and responding to the concerns of communities and other stakeholders affected by, or in proximity to, our operations.
- potentially reducing the country's reliance on expensive, carbon intensive LNG imports and heavy oil consumption through the production of natural gas and condensates that the Etinde project provides; supporting Cameroon's growing energy demand for the next 10-15 years of growth.

GOVERNANCE

PROTECTING THE BUSINESS BY:

- Operating to the highest ethical standards whilst carrying out its business activities and adopting a zero tolerance policy towards unethical behaviour.
- supporting Board members to ensure commitment to achieving the highest possible standards in governance procedures.
- confirming alignment with the JV Operator's policies; adhering to stringent contractor and supplier selection and management.
- remaining accountable to our stakeholders and engaging with our shareholders to address any of their concerns in an efficient manner.
- mitigating risks and potential threats to the business.
- complying with all host country regulations, Good International Industry Practice and IFC Performance Standards.
- adhering to our Anti-Corruption & Bribery policy and educating staff on how to deal with issues such as bribery, corruption, fraud etc.
- maintaining and abiding to the many policies and procedures the Company has in place, eg. Whistleblowing policy, Data Protection, Security etc.

CORPORATE GOVERNANCE

MAINTAINING THE PRINCIPLES OF THE QCA CODE IN OUR BUSINESS

Corporate governance is an important matter for the Board and the Directors are committed to ensuring that good practice flows throughout the Company.

The Directors purposefully comply with the QCA code having regard to Company fundamentals.

THE DIRECTORS UNDERSTAND THE IMPORTANCE OF LEADING BY EXAMPLE, DEMONSTRATING PROFESSIONALISM AND INTEGRITY, AND ENCOURAGE COMMUNICATION AND TEAM SPIRIT.

As an AIM listed company, Bowleven has adopted the Quoted Companies Alliance (QCA) Code and continually demonstrates the application of its principles that underpin best practice in corporate governance.

The Company seeks to continually develop a governance framework in respect to our business. The Directors purposefully comply with the underlying principles of the QCA Code, to the extent they consider it appropriate and having regard to the size, current stage of development and resources of the Company. Details of how Bowleven addresses the key governance principles of the QCA Code are contained in this section and on our Company website.

BOARD STRUCTURE

The Board currently comprises Eli Chahin as Executive Director, Matt McDonald as Non-Executive Director and Chairman, and Jack Arnoff as Non-Executive Director.

Matt McDonald (Non-Executive Chairman) is responsible for the running of the Board and Eli Chahin (Chief Executive Officer) is responsible for implementing the strategy and running the Group's business. All Board members are collectively responsible and committed to promoting the interests of the Company and meeting high standards of corporate governance.

Biographies of the current Directors and details of their respective skills are set out on page 26.

BOARD SKILLS

The Board members provide a beneficial balance between Executive and Non-Executive Directors and are supported by other professionals as and when required. The Board led by the Chair has the necessary skills and knowledge to discharge their duties and responsibilities effectively, setting clear expectations and ensuring stringent measures for meeting corporate governance standards, particularly in relation to executive remuneration, accountability and audit.

The Executive and Non-Executive Directors' skill sets are complementary, and provide a blend of broad commercial, operational, legal and financial expertise. Their suitably broad, high calibre skill set is such that all decision-making at Board level is robust and mindful of the fiduciary responsibilities that need to be discharged to all shareholders.

Although one of the Non-Executive Directors is a representative for the Company's largest shareholder, he brings the skills and expertise necessary to challenge effectively, constructively and independently the performance of the Company strategy. He continually demonstrates the commitment to provide an independent oversight to Board matters; to support the CEO in an objective manner; and to consistently act independently, in character and judgement. Acknowledging there may be residual shareholder concerns surrounding the composition of the Board, there is a more conscious effort to promote shareholder discussions having regard to the need to provide confidence on the governance framework deemed appropriate at this juncture in the Company's evolution.

COMMITMENT TO THE ROLE

Each of the Directors are committed to devoting the necessary time required to fulfil their roles' responsibilities. The expectation is for Executive Directors to devote a substantial amount of their time, attention and ability to their duties, however a time commitment of 12 days per annum is the contractual agreement for Non-Executives. Prior to accepting additional commitments that might affect the time they are able to devote to their duties, permission must be sought by the Chairman (or the CEO in the case of the Chairman).

BOARD MEETINGS

As part of their responsibilities the Directors are expected to attend scheduled Board meetings that take place at least six times a year. Additional meetings are arranged on an *ad hoc* basis.

The total number of scheduled Board meetings held for the period 1 July 2019 to 30 June 2020 was seven, which were attended by Eli Chahin and Matt McDonald. One unscheduled Board meeting took place during this period.

MATTERS RESERVED FOR THE BOARD

The key matters reserved for the Board comprises matters required by the Companies Act 2006 together with business strategy and policy; business and major capital investment plans; risk management policy and processes; expenditure budgets and significant financing matters; senior personnel appointments; corporate governance; Board evaluation; stakeholder communications; offers of company takeovers; litigation; and statutory shareholder reporting.

RISK MANAGEMENT

The risk management framework and processes adopted by the Board involve the identification, assessment, mitigation, monitoring and reporting of all key risks on a regular basis to minimise the impact of such risks. Formal arrangements for determining the extent of exposure to the risk has been established by the Board.

The Board is responsible for regularly reviewing and updating the Group risk register and matrix considering the key risks and uncertainties facing the business. All newly identified risks are added to the register and any changes in an identified risk from the last reporting period is noted and all updates are communicated throughout the organisation. All risks are rated according to the severity of the risk. All risks that are given a 'High' rating are monitored more closely and systems are in place to flag up risks that remain with a 'High' rating for an extended period so that an action plan to lower the severity can be deciphered by the Board.

Details of the risk register can be found on pages 19 to 21.

BOARD PERFORMANCE EFFECTIVENESS

The Board evaluation occurs annually. The aim of the Board evaluation is to review the effectiveness of the Board's performance and assess its strengths as well as areas for development.

As part of the process a set of questions which reflect details of the Financial Reporting Council's (FRC) guidelines on board effectiveness are discussed. The Board is collectively and individually assessed against a set of criteria that centres around scheduling, teamwork and relationships, responsibility for corporate governance, support of the Company's strategy, Company performance, engagement with shareholders, and the individual's skills and experience.

This year, the Chairman and the CEO completed a questionnaire containing criteria aligned to the objectives of their roles, following which a formal consultation was held to discuss the outcomes. The results of the evaluation process were reviewed, and recommendations were made based on the results. An action plan has been devised, and the progress is to be monitored throughout the coming year.

All Directors are provided with the opportunity for further development and training. In addition, the Company supports them to seek independent and professional advice in relation to the continuation of their duties.

Board performance is under closer market scrutiny having regard to the diminished Board numbers. The Board has engaged more proactively with key shareholder constituents mindful that the strategic direction of the business needs to be in broad alignment with shareholder expectations.

COMPANY SECRETARY

All Directors have access to the Company Secretary for advice and services. The appointment and removal of the Company Secretary is a decision for the Board as a whole. Directors also have access to independent professional advice at the Company's expense and receive appropriate training where necessary.

Burness Paull LLP was appointed Company Secretary to the Board on 19 July 2017.

AUDITOR

Our auditor is consulted from time to time on matters relating to internal audit controls and processes to ensure robust systems are in place for the Company's systems of internal control and risk management.

Ernst & Young LLP was reappointed as the Company's auditor at the AGM on 11 December 2019 and resigned in August 2020. BDO LLP were selected as the Company's interim auditor on the creation of a casual vacancy and will be nominated for reappointment at the AGM in December 2020.

RE-ELECTION OF DIRECTORS

There are transparent procedures in place for the appointment of new Directors to the Board. In accordance with the Company's Articles of Association, all Directors are required to retire by rotation every three years, when they can offer themselves for re-election, if eligible. In addition, the Company's Articles of Association provide that any Director appointed by the Directors shall retire at the AGM of the Company immediately following their appointment and be eligible for re-election. These regulations are applicable to both Board members this year. Eli Chahin and Jack Arnoff will offer themselves for re-election and Matt McDonald will retire at the conclusion of the AGM in December 2020.

BOARD COMMITTEES

In the absence of Audit, Nomination and Remuneration Committees, the Board is responsible for carrying out the duties pursuant to each of these functions in compliance with the QCA Code.

Audit Responsibilities

The Board takes responsibility for ensuring that the financial performance of the Group is properly reported on and monitored. This included the monitoring of the integrity of financial statements and the Company's internal financial controls and risk management systems. The Committee liaised with the auditor and reviewed the reports from the auditor relating to the audit of the financial statements.

Nomination Responsibilities

The nomination responsibilities involve reviewing and recommending the appointment of new Directors to the Board.

Remuneration Responsibilities

In the absence of a Remuneration Committee, these responsibilities have been adopted by the Chairman. There has been no change to the CEO remuneration package since it was agreed in March 2017 with a third party executive consultant appointed by the Nomination Committee at the time.

CORPORATE GOVERNANCE CONTINUED

UPHOLDING GOVERNANCE

The Board recognises the need for good corporate governance and is therefore committed to maintaining compliance to the QCA Code principles.

In view of the current size of the Board, no delegation of specific responsibilities has been made to committees at this stage. The Board does not consider it appropriate to adopt terms of reference to establish Audit, Remuneration and Nominations Committees in the short term.

In the absence of committees, the Board is supported by external bodies which are called upon as required for their input and expertise in relation to matters which are normally dealt with by the committees.

Strong financial controls are in place and are well documented. A Directory of Authority which details the authorisation process is in place and is part of the Policy & Procedures manual.

As part of the Company's external audit process, the Board regularly reviews and assesses the effectiveness and independence of the Company's external auditor, particularly prior to the submission for the auditor's re-election at the Company's AGM.

PROMOTING A HEALTHY CORPORATE CULTURE

The Company is committed to conducting business in an open, honest, fair and professional way.

The Directors understand the importance of leading by example, demonstrating professionalism and integrity, and encourage communication and team spirit through meetings, team events and regular contact. The Company promotes team development and team alignment via its optimal operating process, which encourages a consultative approach in the decision-making process. The office is an open-plan space that continually provides the opportunities for staff interaction. The office is currently closed for general use due to the COVID-19 pandemic. Staff are working from home.

Employees and contractors are remunerated in line with their skills and competencies, which are reviewed on an annual basis via an employee performance appraisal programme.

The Company has a Policy & Procedures manual in place which staff are given as part of their induction and can access as required. Staff are made aware that they must always adhere to these and are encouraged to ask questions and seek clarification on anything they are unsure about.

Anti-corruption and anti-bribery training are compulsory for all staff and contractors and the anti-bribery statement and policy is contained in the Company's employee handbook as well as on the corporate website. The Company's expectation of honest, fair and professional behaviour is reflected by this and there is zero tolerance for bribery and unethical behaviour by anyone relating to the business.

A whistleblowing policy is also in place which enables staff the opportunity to confidently raise any concerns directly with the Chairman, the Company Secretary or the Group's audit team. The Company considers it essential that all staff should be made to feel safe in their environment and therefore has the means available to freely discuss any issues that arise.

The Company's equal opportunity policy promotes equal opportunity for employment and non-discriminatory behaviour. The principles of non-discrimination and equality of opportunity also apply to the way in which employees treat visitors, clients, customers, suppliers and former staff members.

The general wellbeing of personnel working for the Company is a matter of importance. Management support a flexible approach in the work environment and assisting employees in obtaining advice on health and personal matters as well as further education and training.

ENGAGING WITH SHAREHOLDERS

The Board recognises the importance of engaging with its institutional and private investors and has the responsibility for ensuring that a satisfactory dialogue with shareholders takes place. The Board communicates with shareholders and potential investors through a variety of channels, formal and informal including the Annual Report, Interim Report, RNS announcements, PR, media, corporate website, videos, investor presentations, analyst meetings, social media (Twitter, LinkedIn), emails, one-on-one and group conference meetings.

The Board receives regular updates of shareholder registry reports and remains informed by monitoring the main movements in shareholdings together with reviewing broker reports.

The Group continually seeks to develop and improve its investor relations activities. Enquiries from all shareholders are welcomed by the Company and shareholders are encouraged to raise any concerns they may have with the Chief Executive Officer or the Non-Executive Chairman.

BOARD OF DIRECTORS

ELI CHAHIN
Chief Executive Officer

Appointed to the Board
March 2017

Experience
Eli Chahin has 25 years' experience working in banking and management consulting, during which he has worked across several industries and markets, including the UK, US and Australia. He has served as a Senior Advisor to AlixPartners, a leading international consulting firm and currently holds a number of Board appointments. He has held various senior executive roles at ANZ and Standard Chartered Bank. He was elected to the Bowleven Board in March 2017, and shortly thereafter became Chief Executive Officer.

MATT MCDONALD
Non-Executive Director and Chairman

Appointed to the Board
August 2017

Experience
Matt McDonald was an international financial restructuring lawyer who has worked extensively in numerous countries across M&A advisory, financial restructuring and corporate finance. He has over 20 years' experience, having worked with international law firms in London, Frankfurt and Los Angeles. He has advised companies and investors on complex transactions in numerous industries, including the oil and gas industry. Matt was appointed to the Bowleven plc Board in August 2017 and was a member of the Remuneration Committee.

JACK ARNOFF
Non-Executive Director

Appointed to the Board
November 2020

Experience
Jack Arnoff has a wealth of knowledge and experience in investment and asset management. He has played a key role in product development and marketing of emerging markets products. Jack currently holds the position of co-founder and Partner at Elbrus Capital Partners LLP and Portfolio Manager for ECP Emerging Europe Value Fund. He has an intimate understanding of the sector and key relationships with relevant institutions. Jack was recently appointed to the Board.

DIRECTORS' REPORT

The Directors of Bowleven plc (a company incorporated in Scotland with registered number SC225242) submit the Annual Report and Accounts for the year ended 30 June 2020. These will be available on the Company's website for shareholders prior to the AGM to be held on Wednesday 9 December 2020.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Chairman & CEO Statement (pages 6 and 7) and the Operating Review (pages 10 to 15), which form part of the Strategic Review, describe the activities of the Group during the financial year and its future developments.

The Group operates through overseas branches and subsidiary undertakings as appropriate to the fiscal environment.

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 financial statements. The Group reported a loss for the year of $2.6 million (2019: $66.6 million loss). The Directors did not recommend the payment of a dividend for the year ended 30 June 2020 (2019: $63.1 million).

POST BALANCE SHEET EVENTS

On 21 September 2020, the Company acquired the c4 million Bowleven plc shares held by the Bowleven Employee Benefit Trust. The acquisition price was £0.10 per share in accordance with shareholder approval given after the vote at the 2019 AGM in December 2019. The Company subsequently received the sales proceeds back in the form of a loan repayment from the Trust (net of Trust fees) as part of the process for winding-up the Trust's operations. The trust formally ceased on 22 September 2020.

THE DIRECTORS AND THEIR INTERESTS

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

	Appointment date
Executive	
E Chahin	14 March 2017
Non-Executive	
M McDonald	17 August 2017

Mr McDonald was nominated to the Board by Crown Ocean Capital, who are the Companies major shareholder.

The Directors' holdings in Bowleven plc ordinary shares during the financial year were as follows:

	Ordinary shares at £0.10 each	
	At 30 June 2020	At 30 June 2019
Executive		
E Chahin	**1,141,579**	1,141,579

DIRECTORS' LIABILITIES

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

MAJOR SHAREHOLDERS

As at 31 October 2020, the Company had been notified of the following interests of 3% or more in the Company's ordinary share capital:

	Shares	% held
Crown Ocean Capital P1 Limited		29.96
HSBC James Capel as principal		9.05
OVMK Vermogensbeheer		5.27

The details in the table are calculated using 323,359,324 as the denominator (being the total issued share capital of the Company excluding treasury shares as at 31 October 2020).

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 the Interim Report provide a comprehensive update of the Group's activities and are made available to all shareholders. In addition, market announcements, including Group operational updates, are also released, as and when appropriate, to update shareholders on activities. The Company's website is also used to enable access to a variety of information on the Company (www.bowleven.com).

The Chief Executive maintains regular dialogue with shareholders and potential shareholders by way of direct communication, presentations and analyst meetings. An analyst update and investor conference may be held after the Group's announcement of year end results and interim results. In addition to these, the Company seeks to engage with shareholders through investor events. These tend to comprise a mix of presentations and one-to-one or group meetings which are held at various times during the year.

DIRECTORS' REPORT CONTINUED

Presentations prepared for investor meetings and conferences are made available on the Company's website. At the AGM, a business presentation is normally provided for the benefit of shareholders. The AGM also provides an opportunity for private shareholders and institutional investors to meet and to speak to members of the Board. Due to the current circumstances, in person meetings will not be possible this year.

An investor plan is prepared and presented to the Board annually and is reviewed on an ongoing basis. 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 and copies are distributed to Directors. 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 utilises Celicourt Communications for ongoing public relations support.

Shareholders and other interested parties can register on the Group's website to receive news updates by email and submit an enquiry via the website contact form.

ANNUAL GENERAL MEETING 2020

Due to the current restrictions imposed as a result of the COVID-19 pandemic, the annual general meeting this year will not be run in the manner that our shareholders are accustomed and shareholders will not be able to attend in person. The Company will offer shareholders the option to participate in the meeting remotely via a virtual conference facility on Wednesday 9 December 2020 at 10 a.m. (UK time). Further details and instructions can be found in the Notice of Meeting (NOM) on page 67 of this report. The resolutions to be proposed at the AGM are set out and fully explained on pages 67 to 69 in the NOM and are also available on the Company's website at: www.bowleven.com/investor relations/shareholder-services/general-meeting-information.

Financial Risk Management Objectives and Policies

The financial risk management objectives and policies of the Company are detailed in note 21 forming part of the financial statements on pages 61 to 65.

Employee Involvement

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

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.

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 should be 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.

Auditor Resignation and Appointment of New Auditor

Ernst and Young LLP resigned as auditors of the Company and the Group in August 2020. A Statement of Circumstances was provided by them at the date of their resignation, stating the reason as being related to level of fees. This has been filed at Companies House.

Following a tender process, BDO LLP was appointed to replace Ernst and Young LLP and has indicated its willingness to continue in office. Resolutions proposing BDO LLP's appointment and authorising the Directors to fix the remuneration for BDO LLP will be submitted at the AGM on 9 December 2020.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision-making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this Annual Report, and below, how the Board engages with stakeholders.

- The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.
- The Board regularly reviews how the Company's engages with its principal stakeholders. This is achieved through information provided by management and by direct engagement with stakeholders themselves.
- We aim to work responsibly with our stakeholders, including JV Partners, the Government of Cameroon and their regulatory agent (SNH) as well as suppliers.
- The Board ensures that our policies and procedures are regularly reviewed and updated as necessary.

By order of the Board

Eli Chahin
Chief Executive Officer
9 November 2020

DIRECTORS' REMUNERATION REPORT

REMUNERATION POLICY

The Board's policy is aimed to provide overall packages of terms and conditions that were competitive in the market to attract, retain and motivate high quality individuals capable of achieving the Group's objectives. The Board 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 the Executive Directors are:
- basic salary;
- limited benefits in kind; and
- Bowleven Transformation Incentive Plan (BTIP).

As set out in the Corporate Governance section previously, the Committee's responsibilities are subsumed by the Board.

COMPONENTS OF THE EXECUTIVE DIRECTORS' REMUNERATION

Basic Salary and Benefits

The Board reviews the existing remuneration of the Executive Director, making comparisons with peer companies of a similar size and complexity in the independent oil and gas exploration and production industry in the UK and overseas on an as needs basis.

Bowleven Transformation Incentive Plan

The BTIP was adopted by the Board of the Company on 9 May 2017. The purpose of the BTIP is to align employees with the Company's long-term goals and performance through the potential for share ownership. Awards under the BTIP are granted at the sole discretion of the Non-Executive Director.

The Chief Executive Officer was granted a right to acquire up to 10,000,000 ordinary shares in the Company at a nil cost under the BTIP. The option shall be exercisable subject to and in accordance with the rules of the BTIP, including the extent to which certain performance conditions are satisfied over the performance period commencing on the date of grant and ending on 31 March 2022.

The option's performance conditions relate to the attainment of certain share price points between £0.45 and £0.80 per share for a continuous period of at least three months and meeting the annual cost underpin criteria, whereby the annual cash costs incurred must be below the amount set out in the cash expenses target set by the Board. Malus and claw-back provisions apply. Options under the BTIP which vest may be exercised within ten years from the date of grant. No options have vested in the current or prior year.

DIRECTORS' CONTRACTS

It is the Company's policy that Executive Directors should have service contracts with a notice period of 12 months. Details of notice periods for the Executive and Non-Executive Directors who were in office as at 30 June 2020 are summarised below:

	Date of contract	Notice period
E Chahin	30 March 2017	12 months
M McDonald	17 August 2017	1 month

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. Matt McDonald received an annual fee of £45,000 ($56,700). Directors' remuneration is paid in GBP and converted at an average rate of $1.26/£1.00 (2019: $1.29/£1.00). Non-Executive Directors do not participate in the BTIP scheme benefit from pension contributions.

DIRECTORS' REMUNERATION

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

	Salary and fees $000	Pension benefits $000	Other benefits $000	**Total 2020 $000**	Total 2019 $000
Executive					
E Chahin[(i)]	504	–	44	**548**	561
Non-Executive					
M McDonald	57	–	–	**57**	58
Total	**561**	**–**	**44**	**605**	**619**

(i) Highest paid Director.

DIRECTORS' REMUNERATION REPORT CONTINUED

FURTHER NOTES TO DIRECTORS' REMUNERATION TABLE

Benefits in kind principally comprised of medical and travel insurance. The Company operates a non-contributory defined contribution personal pension scheme in the UK, open to permanent employees. The Company contributes 10% of basic salary of the Executive Director into the scheme or an individual personal pension plan. If statutory limits are applicable, an equivalent salary alternative is provided.

DILUTION – COMPLIANCE WITH INVESTMENT ASSOCIATION PRINCIPLES OF REMUNERATION

The Company complies with the dilution guidelines issued by the Investment Association (published July 2016). The number of ordinary shares which may be issued in respect of all the Company's employee share schemes (whether discretionary or otherwise) may not exceed 10% of the issued ordinary share capital (adjusted for share issuance and cancellation) in any rolling ten-year period.

By order of the Board

Matt McDonald
Chairman
9 November 2020

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

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law 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 Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWLEVEN PLC

OPINION

We have audited the financial statements of Bowleven plc (the Parent Company) and its subsidiaries (the Group) for the year ended 30 June 2020 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Cash Flow Statement, the Company Cash Flow Statement, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements 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.

In our opinion:
- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2020 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

KEY AUDIT MATTERS

Carrying Value of Exploration and Evaluation Assets

The carrying value of Etinde is disclosed in note 8 to the financial statements and the associated accounting policy is disclosed in note 1.

The Etinde project is currently in its pre-development stage and is therefore classed as an exploration and evaluation asset, with FID expected in 2021.

Management performed an impairment indicator review in accordance with accounting standards to assess whether there were any indicators of impairment of the exploration asset, and in order to determine whether a full impairment review was required.

Following this assessment, it was concluded that no indicators were identifiable and therefore that no full impairment review was required.

Given the inherent judgement involved in the identification of impairment indicators and the assessment of the carrying value of the exploration and exploration assets, we considered the carrying value of exploration and evaluation assets to be a significant risk for our audit.

How we addressed the key audit matter

- We considered management's assessment of the indicators of impairment and was required by the accounting standards
- We confirmed with management that there is an ongoing expectation that exploration in the license areas will continue.
- We have reviewed the Etinde Exclusive Exploitation Authorisation Application and in particular focussed on terms relating to the period of the licence and the milestone requirements. We have considered and assessed Management's contention that the licence is unlikely to be revoked for the reasons as set out in note 8 against our understanding of the regime, the terms of the EEEA and ongoing correspondence with the licensing authorities.
- We have confirmed with management that there have not been any security issues which might affect the development of the asset.
- We have reviewed management's position relating to the company's intention to develop the asset and whether in their view the asset remains commercial. We have also reviewed and assessed the draft Etinde 2021 Work Programme budget to confirm the Group's intention to continue to fund exploration activities for the asset.
- We reviewed the minutes of the joint operating committees to check that there were no indicators of impairment identified.
- We have performed a high level review of the models used by management to assess for other indicators of impairment. We have reviewed key inputs, including the discount rate used in the most recent model, and we consider the inputs used to be reasonable judgements.
- We have reviewed and considered whether there is any circumstance which would indicate that there is a requirement for a reversal or part reversal of the historic impairment provision against the Exploration and Evaluation Asset. None were noted.

Key Observation

We found the Directors' assessment that there were no indicators of impairment at the reporting date and the related disclosures in the financial statements to be appropriate

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken based on the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

	FY2020
Group materiality	**$2,318,000**
Basis for materiality	**1.4% of total assets**
Parent Company materiality	**$1,507,000**
Basis for materiality	**Capped at 65% of Group materiality**
Group performance materiality	**$1,623,000**
Basis for performance materiality	**70% of materiality**
Parent Company performance materiality	**$1,055,000**
Basis for performance materiality	**70% of materiality**

We consider total assets to be the financial metric of the most interest to shareholders and other users of the financial statements, given the Group's current focus on the exploration and evaluation of its assets.

Whilst materiality for the financial statements as a whole was $2,318,000, each significant component of the Group was audited to a lower level of materiality of $1,507,000. Performance materiality has been set at 70% of materiality (amounting $1,623,000). This percentage has been selected by assessing criteria such as levels of historic judgement, the complexity of balances, the history of errors identified and the control environment in the Group. Performance materiality is used to determine the scope of our audit procedures and the extent of sample sizes during the audit.

We agreed with the Board that we would report on all individual audit differences identified during the course of the audit in excess of $46,000.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements at the Group level. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias from the Directors that may have represented a risk of material misstatement.

Our Group audit scope focused on the Group's significant components being Bowleven plc, Bowleven Resources Limited and EurOil Limited.

All of the components including the Group were audited by the Group auditor.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWLEVEN PLC CONTINUED

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, as set out on page 38, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Sayers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
9 November 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $000	Restated 2019 $000
Revenue		–	–
Administrative expenses	3	**(3,260)**	(5,012)
Impairment charges	3,8	–	(62,007)
Operating loss	3	**(3,260)**	(67,019)
Finance and other income	5	**635**	455
Loss from before taxation		**(2,625)**	(66,564)
Taxation	6	–	–
Loss for the year		**(2,625)**	**(66,564)**
Basic and diluted loss per share ($/share) from continuing operations	7	**(0.01)**	(0.20)

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	**2020 $000**	Restated 2019 $000
Loss for the year		**(2,625)**	(66,564)
IFRS 16 adoption		**(5)**	8
Other comprehensive income:			
Items that will be reclassified to profit and loss:			
Currency translation differences	19	**–**	–
Total comprehensive loss for the year		**(2,630)**	**(66,556)**

GROUP BALANCE SHEET

30 JUNE 2020

	Notes	2020 $000	Restated 2019 $000
Non-current assets			
Intangible exploration assets	8	**152,104**	150,000
Property, plant and equipment	9	**67**	107
		152,171	150,107
Current assets			
Financial investments	11	**2,010**	4,134
Inventory	12	**2,577**	1,545
Trade and other receivables	13	**1,272**	1,852
Bank deposits	14	**–**	500
Cash and cash equivalents	14	**9,102**	10,482
		14,961	18,513
Total assets		**167,132**	168,620
Current liabilities			
Trade and other payables	15	**(1,478)**	(411)
Lease liability	16	**(34)**	(36)
		(1,512)	(447)
Non-current liabilities			
Lease liability	16	**(2)**	(37)
Total liabilities		**(1,514)**	(484)
Net assets		**165,618**	**168,136**
Equity			
Called-up Share capital	17,18	**56,517**	56,517
Share premium	18	**1,599**	1,599
Foreign exchange reserve	18	**(69,857)**	(69,857)
Other reserves	18	**2,927**	2,354
Retained earnings		**174,432**	177,523
Total equity		**165,618**	**168,136**

The financial statements on pages 35 to 66 were approved by the Board of Directors and authorised for issue on 9 November 2020 and are signed on their behalf by:

Eli Chahin
Director

COMPANY BALANCE SHEET

30 JUNE 2020

	Notes	2020 $000	Restated 2019 $000
Non-current assets			
Property, plant and equipment	9	**67**	106
Investments in Group undertakings	10	**145,099**	145,099
		145,166	145,205
Current assets			
Financial investments	11	**2,010**	4,134
Trade and other receivables	13	**8,090**	5,127
Bank deposits	14	**–**	500
Cash and cash equivalents	14	**9,088**	10,476
		19,188	20,237
Total assets		**164,354**	165,442
Current liabilities			
Trade and other payables	15	**(230)**	(204)
Lease liability	16	**(34)**	(36)
		(264)	(240)
Non-current liabilities			
Lease liability	16	**(2)**	(37)
Total liabilities		**(266)**	(277)
Net assets		**164,088**	**165,165**
Equity			
Called-up Share capital	17,18	**56,517**	56,517
Share premium	18	**1,599**	1,599
Foreign exchange reserve	18	**(147,715)**	(147,715)
Other reserves	18	**(2,310)**	(2,883)
Retained earnings		**255,997**	257,647
Total equity		**164,088**	**165,165**

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the individual parent undertaking income statement. The result for the Company for the year was a loss of $1,184,000 (2019: loss of $77,926,000).

The financial statements on pages 35 to 66 were approved by the Board of Directors and authorised for issue on 9 November 2020 and are signed on their behalf by:

Eli Chahin
Director

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $000	Restated 2019 $000
Cash flows from operating activities			
Loss before tax		**(2,625)**	(66,564)
Adjustments to reconcile Group loss before tax to net cash used in operating activities:			
Depreciation of property, plant and equipment	3	**50**	78
Impairment charge	8	**–**	62,007
Non-cash operating costs	8	**–**	1,080
Inventory impairment	3	**–**	150
Finance (income)	5	**(635)**	(458)
Equity-settled share based payment transactions	19	**112**	151
Profit on disposal of financial investments		**(7)**	–
(Profit)/loss on sale of property, plant and equipment		**(3)**	24
Adjusted loss before tax prior to changes in working capital		**(3,108)**	(3,532)
Decrease in trade and other receivables		**58**	207
(Decrease) in trade and other payables		**(23)**	(383)
Net cash (used in) operating activities		**(3,073)**	(3,708)
Cash flows (used in)/from investing activities			
Purchases of property, plant and equipment	9	**(11)**	(22)
Purchases of intangible exploration assets	8	**(1,602)**	(1,380)
Receipts from sale of financial investments	11	**2,500**	14,043
Receipts from sale of property, plant and equipment		**–**	12
Transfer from bank deposits		**500**	–
Dividends received		**259**	388
Interest received		**87**	1,597
Net cash from investing activities		**1,733**	14,638
Cash flows used in financing activities			
Lease repayments		**(40)**	(40)
Special dividend paid	18	**–**	(63,142)
Net cash flows from/(used in) financing activities		**(40)**	(63,182)
Net decrease in cash and cash equivalents		**(1,380)**	**(52,252)**
Cash and cash equivalents at the beginning of the year	14	**10,482**	62,734
Net decrease in cash and cash equivalents		**(1,380)**	(52,252)
Cash and cash equivalents at the year end	14	**9,102**	**10,482**

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $000	Restated 2019 $000
Cash flows from operating activities			
Loss before tax		**(1,184)**	(77,926)
Adjustments to reconcile Company loss before tax to net cash used in operating activities:			
Depreciation of property, plant and equipment	9	**49**	76
Impairment of investment	10	**–**	76,659
Finance (income)	5	**(645)**	(394)
Equity-settled share based payment transactions	19	**112**	151
Loss on disposal of fixed assets		**(7)**	–
Adjusted loss before tax prior to changes in working capital		**(1,675)**	(1,434)
Decrease/(Increase) in trade and other receivables		**15**	(307)
Increase/(Decrease) in trade and other payables		**10**	(352)
Net (cash used) in operating activities		**(1,650)**	2,093
Cash flows from/(used-in) investing activities			
Receipt from sale of financial investments	11	**2,500**	14,043
Purchases of property, plant and equipment	9	**(11)**	(22)
Increase in Inter-company funding		**(3,003)**	(2,955)
Transfer from Bank deposits		**500**	–
Dividends received from financial investments	11	**259**	388
Interest received		**87**	1,597
Net cash from investing activities		**302**	13,051
Cash flows from/(used-in) financing activities			
Lease payments		**(40)**	(40)
Special dividend paid	18	**–**	(63,142)
Net cash flows (used-in)/from financing activities		**(40)**	(63,182)
Net decrease in cash and cash equivalents		**(1,388)**	**(52,224)**
Cash and cash equivalents at the beginning of the year	14	**10,476**	62,700
Effect of exchange rates on cash and cash equivalents		**–**	–
Net decrease in cash and cash equivalents		**(1,388)**	(52,224)
Cash and cash equivalents at the year end	14	**9,088**	**10,476**

Note:
The increase in inter-company funding of $3m (2019: $2.9m) to subsidiaries has been reclassified from a movement in working capital to an investing activity to improve clarity and transparency of presentation. The 2019 comparatives have been adjusted accordingly.

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Called-up share capital $000	Share premium $000	Foreign exchange reserve $000	Other reserves $000	Retained earnings $000	Total equity $000
At 1 July 2018 as originally stated	56,517	1,599	(69,857)	1,076	308,290	297,625
IFRS 16 adoption	–	–	–	–	2	2
At 1 July 2018 as restated	**56,517**	**1,599**	**(69,857)**	**1,076**	**308,292**	**297,627**
Loss for the year	–	–	–	–	(66,564)	(66,564)
IFRS 16 adoption	–	–	–	–	8	8
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(66,556)**	**(66,556)**
Special dividend paid	–	–	–	–	(63,142)	(63,142)
Share based payments	–	–	–	207	–	207
Transfer between reserves	–	–	–	1,071	(1,071)	–
At 30 June 2019	**56,517**	**1,599**	**(69,857)**	**2,354**	**177,523**	**168,136**
Loss for the year	–	–	–	–	(2,625)	(2,625)
IFRS 16 adoption	–	–	–	–	(5)	(5)
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(2,630)**	**(2,630)**
Share based payments	–	–	–	112	–	112
Transfer between reserves	–	–	–	461	(461)	–
At 30 June 2020	**56,517**	**1,599**	**(69,857)**	**2,927**	**174,432**	**165,618**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

Attributable to owners of Parent Company	Called-up share capital $000	Share premium $000	Foreign exchange reserve $000	Other reserves $000	Retained earnings $000	Total equity $000
At 1 July 2018 – as originally stated	56,517	1,599	(147,715)	(2,446)	398,789	306,744
IFRS 16 adoption	–	–	–	–	–	–
At 1 July 2018	**56,517**	**1,599**	**(147,715)**	**(2,446)**	**398,789**	**306,744**
Loss for the year	–	–	–	–	(77,926)	(77,926)
IFRS 16 adoption	–	–	–	–	8	8
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(77,918)**	**(77,918)**
Special dividend payment	–	–	–	–	(63,142)	(63,142)
Share based payments: transfer from subsidiary undertaking	–	–	–	(1,715)	989	(726)
Share based payments	–	–	–	207	–	207
Transfer between reserves	–	–	–	1,071	(1,071)	–
At 30 June 2019	**56,517**	**1,599**	**(147,715)**	**(2,883)**	**257,647**	**165,165**
Loss for the year	–	–	–	–	(1,184)	(1,184)
IFRS 16 adoption	–	–	–	–	(5)	(5)
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	(1,189)	(1,189)
Share based payments	–	–	–	112	–	112
Transfer between reserves	–	–	–	461	(461)	–
At 30 June 2020	**56,517**	**1,599**	**(147,715)**	**(2,310)**	**255,997**	**164,088**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 ACCOUNTING POLICIES

Bowleven plc (the Company) is a public limited company limited by shares, domiciled in the United Kingdom, registered in Scotland (company number SC: 225242). The registered office address is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ. The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements.

Basis of Preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Company financial statements have been prepared in accordance with IFRS as adopted by the EU as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements comply with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements are presented in US Dollars (USD), the Group's presentation and Parent Company's presentation and functional currency, rounded to the nearest $000.

Going Concern

Global market conditions combined with the ongoing COVID-19 (coronavirus) pandemic have caused significant additional macroeconomic uncertainty during the 2020 calendar year that have impacted the prices and global demand for oil, gas and products. The scale and duration of these developments remain uncertain but could impact our earnings, cash flow and financial condition in future periods.

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future at least 12 months from the date of signing this report. Accordingly, the financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Group has sufficient funds to meet ongoing working capital and committed capital expenditure requirements. The Directors have considered the likelihood of reaching FID in 2021 and the consequent need to raise additional financing. In this scenario, the Group is due to receive a $25m cash payment from its JV partners at FID. The Directors are satisfied that the Group would be able to secure additional debt and equity funding in order to finance its share of the Etinde development. The Directors consider that the risk of the Government of Cameroon removing the Etinde PSC contract from the Etinde JV partners is low to medium at the current time, for the following reasons:

- the issue of the January 2021 date has not been raised as a formal concern by SNH and SNH has approved all annual work programmes and budgets up to and including the year ending 31 December 2020;
- with SNH approval we have commenced FEED and intend to move to FID in the near term followed by the development of the Etinde licence; and
- we will request the Government to eliminate this uncertainty as part of the FID regulatory approval process.

However, should FID not happen in the near term, then the risk of licence removal will increase.

In this scenario, the Directors are satisfied that the Group has sufficient existing financial resources in place to meet its operating costs for at least 12 months from the date of approval of these accounts.

Accounting Standards	Effective date
During the year ending 30 June 2020, the following standards, amendments/improvements endorsed by the EU became effective, which have had no significant impact on the group:	Periods beginning on or after 1 January 2019

IFRS 16 '*Leases*'

The revised standard requires lessees to account for all leases under a single balance sheet model recognising both the rights to the asset and the liability arising under the lease. The Directors have considered the impact of application of the new standard on the Group's lease commitments. Given that there is only one lease arrangement in place (see note 16) implementation has not had a significant impact.

IFRS 16 '*Leases*' replaces IAS 17 '*Leases*' for accounting periods commencing on or after 1 January 2019. Under IFRS 16 the standard requires lessees to account for all leases under a single balance sheet model, recognising both the rights to the asset and the liability arising under the lease. This introduces a single lessee accounting model and eliminates the previous distinction between an operating lease and a finance lease.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Bowleven plc adopted IFRS 16 '*Leases*' on 1 January 2019. The adoption of this new standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with the head office lease.

Property is depreciated over the life of the lease.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

1 ACCOUNTING POLICIES CONTINUED

Accounting Standards	Effective date
Others – IFRIC 23 *'Uncertainty over Income Tax Treatments'* – Amendments to IFRS 9: *'Prepayment Features with Negative Compensation'* – Amendments to IAS 28: *'Long-term Interests in Associates and Joint Ventures'* – Annual improvements to IFRSs (2015–2017 Cycle) – Amendments to IAS 19: *'Plan Amendment, Curtailment or Settlement'*	Periods beginning on or after 1 January 2019
Standards and Interpretations Issued but Not Yet Effective At the date that the financial statements were authorised for issue, the standards, interpretations and amendments that were in issue but not yet effective are set out in the table below. The Group is in the process of assessing the potential for each of these standards, interpretations and amendments having a significant impact on the Group's existing accounting policies and procedures or how the Group's results, cash flows and financial position are determined and reported. The Directors do not anticipate that the adoption of these standards will have a material impact on the Group's financial statements in the period of initial application. There is no intention to adopt any of these standards early.	
– Amendments to References to the Conceptual Framework in IFRS Standards – Amendments to IFRS 3 *'Business Combinations: Definition of a Business'* – Amendments to IAS 1 and IAS 8: *'Definition of Material'* – Amendments to IFRS 9, IAS 39 and IFRS 7: *'Interest Rate Benchmark Reform'*	Periods beginning on or after 1 January 2020
Annual improvements to IFRSs (2018–2020 Cycle): IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16 and IAS 41	Periods beginning on or after 1 January 2022
Amendments to: IFRS 3 Business Combinations; IAS 16 *'Property, Plant and Equipment'*; and IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'*	Periods beginning on or after 1 January 2022
– IFRS 17 *'Insurance Contracts'* including Amendments to IFRS 17 (issued on 25 June 2020) – Amendments to IAS 1: *'Classification of Liabilities as Current or Non-current'*	Periods beginning on or after 1 January 2023

Functional Currency
The Company's functional currency is USD. The functional currency of the Company's investments in subsidiaries and JV are also USD. The presentational currency of the Group is USD.

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 – Carrying Value and Impairment
Note 8 sets out the key estimates and judgements relating to the assessment of the carrying value of intangible exploration assets including impairment considerations in the current and prior years.

Discount Rates – IFRS 16 'Leases'
The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at inception of the lease. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor on the basis of external figures derived from the market.

Basis of Consolidation
The consolidated accounts include the results of the Company and all its subsidiary undertakings at the balance sheet date.

Joint Arrangements
Bowleven plc participates in joint arrangements through its subsidiary, EurOil Limited, which involve the joint control of assets used in the Group's oil and gas exploration and appraisal activities. All the Group's current interests in these arrangements are determined to be joint operations. 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 note 8.

1 ACCOUNTING POLICIES CONTINUED

Oil and Gas: Intangible Exploration Assets

The Group 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 and directly attributable administration costs are capitalised initially as intangible assets by asset type, well, field or exploration area as appropriate.

In a 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 a 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, technical feasibility for extraction determined and FID given, then the field/cash-generating unit is treated as a tangible asset. The carrying cost, after adjusting for any impairment that may be required, of the relevant exploration and appraisal asset, previously included within intangible assets, are then reclassified to tangible assets. Here they are treated as a single field cost centre and classified as development and production assets and/or by the nature of the assets held.

In the event that no commercial reserves have been found, the results of the exploration activity no longer contribute to ongoing exploration work, or, if the Group decides not to continue exploration and appraisal activity in the area, then the costs of such unsuccessful exploration and appraisal are written off to the income statement in the period in which the determination is made. The carrying value of the Group's intangible exploration assets are set out in note 8.

Disposals

Where appropriate, net proceeds, including directly attributable costs of the transaction, from any disposal of an exploration/appraisal or development assets are either credited initially against previously capitalised costs in the balance sheet or used to determine the profit or loss on disposal. Any surplus or shortfall in proceeds is taken to the income statement.

Where the transaction reflects consideration in the form of a carry (or cash alternative on non-utilisation of carry) or in the form of deferred consideration, a financial asset is recognised. As and when the carry is utilised, those costs attributable to Bowleven are paid by the counterparty and the costs recognised in Group intangible exploration asset, with a corresponding reduction to the financial asset.

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).

The recoverable amount of an asset is calculated using a discounted cash flow model. The estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The estimates and assumptions used in preparing the discounted cash flow model are subject to risk and uncertainty. Therefore, there is a possibility that a change in circumstances will impact these projections, which may impact the recoverable amount of the assets.

The following, which is not considered to be exhaustive, are considered possible indicators of impairment:
- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- expenditure on further exploration for and evaluation of mineral resources in the specific area is not planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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/Production Assets)

There are currently no development and production assets during the reported periods, although the Etinde is defined as such under Cameroon legislation.

The development and production costs also include:
i. costs of assets acquired/purchased;
ii. directly attributable overheads; and
iii. decommissioning and restoration.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2020

1 ACCOUNTING POLICIES CONTINUED

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, reflecting the economic life of the underlying asset type, where added. 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 will be carried out on each cash-generating unit in accordance with IAS 36 *'Impairment of Assets'*.

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

Impairment

Impairment reviews on property, plant and equipment will be carried out in accordance with IAS 36 '*Impairment of Assets*'.

Leases

In accordance with IFRS 16, at the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Investments in Group Undertakings

Investments held as non-current assets are stated at cost less impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If the recoverable amount of the underlying assets within the investment is less than the value of the investment, the investment is impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the income statement.

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 amortised cost, fair value through the profit and loss account or fair value through other comprehensive income. All the Group's financial assets are categorised as being fair value through the profit and loss account or amortised cost. Financial liabilities generally substantiate claims for repayment in cash or another financial asset. Financial liabilities are measured at amortised cost.

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.

The Group applies a simplified approach in calculating expected credit losses (ECLs) in respect of trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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. 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.

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 on initial recognition.

1 ACCOUNTING POLICIES CONTINUED

Investments in Equity Investments

These financial assets are initially recorded at cost and subsequently measured at fair value through the profit and loss account as they are held for trading. These investments have been acquired to generate income and are held with a view to selling/repurchasing in the near term.

Dividends on listed equity investments are recognised as other finance income in the statement of profit or loss when the right of payment has been established. Equity instruments held for trading are classified as current financial assets.

The Group currently operates an equity-settled, share based compensation plan. 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss alongside any fair value change. Debt instruments held for trading are classified as current financial assets.

Share Based Transactions: Employee Benefits

The Group currently operates one equity-settled, share based compensation plan (the BTIP). 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 the growth of the Company's share price against movements in comparator group indices. Further information on performance conditions is provided in note 19. Non-market performance vesting and service conditions are included in assumptions about the number of BTIPs that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of BTIPs 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-vesting condition. These are treated as vesting irrespective of whether the market or non-vesting 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/vest and new shares are issued.

Shares acquired to meet awards under the share based compensation plan are currently held by the Employee Benefit Trust (EBT). The accounts of the EBT are consolidated in the Group financial statements. The EBT set up to support the LTIP scheme was terminated during 2020 (see note 23).

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, 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

1 ACCOUNTING POLICIES CONTINUED
Foreign Currencies
Transactions entered 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 the functional currency at exchange rates prevailing at the balance sheet date. The resulting exchange differences are recognised in the income statement.

The entire Group, with the exception of the parent company up to 31 December 2017, are US Dollar functional currency. 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 2020 is $1.233/£1 (2019: $1.269/£1).

2 SEGMENTAL INFORMATION
For financial reporting purposes, the Group's assets are aggregated into two reporting segments as follows:

	2020			Restated 2019		
	Africa $000	**Head office $000**	**Group $000**	Africa $000	Head office $000	Group $000
Administrative expenses	**(1,425)**	**(1,785)**	**(3,210)**	(3,320)	(1,614)	(4,934)
Depreciation	**(1)**	**(49)**	**(50)**	(2)	(76)	(78)
Impairment	**–**	**–**	**–**	(62,007)	–	(62,007)
Foreign exchange gains/losses	**(10)**	**(65)**	**(75)**	34	(306)	(272)
Finance income	**–**	**710**	**710**	–	727	727
Loss for the year	**(1,436)**	**(1,189)**	**(2,625)**	**(65,295)**	**(1,269)**	**(66,564)**
Capital expenditure	**–**	**11**	**11**	1	106	107
Non-current assets	**152,104**	**67**	**152,171**	150,001	106	150,107
Segment assets	**147,877**	**19,255**	**167,132**	148,333	20,287	168,620
Segment liabilities	**(1,248)**	**(266)**	**(1,514)**	(207)	(277)	(484)

Note: The non-current assets, within the Africa segment, relate to Cameroon.

The reporting segments are defined as follows:

'Africa' operations focus on exploration and appraisal activities in Cameroon. All assets that are aggregated in this segment are in the exploration phase and operate under a similar regulatory environment.

'Head office' 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 intercompany transactions. The segment assets include cash and investment balances.

3 OPERATING LOSS
Operating loss is stated after charging:

	Notes	**2020 $000**	Restated 2019 $000
Depreciation of property, plant and equipment	9	**10**	38
Depreciation of leased property	9	**40**	40
Etinde project share of JV G&A costs		**1,363**	2,674
Impairment of Etinde JV inventory	12	**–**	150
Impairment charges – Etinde	8	**–**	62,007

3 OPERATING LOSS CONTINUED

Audit and non-audit fees are analysed as follows:

In respect of BDO LLP (2019: Ernst & Young LLP) and its associates:

	2020 $000	2019 $000
Audit fees in respect of the Group[(i)]	**90**	**100**

Other fees to auditors and its associates:

	2020 $000	2019 $000
Auditing accounts of subsidiaries of the Company (E&Y)	**5**	6
Additional fees in respect of prior year Group audit (E&Y)	**32**	–
Other assurance services (E&Y)	**–**	6
Non-audit fees in respect of the Group	**37**	**12**

(i) $10,000 of this relates to the Company (2019: $15,000).

4 STAFF COSTS AND DIRECTORS' EMOLUMENTS

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

	Group		Company	
	2020 Number	2019 Number	**2020 Number**	2019 Number
Management	**2**	2	**2**	2
Administration and operations	**4**	4	**3**	3
	6	**6**	**5**	**5**

The aggregate payroll costs for the above persons comprised:

	Group		Company	
	2020 $000	2019 $000	**2020 $000**	2019 $000
Wages and salaries	**766**	809	**744**	763
Social security costs	**96**	97	**95**	97
Pension benefit costs	**16**	17	**16**	17
Share based payments	**112**	151	**112**	151
	990	**1,074**	**967**	**1,028**

Company payroll is paid in GBP and converted at an average rate of $1.26/£1.00 (2019: $1.29/£1.00).

Payroll costs totalling $nil (2019: $nil) included above are capitalised within intangible assets in EurOil Limited, as the amounts represent internal expenditure relate to exploration costs. The share based payments charge relates entirely to share based payment transactions that will be equity-settled.

The Company has operated a non-contributory defined contribution personal pension scheme in the UK. All permanent employees of the Company are eligible to participate. The Company contributes a specified percentage of basic annual salary for permanent employees (into either the Company pension scheme or an individual personal pension plan) or, where statutory limits are applicable, pays them an equivalent salary alternative.

Remuneration of Key Management Personnel

Changes in Directors During the Year

There were no changes in current Directors of the Company and Group during the year. The Directors were as follows:

	Appointment date	Resignation date
Executive		
E Chahin	14 March 2017	–
Non-Executive		
M McDonald	17 August 2017	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

4 STAFF COSTS AND DIRECTORS' EMOLUMENTS CONTINUED

Remuneration of Directors

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

	2020 $000	2019 $000
Short-term employee benefits	605	619
Directors' remuneration	605	619
Social security costs	76	75
Share based payments	112	151
Total	793	845

Directors' Bonuses
No bonuses were paid in 2020 (2019: none).

Bowleven Transformation Incentive Plan
No Director received an award under the BTIP set up during 2017. No amounts vested in either 2020 or 2019.

Remuneration of Individual Directors

	Salary and fees $000	Pension benefits $000	Other benefits $000	Total 2020 $000	Total 2019 $000
Executives					
E Chahin[(i)]	504	–	44	548	561
Non-Executives					
M McDonald	57	–	–	57	58
	561	–	44	605	619

(i) Highest paid Director in the current year.

5 FINANCE AND OTHER INCOME/(EXPENSE)

	2020 $000	Restated 2019 $000
Income from investments measured at amortised cost		
Bank interest	86	720
Income from investments measured at fair value through the profit and loss		
Dividend income from equity investments	39	612
Preference share dividend and interest income from debt instrument investments	220	164
Change in the fair value of equity and debt instrument investments	368	(766)
Property lease interest	(3)	(3)
Exchange rate (loss)	(75)	(272)
	635	455

Exchange Rate Gains and Losses
In the current and prior year, the GBP and CFA (Central African CFA Franc) cash and working capital balances held by the Company and main subsidiary (EurOil Limited) are translated into USD at the appropriate USD exchange rate at the date of transaction(s). As a result, no FX gain or loss arises on consolidation.

6 TAXATION

Recognised in the Income Statement

	2020 $000	2019 $000
Corporation tax based on the results for the year at 34.3% (2019: 34.3%)	–	–

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:

	2020 $000	Restated 2019 $000
Loss before tax	**(2,625)**	(66,564)
Corporation tax at the Group weighted average income tax rate of 34.3%	**(900)**	(22,831)
Effects of:		
Expenses not deductible for tax purposes	**698**	1,173
Tax losses not utilised	**202**	390
Impairment charge	–	21,268
Total tax	–	–

Applicable UK tax rate is computed at 19% (2019: 19%). The standard corporate tax rate applicable in Cameroon is 40%.

Deferred Tax

At 30 June 2020, tax losses were $76.1m (2019: $86m). 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.

7 BASIC AND DILUTED LOSS PER SHARE

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

	2020 $000	Restated 2019 $000
Net loss attributable to owners of the parent undertaking	**(2,625)**	**(66,564)**

	2020 Number	2019 Number
Basic weighted average number of ordinary shares	**327,465,652**	**327,465,652**

	2020 $	2019 $
Basic and diluted loss per share – ordinary shares	**(0.01)**	**(0.20)**

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 loss per share. The exercise of BTIP awards would have the effect of reducing the loss per share calculation and consequently is not considered in the calculation for diluted loss per share.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

8 INTANGIBLE EXPLORATION ASSETS

Group	Exploration and appraisal expenditure $000	Total $000
Cost		
At 1 July 2018	**442,903**	**442,903**
Additions	5,955	5,955
Transfer from deferred consideration	6,340	6,340
At 30 June 2019	**455,198**	**455,198**
Additions	2,104	2,104
At 30 June 2020	**457,302**	**457,302**
Impairment		
At 1 July 2018	**(243,191)**	**(243,191)**
Impairment loss	(62,007)	(62,007)
At 30 June 2019	**(305,198)**	**(305,198)**
Impairment loss	–	–
At 30 June 2020	**(305,198)**	**(305,198)**
Net book value		
At 30 June 2020	**152,104**	**152,104**
At 30 June 2019	**150,000**	**150,000**
At 1 July 2018	**199,712**	**199,712**

Refer to the table below and note 10 for further information regarding the Company's interests and joint arrangements as required under IFRS 12.

Intangible asset	Equity interest
Etinde Permit – Exploitation, Cameroon(i)	Bowleven 25%, New Age Group(ii) 37.5%, LUKOIL 37.5%, SNH(iii) 0%
Bomono Permit, Cameroon	Bowleven(iv) 100%

(i) Classified as a joint operation in accordance with IFRS 11 '*Joint Arrangements*'.
(ii) New Age/New Age Group or subsidiaries thereof as appropriate.
(iii) Subject to completion of SNH back-in rights.
(iv) Licence terminated at 18 December 2018, but not yet enacted by law. All associated costs that were previously capitalised as intangible assets have been fully impaired.

Etinde Farm-Out in 2015
On 16 March 2015, the Group completed a farm-out of part of its interest in the Etinde asset to LUKOIL Overseas West Project Limited (LUKOIL) and New Age (African Global Energy) Limited (New Age). The operatorship of Etinde transferred to New Age on that date with Bowleven retaining a 25% non-operated interest. $165m initial cash proceeds were received on 16 March 2015 along with a further $15m on 30 September 2016. In accordance with the Company's then policy under IFRS 6 '*Exploration for and Evaluation of Mineral Assets*' the Group deducted the net proceeds received from the carrying value of intangible exploration assets in the prior years.

In addition to these cash payments, there was an amount of deferred consideration:
- up to $40m (net) carry for two Etinde appraisal wells, including testing (or cash alternative in 2020); and
- $25m cash contingent upon and to be received at Etinde development project FID.

The $40m (max) net carry for the two Etinde appraisal wells was fully utilised in FY 2018 and the deferred consideration balance recognised at that date was fully utilised.

The remaining $25m is currently disclosed as a contingent asset (note 20) and will be credited to intangible exploration assets once sufficient certainty on FID project sanction is achieved.

8 INTANGIBLE EXPLORATION ASSETS CONTINUED

Etinde Valuation

Global events in 2020 have had a significant impact on global supply and demand creating significant market uncertainty as well as delaying and slowing down progress on the Etinde project.

During the year, we have made an assessment of whether the IFRS 6 impairment criteria (as set out in the accounting policy above) have been met during the year, which would give rise to the need to complete a formal impairment assessment. Two major uncertainties related to:

- Global hydrocarbon prices. There are currently lower than in 2019, the Directors consider that at the current time, there is no definitive evidence that prices will remain at current levels in 2023/24 when first production is expected and
- Similarly, in our assessment, management remain confident that the JV partners have undertaken all reasonable steps possible to ensure that the JV is meeting all its obligations to ensure that FID is given as soon as possible. Accordingly, although the possibility of a licence revocation exists, management considers that the risk of this occurring is low to medium in the short term.

Having considered these and other developments on the Etinde project, the Directors have concluded that there has been no triggering event for impairment during the current financial year. Accordingly, no further impairment is considered necessary at the current point.

Etinde Impairment Review in 2019

The discounted cash flow model used in 2019 was based on our best estimate of the expected development of the Etinde asset taking consideration of the following factors and assumptions:

- the macroeconomic environment globally and in Cameroon;
- prevailing market conditions in the oil and gas industry;
- a conservative and phased inclusion of the hydrocarbon resource available for development;
- the commercial and governmental situation in Cameroon;
- two alternate development options with either an onshore or an off-shore focused infrastructure based development;
- that the development will seek to maximise production from the outset giving due consideration to the potential for supplying gas to both Cameroon Domestic and Export supply;
- that Condensate and Liquefied Natural Gas can be supplied to either the global or domestic markets for the same value;
- infrastructure capital and operating costs estimated based on the pre-FEED engineering studies undertaken in 2019, except where pricing data was not available; and
- the Etinde asset is considered to be a single cash-generating unit and includes historic exploration costs incurred on the Etinde Permit in line with the treatment of those costs for cost recovery purposes.

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

- reaching commercial agreement with potential offtakers and receiving governmental approval to export gas;
- agreeing the development solution with joint venture partners and other stakeholders;
- raising finance to fund development post FID; and
- any impact arising from FID date and the subsequent governmental approval of the revised field development plan exceeding the current licence end date of January 2021. The Directors consider that a long delay to FID, may increase the likelihood that the Government of Cameroon may terminate the licence.

In order to account for the significant uncertainties described above, we have taken an approach of risk-adjusting the discount rate in our valuation model. Using a risk adjustment discount rate of 17 to 23% our model gave a valuation estimate of $130m – $190m.

Our benchmarking of Etinde's contingent resources against market data for other African assets on a $ per boe of 2C contingent resources resulted in a valuation range of $120m – $180m based on a unit pricing range of $2 – $3 per boe.

We determined what we concluded to be a reasonable mid-point in the range of valuations there were derived from both valuation approaches. Our current year assessment of the recoverable amount of the Etinde cash-generating unit calculated on the basis set out is $150m (2018: $208m). This gives rise to an impairment adjustment of $62m in the current year. Impairment charges were previously recognised in both 2015 and 2016 totalling $136.7m (2016: $60.7m; 2015: $76m).

The key sensitivities in our valuation models are the level of contingent resources available, the risk weighted discount rate and the price per boe of 2C contingent resources on which the mid-point in the range of market valuations was determined. The valuation is directly impacted by a change in level of contingent resources available. A change in per boe input by $0.5 per boe would result in a $30m change in the impairment result. Similarly, a change in risk weighted discount rate of 2% would result in $15m change in the impairment result.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

8 INTANGIBLE EXPLORATION ASSETS CONTINUED

Bomono Impairment

The Bomono asset is considered to be a single cash-generating unit. In January 2017, the Group received an extension to the Bomono EA of a further two years, extending the period to 12 December 2018. During this period, the Group submitted requests to the regulator to switch from an exploration to exploitation licence, which would permit small scale initial development concepts to be implemented. Simultaneously attempts were made with several third parties to create potential implementable development plans. The proposed change in licence status was not issued. The current PSC reached the end of its term in December 2018, although the PSC itself has not yet been withdrawn. Discussion is ongoing regarding the future of the licence. The carrying value of the asset was fully impaired in FY2016 and FY2017.

Company

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

9 PROPERTY, PLANT AND EQUIPMENT

Group	Property leases $000	Plant and machinery $000	Computer equipment $000	Total $000
Cost				
At 1 July 2018 restated	**157**	**6**	**639**	**802**
Additions	–	–	22	22
Disposals	–	–	(148)	(148)
At 30 June 2019 restated	**157**	**6**	**513**	**676**
Additions	–	–	11	11
Disposals	–	–	–	–
At 30 June 2020	**157**	**6**	**524**	**687**
Depreciation and impairment				
At 1 July 2018 restated	**34**	**1**	**605**	**640**
Charge for year	40	2	36	78
Disposals	–	–	(148)	(148)
At 30 June 2019 restated	**74**	**3**	**493**	**570**
Charge for year	40	2	8	50
Disposals	–	–	–	–
At 30 June 2020	**114**	**5**	**501**	**620**
Net book value				
At 30 June 2020	**43**	**1**	**23**	**67**
At 30 June 2019 restated	**84**	**3**	**20**	**106**
At 1 July 2018 restated	**124**	**5**	**34**	**163**

9 PROPERTY, PLANT AND EQUIPMENT CONTINUED

Company	Property leases $000	Plant and machinery $000	Computer equipment $000	Total $000
Cost				
At 1 July 2018 restated	**157**	**5**	**577**	**739**
Additions	–	–	22	22
At 30 June 2019 restated	**157**	**5**	**599**	**761**
Additions	–	–	11	11
At 30 June 2020	**157**	**5**	**610**	**772**
Depreciation				
At 30 June 2018 restated	**34**	**1**	**545**	**580**
Charge for year	40	1	35	76
At 30 June 2019 restated	**74**	**2**	**580**	**656**
Charge for year	40	1	8	49
At 30 June 2020	**114**	**3**	**588**	**705**
Net book value				
At 30 June 2020	**43**	**2**	**22**	**67**
At 30 June 2019 restated	**84**	**3**	**19**	**106**
At 1 July 2018 restated	**124**	**4**	**32**	**160**

10 INVESTMENTS IN GROUP UNDERTAKINGS

Company	Investment in subsidiaries $000
Cost	
At 1 July 2018	**664,272**
Additions	–
At 30 June 2019	**664,272**
Additions	–
At 30 June 2020	**664,272**
Impairment	
At 1 July 2018	**442,514**
Impairment loss	76,659
At 30 June 2019	**519,173**
Impairment loss	–
At 30 June 2020	**519,173**
Net book value	
At 30 June 2020	**145,099**
At 30 June 2019	**145,099**
At 1 July 2018	**221,758**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

10 INVESTMENTS IN GROUP UNDERTAKINGS CONTINUED
Ongoing funding advanced from the Company to its subsidiaries may be capitalised. During the year $nil (2019: $nil) has been capitalised.

A full impairment review of the carrying value of investments in subsidiary undertakings was performed in 2019, giving rise to an impairment provision of $76.7m in respect of the carrying value of Bowleven Resources Limited. The recoverable amount of the investments are determined using discounted future cash flows, on a basis consistent with that already disclosed in note 8 'Intangible Exploration Assets' and compared to the net book values of the investments in Bowleven Resources Limited in the financial statements, which are themselves based on the carrying value of EurOil Limited sole asset, the Etinde JV. All other investments have a carrying value and recoverable amount of zero as at 30 June 2020.

During the year, a number of subsidiary undertakings within the Group have been liquidated and struck-off. The remaining investments in Group undertakings, all of which are included in the Group consolidation, 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

(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 and manage day-to-day operations in Cameroon.

All subsidiary undertakings are directly owned by Bowleven plc except as noted above. The registered office of all Scotland registered Companies is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ. EurOil Limited's registered address is PO Box 93, 2nd Floor, Number 46 Rue Foucauld, next to Universite de la Cote, Akwa, Douala, Republic of Cameroon.

11 FINANCIAL INVESTMENTS
Financial investments comprise:

Group and Company	2020 $000	2019 $000
Investments in listed preference shares	**2,010**	1,722
Investments in listed debt instruments	–	2,412
Total	**2,010**	**4,134**

The investment in debt instruments terminated during the year. Proceeds were credited to cash on receipt. The investments in preference or partnership shares were held in an actively traded market and are subject to fair value using quoted market prices (Level 1 valuation basis in accordance with IFRS 13 *'Fair Value Measurement'* criteria). The investments are fair valued monthly using quoted market prices (Level 1) valuation bases in accordance with the criteria set out in IFRS 13 *'Fair Value Measurement'*.

12 INVENTORY

	Group		Company	
	2020 $000	2019 $000	2020 $000	2019 $000
Inventory	**2,577**	1,545	–	–
Inventory	**2,577**	**1,545**	**–**	**–**

The inventories relate to Bowleven's 25% share of casing, tubular goods and other equipment which were purchased for Etinde drilling programmes. The JV partners fully impaired any pre-2018 inventory which could not be used in the 2018 or subsequent drilling programme. Most of the inventory now held was acquired in 2018 as part of the appraisal drilling programme. These residual materials considered usable in future drilling programmes. Bomono related inventory is fully impaired.

13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 $000	Restated 2019 $000	**2020 $000**	Restated 2019 $000
Trade receivables	**52**	53	**–**	–
Other receivables	**774**	1,441	**–**	–
Amounts owed by Group undertakings	**–**	–	**7,935**	4,901
JV cash balance	**284**	124	**–**	–
Accrued interest	**55**	94	**55**	94
	1,165	1,712	**7,990**	4,995
Other taxation and social security	**12**	11	**7**	7
Prepayments	**95**	129	**93**	125
	1,272	**1,852**	**8,090**	**5,127**

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
2020							
Not past due	967	967	–	–	–	–	–
Past due	198	–	–	–	–	–	198
As at 30 June 2020	**1,165**	**967**	**–**	**–**	**–**	**–**	**198**
2019 restated							
Not past due	1,514	1,514	–	–	–	–	–
Past due	198	–	–	–	–	–	198
As at 30 June 2019	**1,712**	**1,514**	**–**	**–**	**–**	**–**	**198**

Trade and other receivables 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.

Expected Credit Losses (ECL)

No new provisions or provision reversals have been made during the current or previous year. The amount of ECL are considered to be immaterial.

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
2020							
Not past due	7,990	7,990	–	–	–	–	–
As at 30 June 2020	**7,990**	**7,990**	**–**	**–**	**–**	**–**	**–**
2019							
Not past due	4,995	4,995	–	–	–	–	–
As at 30 June 2019	**4,995**	**4,995**	**–**	**–**	**–**	**–**	**–**

Expected Credit Losses

No new provisions or provision reversals have been made during the current or previous year. The amount of ECL are considered to be immaterial.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

14 BANK DEPOSITS, CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 $000	2019 $000	**2020 $000**	2019 $000
Bank deposits	**–**	**500**	**500**	**500**
Cash at bank and in hand	**151**	525	**139**	519
Short-term deposits	**8,951**	9,957	**8,949**	9,957
	9,102	**10,482**	**9,088**	**10,476**

The Group and Company bank deposit balances of $nil (2019: $0.5m) are restricted cash to cover bank guarantees. The bank guarantees are a requirement of operating activities at Bomono and were terminated in early 2020.

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2020 $000	Restated 2019 $000	**2020 $000**	Restated 2019 $000
Trade payables	**121**	110	**57**	21
Amounts due to Group undertakings	**–**	–	**–**	–
JV creditors and accruals	**322**	31	**–**	–
	443	141	**57**	21
Other taxation and social security	**18**	21	**17**	18
Accruals	**234**	249	**156**	165
Amount due to JV	**783**	–	**–**	–
	1,478	**411**	**230**	**204**

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

	2020			2019		
	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	**121**	**–**	**121**	110	–	110
JV creditors and accruals	**322**	**–**	**322**	31	–	31
Accruals	**234**	**–**	**234**	249	–	249
	677	**–**	**677**	**390**	**–**	**390**

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

	2020			2019		
	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	**57**	**–**	**57**	**21**	**–**	**21**

16 LEASES
IFRS 16 adopted 1 July 2019 with restatement of comparative figures. For further details see note 1 (Leases). The Group has a lease for the head office and classifies it as a right-of-use asset in a consistent manner to its property, plant and equipment (see note 9).

On adoption of IFRS 16, the Company recognised lease liabilities in relation to the head office. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 8%. Lease liabilities are presented in the statement of financial position as follows:

	2020 $000
Current	**34**
Non-current	**2**

16 LEASES CONTINUED

Extension options are included in the lease liability when it, based on management's judgement, is reasonably certain that an extension will be exercised. As at 30 June 2020, the contractual maturities of the Company's lease liabilities are as follows:

Group	Within one year $000	Between one and two year $000	Over two years $000
	34	2	–

17 ISSUED SHARE CAPITAL

	2020 Number	2019 Number	**2020 $000**	2019 $000
Authorised and allotted, called-up and fully paid:				
Ordinary shares of £0.10 each at 1 July	**335,272,933**	335,272,933	**56,517**	56,517
Issued during the year	**–**	–	**–**	–
Issued on exercise of share options	**–**	–	**–**	–
At 30 June	**335,272,933**	**335,272,933**	**56,517**	**56,517**

During the year the Company issued nil (2019: nil) ordinary shares in respect of share options. The issue amounted to an aggregated nominal value of $nil (2019: $nil) and an increase in the share premium reserve of $nil (2019: $nil).

18 EQUITY AND RESERVES

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. Available distributable reserves in the Company are assessed in the functional currency of the Company which was GBP until 31 December 2017. From that date the functional currency changed to USD.

Foreign Exchange Reserve

Unrealised foreign exchange gains and losses arose historically on translation of the Company's previous GBP functional currency results into USD presentation currency in accordance with IAS 21 *'The Effects of Changes in Foreign Exchange Rates'*.

Other Reserves

Other reserves in the Group balance sheet can be analysed as follows:

Group	Treasury shares $000	Share based payment reserve $000	Shares held in trust $000	Merger reserve $000	Total other reserves $000
Balance at 1 July 2018	**(2,566)**	**120**	**(1,715)**	**5,237**	**1,076**
Transfer between reserves	–	–	1,071	–	1,071
Share based payments	–	207	–	–	207
Balance at 30 June 2019	**(2,566)**	**327**	**(644)**	**5,237**	**2,354**
Transfer between reserves	–	–	461	–	461
Share based payments	–	112	–	–	112
Balance at 30 June 2020	**(2,566)**	**439**	**(183)**	**5,237**	**2,927**

Share Based Payment Reserve

The balance held in the share based payment reserve relates to the fair value of the BTIPs that have been expensed through the Group income statement. The transfer between reserves relates to BTIP amortisation charge in the period and represent the amount expensed through the Group income statement.

Shares Held in Trust

The Director and senior employee benefit trust holds 4,106,328 shares (2019: 4,106,328 shares) in Bowleven plc EBT for the settlement of the LTIP share based payment scheme. During the year, the EBT purchased nil shares (2019: nil shares) and issued nil shares (2019: nil). The shares are valued at the closing market value of Bowleven plc shares at the year-end (2020: 3 pence per share; 2019: 12 pence per share). The EBT did not receive any amount from the special dividend paid in February 2019.

The LTIP scheme currently has no beneficiaries. The LTIP scheme and EBT are currently being wound up. On completion, the shares held in Trust will be acquired by the Company at £0.10 per share and included in treasury shares.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2020

18 EQUITY AND RESERVES CONTINUED

Merger Reserve

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

Treasury Shares

The Company initiated a share buyback programme on 19 August 2016 for a maximum aggregate consideration of up to $10m, the purpose being to reduce the outstanding issued share capital of the Company. The Board considered that the share buyback programme would be in the shareholders' interests, being accretive to NAV per share whilst retaining sufficient financial flexibility to evaluate growth options. The Company entered into an agreement with its then broker, Macquarie Capital (Europe) Limited to repurchase shares on its behalf, such shares being held by the Company in treasury. The share buyback programme was executed in accordance with the Company's general authority to make market purchases which was approved by shareholders at the AGM on 16 December 2015 and the Company retained discretion in respect of the volume, timing and price of shares to be repurchased. The share buyback arrangements were terminated at the AGM on 14 December 2016.

At that date, the Company repurchased 7,807,281 shares into treasury, having a nominal value of £780,728. The aggregate amount of consideration paid by the Company for those shares was $2,566,000.

Other Reserves

Other reserves in the Company balance sheet can be analysed as follows:

Company	Treasury shares $000	Share based payment reserve $000	Shares held in trust $000	Total other reserves $000
Balance at 1 July 2018	**(2,566)**	**120**	**–**	**2,446**
Transfer between reserves	–	–	1,071	1,071
Share based payments	–	207	–	207
Transfer from subsidiary	–	–	(1,715)	(1,715)
Balance at 30 June 2019	**(2,566)**	**327**	**(644)**	**(2,883)**
Transfer between reserves	–	–	461	461
Share based payments	–	112	–	112
Balance at 30 June 2020	**(2,566)**	**439**	**(183)**	**(2,310)**

Company reserves are as defined above.

Shares Held in Trust

In July 2019, the 'ownership' of the EBT was transferred from FirstAfrica Oil Limited to Bowleven plc at the 30 June 2018 market value of the shares held along with the intra-Group receivable from the EBT to FirstAfrica Oil. The net value of the Trust assets was $nil and the transfer was settled through the intra-Group funding balance.

19 SHARE BASED PAYMENTS

The Group operated an approved and unapproved Company share option plan (CSOP) share based payment schemes for the benefit of its employees. These schemes terminated in FY 2018.

Long-Term Incentive Plan (LTIP)

The Group operated an LTIP scheme for Executive Directors and senior managers based in the UK and Cameroon. The arrangements terminated in April 2018 with the resignation of the last Director who had any interests under this scheme. Since that date, no new beneficiaries have been created and the LTIP arrangement has ceased. No options were granted, vested or expired during the current or prior year. As at 30 June 2020, there were nil awards (2019: nil) outstanding. The LTIP scheme is currently being dissolved.

Bowleven Transformation Incentive Plan (BTIP)

The BTIP was adopted by the Board of the Company on 9 May 2017. The purpose of the BTIP is to motivate employees of the Company in the Company's long-term goals and performance. Options are issued at the discretion of the Board. Options granted under the BTIP cover a performance period running between the date of grant and 31 March 2022. The options vest from the release date, determined by the Board based on the attainment of certain performance criteria. The options may be exercised in the subsequent period up to a maximum of ten years from the grant date. The performance conditions relate to the attainment of certain share prices points between £0.45 and £0.80 per share for a continuous period of at least three months and meeting the annual cost underpin criteria, whereby the annual cash costs incurred must be below the amount set out in cash expenses target set by the Board. The options have a nil exercise price.

19 SHARE BASED PAYMENTS CONTINUED

The awards under the BTIP during the year are as follows:

	Number
Outstanding at 1 July 2018	**10,000,000**
Granted during the year	–
Expired during the year	–
Vested during the year	–
Outstanding at 30 June 2019	**10,000,000**
Granted during the year	–
Expired during the year	–
Vested during the year	–
Outstanding at 30 June 2020	**10,000,000**

The fair value of the BTIP scheme awards has been calculated using an appropriate suite of models. The main inputs to the model are as per the share option schemes below using a trinomial pricing model applying a Monte Carlo simulation.

In addition, the following assumptions were used in calculating the fair value of BTIP awards:

	2017
Risk-free rate	0.48%
Expected volatility	48.5%
Dividend yield	0%
Vesting period	5 years
Expected life	10 years
Expected departures during vesting period	0

The weighted average fair value of BTIP award granted during the prior year was £0.04.

20 CONTINGENT ASSETS AND LIABILITIES

The Group has the following contingent asset:

	2020 $000	2019 $000
Etinde farm-out contingent consideration	**25,000**	25,000
	25,000	**25,000**

As at 30 June 2020 and 30 June 2019, the Group has a contingent asset of $25m arising from the Etinde farm-out (see note 8 for further detail). The amount is contingent on FID being reached on the development of the Etinde field by all parties. A financial asset will be recognised in the balance sheet and this final consideration for the Etinde farm-out transaction once sufficient certainty on FID project sanction is achieved.

Over several years, various potential issues have arisen as a result of a local tax audits in Cameroon, where the group disagrees with the basis of the claims and is vigorously defending against assessments made. Due to the judicial process in country, at present it is not possible to determine the outcome of the legal process.

21 FINANCIAL INSTRUMENTS

The Group's and Company's principal financial instruments comprise cash and cash equivalents and financial investments. 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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

21 FINANCIAL INSTRUMENTS CONTINUED
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 GBP and the USD.

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 reports in USD which, with the majority of assets USD denominated, minimises the impact of foreign exchange movements on the Group's balance sheet. Surplus funds are placed on short-term deposits and money market funds at floating rates or invested in financial investments.

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

Group Deposits and cash at bank	**In currency 2020 000**	**In USD 2020 000**	In currency 2019 000	In USD 2019 000
GBP	**1,119**	**1,379**	2,009	2,552
USD	**7,709**	**7,709**	8,424	8,424
CFA	**7,935**	**14**	3,624	6

Company Deposits and cash at bank	**In currency 2020 000**	**In USD 2020 000**	In currency 2019 000	In USD 2019 000
GBP	**1,119**	**1,379**	2,009	2,552
USD	**7,709**	**7,709**	8,424	8,424

As at the year end the following investments in listed debt and equity investments were held in the denominated currencies:

Group and Company Financial investments:	**In currency 2020 000**	**In USD 2020 000**	In currency 2019 000	In USD 2019 000
USD	**2,010**	**2,010**	4,134	4,134

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

	Effect on loss before tax	
Change in USD:GBP rate	**2020 $m**	2019 $m
+10%	**(0.2)**	(0.2)
-10%	**0.2**	0.2

Market Price Risk
The investments in listed debt and equity instruments are subject to changes in market price in accordance with the perception of the market as a whole in the individual investments and in the sector, they operate in. As a result, the Group is exposed to market price risk. The table below shows the impact that a 10% change in the market price of the investment would have had on loss before tax, all other variables being held constant.

Change in Market Price

	Effect on loss before tax	
	2020 $m	2019 $m
+10%	**(0.2)**	(0.4)
-10%	**0.2**	0.4

21 FINANCIAL INSTRUMENTS CONTINUED

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 and on the equity and debt instruments acquired during the current financial year. As the Group and Company are not yet trading, they are not yet exposed to the credit risks associated with trade receivables. The Group has JV receivables balances and contingent consideration receivable relating to the Etinde farm-out, both of which are monitored on an ongoing basis with appropriate follow-up action taken if necessary. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

Cash

The Group invests primarily in funds with institutions holding a Moody's long-term deposit rating of A2 or above, or with AAA-rated money market funds. The Board may from time to time approve the use of banks rated P2 or above, with investment assessed on a case-by-case basis (limited to $3m per bank). 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 $25m (or 25% if total cash balance greater than $100m) held with any one bank. As at 30 June 2020, the largest balance held with one institution was $8m (2019: $7m).

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. Neither the Group nor Company have any offset arrangements.

Financial Investments – Listed Debt Instruments

During 2018, the Group has acquired a number of investments of separately listed debt instruments issued by publicly or privately owned companies. The table sets out the value of investment held at 30 June, analysed by credit rating. The final debt instrument held was repaid by the borrower during the current financial year. All other investments were sold in the prior year.

The Group now holds one investment in preference shares issued by publicly listed equity bodies, which are treated as debt instruments for accounting purposes.

Rating	**2020 $000**	2019 $000
A- to BBB	–	–
BB to B3	2,010	4,134
Total	**2,010**	**4,134**

For instruments where no credit rating is available, management have estimated the rating based on the investment's similarity to its other rated investments.

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.

Cash

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 prepare cash flow information on a regular basis, which is reviewed by the Directors and senior management.

The Group and Company currently finance their operations from existing cash reserves which, in the past, have been funded from share issues and farm-out activity. During 2015, the Group completed the Etinde farm-out and received cash proceeds of $165m on completion with a further $15m received on 30 September 2016. There is further contingent consideration relating to the Etinde farm-out totalling $25m receivable as soon as the FID has been taken by the JV consortium (refer to notes 8 and 20). As the Group moves towards development, alternative sources of funding 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 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 $nil (2019: $0.5m) as detailed in note 14.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

21 FINANCIAL INSTRUMENTS CONTINUED
Listed Debt Instrument Investments
The Company and Group's investments in listed debt instruments are held in both active and semi-active markets. Given the size of the Company's position in each investment and/or the liquidity of the market where the investment is traded, it may not be possible to realise any or all of each investment over a very short period. Should the need arise to liquidate the Company's investment position, either due to the Directors changing investment strategy or the requirement for additional cash demand within the business, the expectation is that any disposal would be planned and implemented over several days. The Group's final debt instrument investment was repaid by the debt issue in the current financial year.

As set out above, 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. A proportion of the Company and Group's surplus cash has been invested in listed debt and equity instruments. The investments acquired are publicly traded in a number of different international markets and have varying degrees of market liquidity. Whilst the Directors do not have any formal target in respect of the proportion of funds held in non-cash assets, the 2018 year end level of around 25 to 35% is considered to be appropriate maximum amount at the current time.

The Directors believe these investments increase the rate of return on the surplus cash held by the business generating a significant level of higher interest rate income on the fixed interest rate debt and preference share investments as well as providing some additional upside on the variable return equity investments, which reduces the net cash expenditure incurred by the Group on normal operating activities.

Borrowing
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 15.

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 principal capital source of the Group alongside farm-out opportunities. As the Group moves towards development, alternative sources of funding 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 asset or source debt funding.

No changes were made in the objectives and policies during the year ended 30 June 2020.

	Group 2020 $000	Restated Group 2019 $000	**Company 2020 $000**	Restated Company 2019 $000
Trade and other payables	**(443)**	(141)	**(57)**	(21)
Lease liabilities	**(36)**	(73)	**(36)**	(73)
Bank deposits, cash and cash equivalents	**9,102**	10,982	**9,088**	10,976
Financial investments	**2,010**	4,134	**2,010**	4,134
Net funds	**10,633**	14,902	**11,005**	15,016
Equity	**165,618**	168,136	**164,088**	165,165
Equity less net funds	**154,985**	**153,234**	**153,083**	**150,149**

Fair Values of Financial Assets and Liabilities
The fair value of the above financial instruments has been valued using Level 1 hierarchy. 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.

21 FINANCIAL INSTRUMENTS CONTINUED

Financial Instruments by Category:

	Group 2020 $000	Restated Group 2019 $00	Company 2020 $000	Restated Company 2019 $000
As at 30 June:				
Measured at fair value through the profit and loss				
Financial investments				
Equity instruments	**–**	1,722	**–**	1,722
Debt instruments	**2,010**	2,412	**2,010**	2,412
Measured at amortised cost				
Loans and receivables				
Trade and other receivables[i]	**1,165**	1,512	**7,990**	4,995
Bank deposits, cash and cash equivalents	**9,102**	10,982	**9,088**	10,976
	12,277	16,628	**19,088**	20,105
Financial liabilities:				
Trade and other payables[i]	**(443)**	(141)	**(57)**	(21)
Lease liabilities	**(36)**	(36)	**(73)**	(73)
	11,798	**16,451**	**18,958**	**20,011**

(i) Excluding tax, prepayments and accruals.

In the current year and prior year, all of the above financial assets are unimpaired. An analysis of the ageing of the trade and other receivables is provided in note 13.

Lease Liabilities

The maturity date of the Group and Company's lease liabilities is as follows:

Company and Group	2020 $000	2019 $000
Within 12 months	**34**	36
12 to 24 months	**2**	37
24 to 36 months	**–**	–
	36	**73**

In 2020 and 2019, total rent paid was $39,000 in both periods. 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.

22 RELATED PARTY TRANSACTIONS

Company Balance Sheet

The Company's subsidiaries are listed in note 10. The following table provides the balances which are outstanding with subsidiary undertakings at the balance sheet date:

	2020 $000	2019 $000
Amounts owed from subsidiary undertakings	**7,935**	4,901
Amounts owed to subsidiary undertakings	**–**	–
Amounts owed from subsidiary undertakings	**7,935**	**4,901**

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 between the Company and subsidiary undertakings. Recharges from the Company to subsidiaries in the year were $nil (2019: $nil). Ongoing funding is advanced from the Company to its subsidiaries and capitalised on a regular basis. Such funding is detailed in note 13.

Remuneration of Key Management

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2020

23 POST BALANCE SHEET EVENTS

On 21 September 2020, the Company acquired the c.4m Bowleven plc shares held by the Bowleven Employee Benefit Trust. The acquisition price was £0.10 per share in accordance with shareholder approval given after vote at the 2019 AGM in December 2019. The Company subsequently received the sales proceeds back in the form of a loan repayment from the Trust (net or Trust fees) as part of the process for winding-up the Trust's operations. These formally ceased on 22 September 2020.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (the AGM) of Bowleven plc (the Company) will be held at 10 a.m. (UK time) on Wednesday 9 December 2020.

In accordance with the provisions of the Corporate Insolvency and Governance Act 2020 the meeting will not be held in a designated place. Whilst shareholders will therefore not be permitted to attend in person, the Company will offer shareholders the option to participate in the meeting remotely via a virtual conference facility. However, shareholders will not be able to vote at the meeting when attending via the virtual conference facility.

Your attention is drawn to the Shareholder Notes on page 68 of this document, which set out how the meeting will be conducted in light of the current COVID-19 pandemic.

The AGM will be held for the following purposes:

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

1. To receive the Company's Annual Report and Accounts for the financial year ended 30 June 2020 and the reports of the Directors and the independent auditors thereon.

2. To re-elect Eli Chahin as a Director of the Company.

3. To re-elect Jack Arnoff as a Director of the Company.

4. To reappoint BDO LLP as independent auditor of the Company, from the conclusion of the AGM until the conclusion of the next general meeting of the Company at which accounts are laid.

5. To authorise the Directors to determine the auditor's remuneration.

By Order of the Board

Burness Paull LLP
Company Secretary
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ
9 November 2020

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

COVID-19 RESTRICTIONS

Due to COVID-19 restrictions, the 2020 AGM will not be run in the manner that our shareholders are accustomed. In accordance with current government instructions and guidance regarding COVID-19 and the restrictions on social contact, public gatherings and non-essential travel, shareholders will not be able to attend the AGM in person and will not be entitled to participate in the AGM in any way other than as is provided for in these notes. Please refer to Shareholder Notes below for further details.

GENERAL

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 5 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.

Each of the resolutions to be considered at the AGM will be voted on by way of a poll. This ensures that shareholders who are unable to attend the AGM but who have appointed proxies have their votes taken into account. The results of the polls will be announced to AIM and published on the Company's website as soon as possible after the conclusion of the AGM.

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.

RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS

The Company's Articles of Association require that any Director appointed by the Directors shall retire at the next AGM following their respective appointments and be eligible for re-election. Eli Chahin (appointed to the Board on 14 March 2017) will accordingly retire and offer himself for election by the shareholders for the second time and Jack Arnoff (appointed to the Board on 2 November 2020) will accordingly retire and offer himself for election by the shareholders for the first time. A biography in respect of each Director is included on page 26 of the Annual Report and Accounts.

RESOLUTIONS 4 AND 5 – REAPPOINTMENT 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 4 proposes the reappointment of BDO LLP as the Company's auditor and Resolution 5 seeks authority for the Directors to determine the auditor's remuneration.

RECOMMENDATION

The Directors consider that the resolutions to be proposed at the AGM are in the best interests of the Company and shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions to be proposed at the AGM, as the Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 1,141,579 shares, being approximately 0.33% of the ordinary share capital of the Company in issue at the date of this notice (excluding treasury shares).

SHAREHOLDER NOTES

As outlined above, shareholders are not entitled to attend this year's AGM in person, however the AGM will be live streamed online. Shareholders entitled to attend may only do so virtually by accessing the following link:
https://webcasting.brrmedia.co.uk/broadcast/5f9861854351411bdbe62f2d
and entering their shareholder ID and PIN details. Shareholders will be validated prior to entry as part of the login process. Please allow sufficient time for this preceding the commencement of the meeting.

Shareholders will not be able to vote at the AGM when attending via the live stream. Shareholders are therefore asked to exercise their votes by submitting their proxy in advance of the meeting and to appoint the Chair of the meeting as their proxy with their voting instructions. As a result of the current government restrictions, if a shareholder appoints someone else as their proxy, that proxy will not be able to attend the meeting in order to cast the shareholder's vote.

Shareholders may submit questions to be addressed during the meeting by emailing their question(s) to IRqueries@bowleven.com no later than close of business on 7 December 2020. Questions received after this date will not be addressed in the meeting.

Appointment of Proxy

Any shareholder who is entitled to attend and vote at the 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. As indicated above, we are asking that members appoint the Chair as their proxy in light of the current restrictions on public gatherings. If a shareholder appoints someone else as their proxy, that proxy will not be able to attend the meeting in order to cast the shareholder's vote.

A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to different shares held by that shareholder. A shareholder may not appoint more than one proxy to exercise rights attached to any one share.

In order for a proxy form to be valid, it must be lodged with the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by 10 a.m. (UK time) on 7 December 2020.

Corporate Representatives

Any corporation that is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all its powers as a shareholder provided that they do not do so in relation to the same shares. A corporate representative must obtain prior approval by our registrars, Computershare no later than 10 a.m. (UK time) on 7 December 2020.

Record Date

Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, to be entitled to vote at the AGM 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 7 December 2020 (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 will be made available online on the Company's website up to and including the day of the AGM:
- the existing Articles of Association of the Company;
- the Company's Annual Report and Accounts for the year ended 30 June 2020;
- copy of the service contract of Eli Chahin (being the Executive Director of the Company); and
- copy of the letter of appointment of Jack Arnoff (being the Non-Executive Director of the Company).

Shareholder Helpline

Shareholders who have general queries about the AGM or need additional information in relation to the voting process should call our Shareholder Helpline on 0370 707 1284 (no other methods of communication will be accepted).

Statement of Capital and Voting Rights

As at 6 November 2020 (being the latest practicable date prior to publication of this notice), the Company's issued share capital consisted of 335,272,933 shares (one vote per ordinary share). 11,913,609 shares were held in treasury. Therefore, the total number of voting rights in the share capital of the Company as at 6 November 2020 is 323,359,324.

GLOSSARY

ABI	Association of British Insurers
AGM	annual general meeting
AIM	the market of that name operated by the London Stock Exchange
Articles of Association	the internal rules by which a company is governed
BBL or bbl	barrel of oil
bcf or bscf	billion standard cubic feet of gas
BEAA	Bomono Exploitation Authorisation Application
Board of Directors	the Directors of the Company
boe	barrels of oil equivalent
Bomono Permit	the production sharing contract between the Republic of Cameroon and EurOil, dated 12 December 2007, in respect of the area of approximately 2,328km² comprising former blocks OLHP-1 and OLHP-2 onshore Cameroon; or, as the context may require, the contract area to which that production sharing contract relates
Bowleven or Bowleven plc	Bowleven plc (LSE:BLVN) and/or its subsidiaries as appropriate
CFA	Central African CFA Francs
Companies Act 2006 ('the Act')	the United Kingdom Companies Act 2006 (as amended)
contingent resources	those quantities of hydrocarbons that are estimated to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable
CSOP	Company Share Option Plan
CMFLNG	Cameroon floating liquefied natural gas
EA	exploitation authorisation
EBT	employee benefit trust
EEAA	Etinde Exploitation Authorisation Application
EEEA	Etinde Exclusive Exploitation Agreement
E & P	exploration and production
Etinde Permit	the Etinde Exploitation Authorisation (EA) area. The Etinde EA, granted on 29 July 2014, covers an area of approximately 461km² (formerly block MLHP-7) and is valid for an initial period of 20 years with an initial six-year period ending January 2021, by which time development must commence. SNH have informed the JV of their intention to exercise their right to back-in to this licence, but have not signed the Participation Agreement and funded their share of cash calls in accordance with the requirements set out in the PSC
EurOil	EurOil Limited, an indirectly wholly-owned subsidiary of Bowleven plc, incorporated in Cameroon
FEED	Front End Engineering Design
FID	final investment decision
FLNG	floating liquefied natural gas
FPSO	floating production storage and offloading vessel
FSO	floating storage and offloading vessel
G&A	general and administration
GIIP	gas initially in place
Government	Cameroon Government
Group	the Company and its direct and indirect subsidiaries
HSSE	health, safety, security and environment
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IA	Investment Association
Intra Isongo	Nomenclature used to describe a sequence of sedimentary rocks in the Etinde licence area
JV or JV Partners	an unincorporated joint operation. Joint Venture Partners are the financial investors who jointly own and operate the unincorporated joint operations
km	kilometres
km²	square kilometres
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LTI	lost time incident
LTIP	long-term incentive plan
LUKOIL	LUKOIL Overseas West Project Limited, a subsidiary undertaking of OAO LUKOIL
Macquarie	Macquarie Capital (Europe) Limited
mmbbls	million barrels
mmboe	million barrels of oil equivalent
mmscf	million standard cubic feet of gas
mscf	thousand standard cubic feet of gas
New Age	New Age (African Global Energy) Limited, a privately held oil and gas company
New Age Group	New Age and its subsidiaries
NOMAD	nominated advisor
ordinary shares	ordinary shares of 10 pence each in the capital of the Company
P10 (3C)	10% probability that volumes will be equal to or greater than stated volumes
P50 (2C)	50% probability that volumes will be equal to or greater than stated volumes
P90 (1C)	90% probability that volumes will be equal to or greater than stated volumes
PEA	Provisional Exploitation Authorisation
PSC	production sharing contract
Q1, Q2 etc.	first quarter, second quarter etc.
scf	standard cubic feet
shareholders	means holders of ordinary shares and 'shareholder' means any one of them
SNH	Société Nationale des Hydrocarbures, the national oil and gas company of Cameroon
tcf	trillion cubic feet
TSR	total shareholder return
US	United States of America
$ or US Dollars, USD	United States of America Dollars
£ or GB Pounds, GBP	Great Britain Pounds Sterling

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

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

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

ADVISORS AND REGISTERED OFFICE

AUDITOR
BDO LLP
55 Baker Street
London W1U 7EU

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

COMPANY SECRETARY
Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh EH3 9WJ

NOMINATED ADVISOR (NOMAD)
Shore Capital & Corporate Limited
Cassini House
57-58 St. James's Street
London SW1A 1LD

PR ADVISORS
Celicourt LLP
Orion House
5 Upper St Martin's Lane
London WC2H 9EA

REGISTERED OFFICE
50 Lothian Road
Festival Square
Edinburgh EH3 9WJ
Registered in Scotland Number SC225242

REGISTRARS AND RECEIVING AGENTS
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

SOLICITORS
Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh EH3 9WJ

STOCKBROKER
Shore Capital Stockbrokers Limited
Cassini House
57-58 St. James's Street
London SW1A 1LD

NOTES

Bowleven plc
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ
0131 473 6000

www.bowleven.com