Bowleven plc – Annual Report and Accounts 2023

Value Creation in Oil and Gas

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

Our Purpose

Bowleven plc is dedicated to realising material shareholder value from our 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.

28.6m

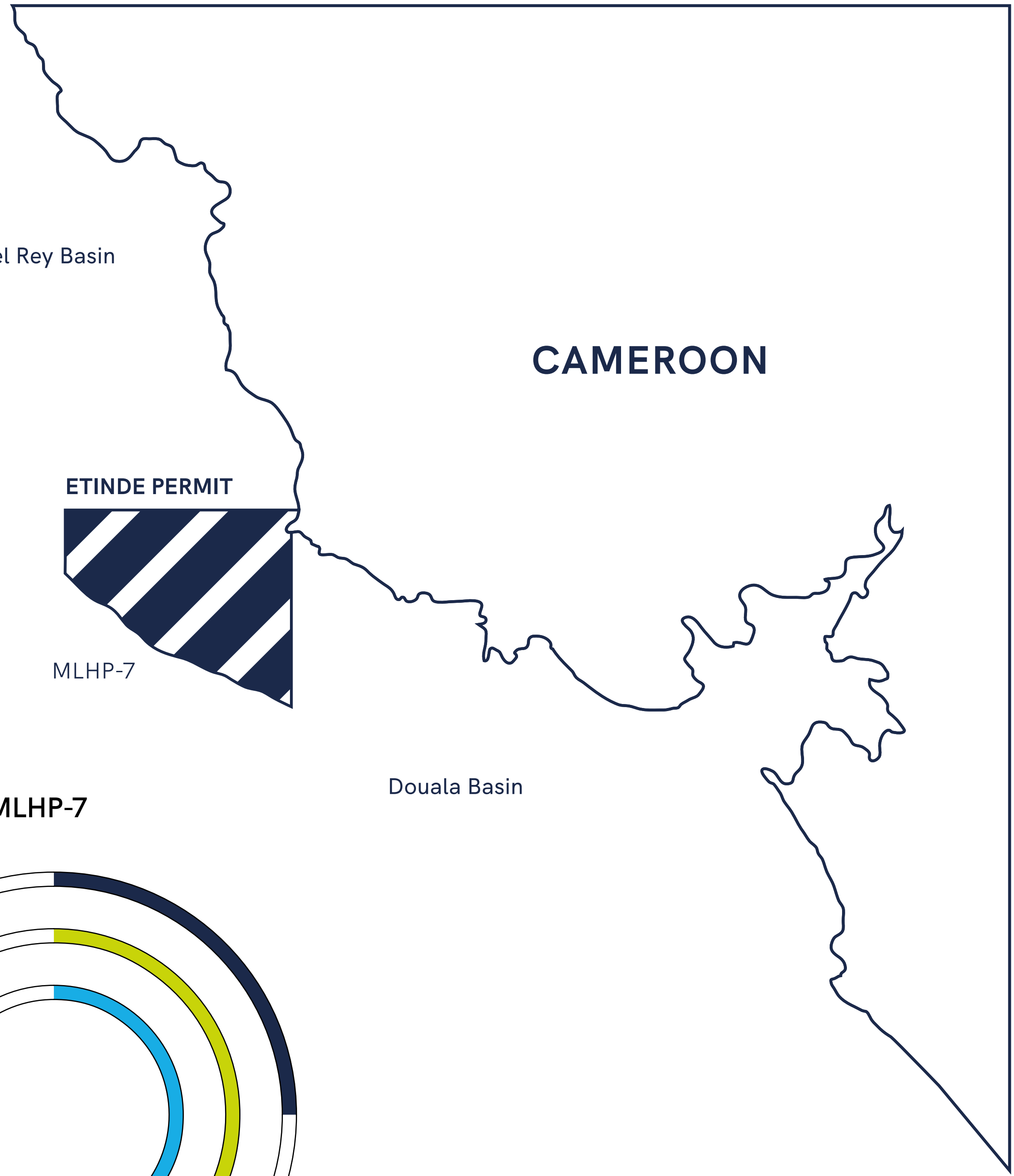
Population in Cameroon

2.6%

Population growth rate (2023 est.)

$1,588m

Gross Domestic Product (GDP) per capita



Etinde Permit MLHP-7

Bowleven	25%
LUKOIL	37.5%
New Age	37.5%

An Africa-focused oil and gas company

Bowleven plc has a strategic interest in a key hydrocarbon licence in Cameroon. We currently hold a 25% interest in the shallow water offshore 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.

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.

Our focused strategy

- Continue to maximise the delivery of both shareholder and stakeholder value from our asset.
- Commitment to implementing environmentally sustainable long-term business procedures.
- Agreeing development concept and progressing the Etinde field to FID and development.
- An unwavering focus on achieving FID.

Our portfolio

ETINDE

The Etinde Permit 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 10 years. There are a number of liquid-rich gas hydrocarbon reservoirs which, when combined, deliver sufficient volume to underpin a development scheme within the EA framework.

"Bowleven is continuing to maintain capital discipline whilst pursuing our Company's strategic goal to achieve FID."

Reasons to invest in Bowleven

Exposure to the strong fundamentals of the oil and gas sector

Bowleven finds itself in a promising position with meaningful exposure to a sector showing significant strength in commodity prices, thus increasing the value and desirability of developments. The trend for both liquids and gas markets have been bullish over the past year. Furthermore, the fundamentals supporting current prices are underpinned by ongoing drivers that will continue to support oil and gas developments long-term. As the recent energy crisis in Europe has shown, alternative fuel sources cannot yet fully replace fossil fuels, and in particular the role of natural gas as a genuine transition fuel from coal is arguably more relevant than ever.

Exposure to a significantly undervalued and de-risked gas play in Africa

We believe that the Etinde asset is significantly undervalued and expect the value to be realised in the share price of the Company as we continue our work to de-risk the asset and bring it closer to development. Management believes that with the current oil and gas price outlook, the asset is further de-risked, as a sustained tight supply of oil and gas through years of underinvestment has increased the sector's profile to capital providers and will continue to do so. Furthermore, we believe Africa will become a focal point for investment in the oil and gas sector as a final frontier of both discovered and undiscovered resources, into a continent with huge domestic demand as well as export potential.

Strengthened JO brings significant experience to take Etinde forward

New Age signing of a definitive conditional agreement with a subsidiary of Perenco S.A. (Perenco) to transfer all New Age's participating interests in the Etinde permit, and operatorship of the Etinde JO, to Perenco is a significant new positive to the Bowleven investment case. Perenco is a seasoned exploration and production (E&P) company with a formidable operating history in West Africa with balance sheet and human capital strength to confidently take the Etinde development forward. Perenco has earned the respect of the Government of Cameroon as one of the leading independent oil and gas companies in Europe today and goes some way to validating the inherent value in the Etinde development project.

Significant catalyst at FID

We expect Perenco to use its strong position in Cameroon to rapidly progress Etinde to FID on a commercially viable and environmentally sustainable basis with the support of SNH and the Government of Cameroon as soon as their transaction with current operator, New Age, completes. The commitment of funds to the project safeguards the requirements for regularity, propriety, and value for money, together with generating the largest possible benefit to all stakeholders.

CORPORATE HIGHLIGHTS

$0.9m

Cash and bank deposits held at end of June 2023, no debt. No outstanding work programme commitments (2022: $1.3m)

$0.6m

Invested in publicly traded debt instruments and equity in the form of limited partnership structures (2022: $2.2m)

$25m

Payment of $25m is due from joint operation (JO) partners once FID is reached on the development of the Etinde field (2022: $25m)

$1.5m

Total value of funds, which comprises cash and financial investment of $1.5m (2022: $3.5m)

Positioned for value creation

DEAR SHAREHOLDERS,

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

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

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

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

ETINDE OUTLOOK

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

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

CAPITAL RAISE

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

The Board has spent considerable time discussing and evaluating future debt and/or equity fundraising options. It has also taken actions to reduce our cash burn and preserve the business' cash resources. As part of this process, the Directors have temporarily reduced UK staff costs and eliminated office and associated costs. The Company's current monthly expenditure run rate is approximately $125,000 to $175,000 per month.

The Board expects some of these cost-reduction measures to be temporary until the New Age/Perenco transaction completes and/or until new finance is raised.

Continuing as a going concern depends on a series of actions, including seeking fresh capital, controlling costs and catalysing stakeholders towards the development of Etinde. The Directors had discussions with the Group's largest shareholder in relation to a potential issue of new shares to increase the business' cash position to allow it to continue to finance its working capital needs, as well as to provide for further project expenditure at the Etinde Permit on the basis of an underwritten open offer to all shareholders at a small discount to the share price.

However, our major shareholder has since been concerned at the potential high level of risk relating to the closure of the Perenco acquisition as well as other geopolitical issues and has subsequently communicated an indicative proposal to provide new equity capital at a very significant discount to current market price of Bowleven's shares. As a result, the Board considers it appropriate to ensure it has explored all available options before pursuing this proposal.

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

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

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

OPERATIONS

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

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

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

FINANCIAL AND OTHER MATTERS

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FOCUS

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

MOVING INTO 2024

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

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

Eli Chahin
Chief Executive Officer
9 November 2023

Jack Arnoff
Chairman
9 November 2023

Environmental, Social & Governance

Bowleven has maintained an open and transparent communication as commercially possible with all of our stakeholders in consideration of disclosure practise on ESG performance, in line with good practice standards and guidelines promoted by the oil and gas industry and the investors' community.

Our employees, partners and stakeholders remain an essential and integral part of our business. We engage them regularly on various issues in view of ensuring their concerns are integrated into our business sustainability and risk management.

ENVIRONMENTAL

Bowleven and its JO partners are aware that the Etinde development project in its execution could potentially affect air, water, soil and human activities. In this light, environmental protection and performance consideration of its installations have been placed at the heart of the design and execution of its activities. The JO partners approach in dealing with the environmental hazards associated with the activities includes reconciling the development of the energy resources with the protection of biodiversity to build a sustainable future. The ARC action logic is applied to all our operations and projects: Avoid, Reduce, Compensate.

Concretely, the Etinde development project will be completed with environmental protection in mind and all our JO partners are perfectly aligned on this. Since the Etinde Block was awarded to the JO partners, operations have always been conducted in consideration of the national and international norms and best practices applicable within the international oil and gas the sector. In this regard, Bowleven, through its local subsidiary (EurOil Limited), has participated and witnessed the conduct of Environmental and Social Impact Assessments (ESIA) prior to any major activities' implementation in accordance with the specifications of the environmental management laws of Cameroon. Further to the approval of the reports by the administration in charge of the environment and suitability, the Operator has proceeded to implementing the recommendations of the environmental and social management plan (ESMP) with subsequent reporting to the administration every six months.

The protection of the environment and provision of affordable, reliable and clean energy requires committing to effective processes, implementing leading technologies, monitoring and compliance, and dedicated people. Our environmental and energy transition efforts focus on lowering the carbon intensity of our operations, building lower-carbon businesses, supporting well-designed climate policy and responsible natural resources management, while using our operational excellence management system to mitigate risk. In this light, we work closely with our JO partners having in mind the following objectives, in view of minimising the negative effects of our actions on the environment:

- prevent accidental pollution risks;
- limit the environmental footprint of the Company's activities;
- continued stakeholder engagement; and
- biodiversity protection and promotion.

Faced with climate change, the scientific community, notably Global Gas Flaring Reduction Partnership (GGFR)/IBRD-IDA publication of 2023 and the sixth assessment report of the Intergovernmental Panel on Climate Change (IPCC) published in 2022, reaffirm the need to act to reduce greenhouse gas (GHG) emissions and collectively achieve carbon neutrality. If it is established that a drastic reduction in global consumption of fossil fuels is the path to pursue to limit warming, there is no single path to achieve this. A linear and undifferentiated reduction in all fossil fuels, without first preparing low-carbon alternative capacities, would run the risk of a gap with demand, a source of inflation and aggravation of social imbalances. The mobilisation of everyone (public authorities, producers and consumers) is therefore necessary to create, on a global scale, a market for carbon-free energy sources. Bowleven is willing to work with various stakeholders (JO partners, governments, NGOs, research institutions, etc.) concerned with the oil and gas sector in assessing the path forward and the most suitable and economically viable solutions for a sustainable tomorrow.

SOCIAL AND HEALTH

Our employees

Bowleven places a particular interest in ensuring its employees receive quality guidance and support in performing their tasks. Our employees and business partners' staff are the most important assets to our business and the primary contributors to our Company's long-term success and sustained development. Bowleven establishes a social partnership with its employees and services providers, which fosters a culture of responsibility, trust, giving and caring. Bowleven is aware that by so doing, it attracts the best people, who can provide high-level customer service across all of our business segments.

Health and safety
Health is wealth, and access to healthcare is one of Bowleven's key commitments. The health and wellbeing of our employees and staff of services providers remain a priority. Moreover, due to circumstances brought about by the COVID-19 pandemic, we have adapted our working practices to ensure business continuity. Bowleven and its JO partners have contributed to better treatment and access to medicines and testing for people living close to the Etinde Permit by donating to the local health centres.

Safety and respect for others are the two cardinal values of Bowleven, with which no one compromises, whatever the reason. Safety is part of our Company's culture. We do everything we can to ensure that each person, collaborator or employee of our subcontracting companies, can return home in good health after their working day.

Human rights
Bowleven and its JO partners remain committed to supporting human rights and is opposed to all forms of slavery, discrimination, human trafficking and related activities through its adherence to its Slavery and Human Trafficking Statement.

Transparency
Bowleven's rule of business ethics and conduct provides the foundation for information transparency and ensures that the oral and written communications with stakeholders are lawful, accurate and professional. Access to information and financial transparency are critical components of the corporate governance system, as are the protection of the Company's interests and confidential information. Bowleven makes use of its official website (www.bowleven.com) to inform its stakeholders, hence facilitating decision-making.

Bowleven is a supporting company of the Extractive Industry Transparency Initiate (EITI). Through its local subsidiary, EurOil Limited, it has contributed to the preparation of Cameroon 2021 FY Conciliation EITI reports. Moreover, it is working with other participants in the upstream oil and gas sector to support Cameroon successfully through the third validation. For more information, visit the website at https://eiticameroon.org.

GOVERNANCE

Bowleven's governance is built upon a foundation of ethical behaviour and the Board of Directors have set high standards of business ethics for its global operations. As such, all Bowleven Board members, employees and individual contractors act with integrity, professionalism and fairness at all times, and report any concerns they may have regarding the conduct of others.

We have zero tolerance of corruption and maintain robust compliance policies and methodology. This includes our Business Principles and the Bowleven anti-corruption compliance policy and related procedures. These policies and procedures are regularly updated as the compliance environment changes.

We exercise care in the selection of vendors, suppliers and contractors, and impose the same high standards of conduct that we observe at Bowleven. Our contractor selection goes through a rigorous vetting process which includes background checks and thorough onboarding to ensure alignment with Bowleven's values and polices. Additionally, we routinely conduct in-country contractor and supplier training on compliance and supplement in-person training with online training portals.

Our corporate social responsibility (CSR) involves supplying local communities, in a tripartite relationship with the authorities, with some of the tools they need to create development opportunities. Being responsible and staying engaged for the long term means sharing our expertise with partners and local stakeholders at all levels. It includes identifying the needs of those concerned and assisting them with progressive development. We aim for the empowerment of communities towards positive and sustainable projects.

STRATEGIC FRAMEWORK REPORT

Aspiring towards FID

The Etinde project continues to advance towards achieving FID as soon as possible. In FY2023/24 progress against that strategy will be subject to the incoming JO partner and new Operator, Perenco SA.

The following table sets out a clear explanation of the Company's strategic objectives, how we have progressed against them and an outline of future priorities to secure the fundamental objectives of our business in the coming year.

Strategic objective	Progress during the year	Priorities for 2024
Onboard Perenco S.A. as New Age's replacement in the Etinde JO		
JO partner and Governmental relationship.	Regulatory approvals are being sought from the requisite authorities.	It is envisaged this regulatory approval process will close by early 2024.
Achieving FID		
Remaining focused with our JO partners on achieving FID.	Agreeing a revised development concept with the approval of SNH and the Government of Cameroon. FID and amended FEED project completed by December 2024. Continued discussion with SNH and various other commercial parties in respect of the domestic sale of gas and LPG. Further discussions with Marathon Oil regarding using the Bioko Island facilities in Equatorial Guinea for processing Etinde wet gas production.	To work with JO partners on FEED, commercial and finance matters in respect of the Etinde development options with the aim of Etinde project FID.
Value Monetisation		
Maintaining alignment with our JO partners and SNH to achieve monetisation.	Identification made from FEED studies to reflect that a core initial IM only field development option needs to be economically viable on commercially sensible operating assumptions. Step-out expansion into IE, IC or IF field would be separate options with the potential to extend the economic life and Etinde value proposition. SNH approval to renew and amend (as necessary) the Etinde Exploitation Agreement Authorisation.	To renew the EEAA licence term as part of the regulatory process associated with FID.
Enhancing the Asset		
Progressing our options with the aim of agreeing development concept.	Final assessment and agreement of geological data and FEED findings into the approved field development reserves and alignment of all necessary processes to progress towards FID. Recognition of Etinde potential for future prospectivity.	To re-evaluate the IE, IC and IF discovery reservoirs, with the aim of adding this option to the field development plan. This may by necessity include further appraisal drilling, which would be fully cost recoverable under the core IM development plan. To obtain agreement of Etinde sub-surface and field development plan by SNH. To gain approval of the development concept by SNH and the Government of Cameroon.
Stakeholder Agreement		
Fulfilling our aim of obtaining host government participation agreement.	Open, frequent communication within the JO and with our external stakeholders and commercial partners.	To finalise discussions with SNH and other key stakeholders in respect of the domestic sale of gas and LPG on a commercially viable basis. To renew the EEAA licence. To gain approval of the field development plan and FID submission.
Low-Cost Operating Model		
Maintaining a lean operating business.	In early 2023, the Board made a number of staff redundant and moved to a part time, contractor based business model.	To maintain disciplined capital management to secure progress towards FID and thereafter explore funding options regarding development capital.
Project Funding		
Position for funding of Etinde project.	New development plan to be assessed based on access to capital funding. Initial preparatory work pending resolution of the new incoming JO partner and the new preferred development concept. Potential requirement for additional low level of short-term financing if there is an extended period prior to FID approval.	To progress the securing and structuring of commercial agreements and raising of additional short and long-term finance.

Transaction agreement with new operator

OPERATIONAL UPDATE

Two major events happened in 2022 as far as the Etinde development is concerned. The first is an agreement by all of the JO partners that the option of exporting the Etinde production to Equatorial Guinea for processing was likely to be the most financially viable and lowest risk development scenario. Such a solution stood out as generating the highest financial value to the JO partners, the Government of Cameroon and SNH, who would most likely join the JO as a participating member. This was presented to SNH at the January 2022 OCM meeting.

In May 2022 New Age formally announced that it had reached a conditional agreement to sell its 37.5% stake in Etinde, to Perenco Cameroon S.A. which would include their contractual status as Etinde Operator. This transaction was subject to a number of conditions, including regulatory approval from the Government of Cameroon.

In anticipation of the transaction closing, New Age reduced its London Etinde project team, slimmed down its legal and administrative presence in Douala and Yaoundé and placed all operational activity on a much reduced 'care and maintenance' basis. At the time, New Age anticipated the transaction would close by Autumn 2022. However, progress delays with the outstanding completion issues and obtaining governmental approvals has been much slower than anticipated. The June 2023 long stop date was not met and Perenco and New Age have informally agreed to continue to work together to resolve all outstanding issues and complete the transaction in due course. No new long stop date or any other deadlines have been set in respect of a legal end point to these negotiations. It would appear that either party could withdraw from the agreement at any point in the future at their own discretion.

New Age have not advised the JO partners of any date when we can expect the transaction to complete by at time of writing. We consider it unlikely that New Age or the other JO partners will be satisfied by the current situation for very much longer. We anticipate the current uncertainty will be resolved by early 2024 at the latest by either the transaction completing or by some other means.

CAMEROON FISCAL AND POLITICAL ENVIRONMENT

The west and central African region is currently under considerable economic and political stress due to the combination of declining government incomes and ability to respond to citizen demands, political and financial corruption, Islamic terrorism in the Sahel, and increasing populations. Political unrest is high as attested by a series of coup d'état, most recently in Niger. This has not been helped by the low level conflict between growing Russian and Chinese influence, the declining role of France within francophone Africa, and variable interest from the US.

Cameroon itself is affected by political and violent unrest in the English-speaking western states (bordering Nigeria), which currently looks to become self-governing, and the increasing age of President Biya and the long-term political stability that his government represented. In addition, the financial environment within Cameroon remains precarious.

While working on budgetary preparations for the FY2024, the Cameroon Minister of Finance predicted a c.CFA200 billion year-on-year loss in taxation income due to the continuing decline in government income from the oil and gas sector. This is primarily due to a gradual reduction in production levels in the Rio del Rey basin, the ongoing situation at the National Refinery Ltd (SONARA) and the higher cost of imported oil and oil products (principally fuel and liquefied petroleum gas (LPG)). This needs to be further considered in relation to the end of the current round of IMF funding at the end of 2024.

We understand that the Government of Cameroon sees that it is likely to become increasingly difficult to keep up with its domestic and international spending and political commitments without a substantial change.

In 2023, the Governments of Cameroon and Equatorial Guinea announced an agreement to jointly develop the large Yoyo/Yolanda gas field, which straddles the maritime border of both countries to the east of Bioko Island. This builds upon the previous announcement that the two Governments had agreed their respective national resource production share for the entire field. It remains uncertain whether the cross-border development scheme has been approved and how cash and taxation are to be shared between the two nations at the current time.

Chevron Oil, the operator of both JOs, is likely to seek to utilise their existing infrastructure within the Alen field complex. This includes a floating production storage and offloading (FPSO) unit to separate Alen gas condensate into liquids and gas fractions and the recently completed high volume gas pipeline to the LNG and methanol production facilities, operated by Marathon Oil, on Bioko Island. We understand this arrangement is governed by a tolling arrangement brokered by the Government of Equatorial Guinea. We may then anticipate that Yoyo/Yolanda field gas production may be processed at Bioko Island, perhaps as soon as the late 2020s or early 2030s, although there are almost certainly further legal and financial obstacles to overcome.

The Etinde JO partners' outstanding proposal is to utilise the Bioko Island facilities to produce both liquids, LPG and natural gas and includes a proposed commitment to supply the Government of Cameroon (via SNH) with a specific amount of methane gas, via a gas pipeline to be constructed between Bioko Island and Limbe or Douala and to utilise existing condensate, LPG and LNG export facilities. This dovetails into the potential Chevron Yoyo/Yolanda proposition very well. The proposed construction of a gas pipeline would enable Cameroon to be supplied with considerable quantities of Cameroon-sourced gas for many years using just the combination of these two fields' resources. The construction of necessary infrastructure and the agreement of binding legal and fiscal relationships between the two Governments would also enable other discovered and potential fields in Cameroon to be developed and monetised, providing Cameroon with longer-term fiscal certainty.

SHORT-TERM OUTLOOK

The key to eliminating current uncertainty and short-term risk remains completing the Perenco/New Age transaction. Subsequently, all parties need to rapidly agree an Etinde development concept (whether the current Equatorial Guinea (EG) proposal or an alternative) and to rapidly receive government approval to move forward with development of Etinde. This agreement needs to be assessed based on current economic reality, the actual Etinde hydrocarbon resource with a realistic production profile, eliminating continued support for previous proposals, such as the domestic gas commitment, to allow the implementation of an economically viable development project, which reflects the current increasing cost of funding the development of oil and gas assets as the global green energy transition comes into effect.

From Bowleven's perspective, some of the key issues requiring resolution include:

- resolution of the operatorship of Etinde as a priority;
- renewal of the Etinde Exclusive Exploitation Agreement (EEEA) in consideration of the EG (or another) option, and the regulatory process associated with FID, including resetting the licence period commencement from 2015 to FID approval;
- an economically realistic and commercially viable fiscal and investment framework;
- achieving FID decision in 2024; and
- maintaining disciplined management of capital and operational expenditure to secure progress towards FID whilst maintaining financial resources and raising additional financing.

The Etinde story so far

2022 – 2023

The Etinde project is currently in an extended period of 'care and maintenance' with no active operational activity pending completion of the New Age sale to Perenco. The June 2023 long stop date was not met. Both parties have informally extended negotiations without any deadline to complete the transaction.

The JO partners agreed that New Age should present the EG development concept to SNH and the Ministry of Mines representatives at the January 2022 OCM meeting as the JO partners' preferred Etinde development option. This reflected the results of extensive evaluation of the results of the FEED and extended post-FEED development activity. The JO partners had concluded that this was the only economically viable development option for Etinde and this it offered maximum return on investment to all stakeholders.

Subsequently, New Age announced agreement to sell its stake in Etinde to Perenco subject to dealing with a number of conditions. The agreement included a 12-month long stop date. LUKOIL (and Bowleven) decided not to pre-empt the Perenco terms.

2020 – 2021

FEED STUDIES RESULTS

FEED was undertaken on the basis of the development being focused around onshore GPP infrastructure along with a near shore CBM (conventional buoy mooring)-based oil export terminal at Limbe. The problematic issue of how to deal with gas production in excess of potential domestic demand was never resolved to all JV partners' agreement. The FEED development budget cost was considered high, leading to additional work with other JO partners to explore various avenues to reduce development cost and resolved the problem of 'excess' gas production, including reinjecting gas to the main reservoirs. Extended post-FEED commercial, technical and economic assessments were undertaken by New Age, to improve development economics to a sufficient level to ensure a commercially viable and financeable development. Not being able to meet Bowleven and LUKOIL's minimal threshold, the latter undertook studies to assess the EG option with a dry gas pipeline to Cameroon to meet domestic requirements. LUKOIL's option was based on minimum production and was not NPV/IRR optimised, but the valuation still materially exceeded all options proposed by New Age.

2023
2022
2021
2020

2014 1967 | 2014 2012 | 2014 2013 | 2015 | 2018 | 2019

"In spite of the challenges from unprecedented events over the past year, we continue to maintain a strong focus on achieving FID."

2019
ETINDE ENTERS FEED
In July 2020, the Etinde project commenced FEED with a world-class contractor, Technip. The FEED 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 JO 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 for regulatory approval and subsequent FID approval by the JO partners and all stakeholders during 2021.

2018
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 newly discovered 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 been completed, the JO 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 in an extensive pre-FEED project to help us determine the best available development option. Subsequently, we agreed that the JO should progress to a development planning phase. Bowleven will receive $25m cash, contingent upon development project final investment decision.

2015
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.$185m and a $40m (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 Limbe fertiliser project could not be made commercially viable and would not be developed in its planned form.

2013-2014
EXPLOITATION AUTHORISATION 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 Limbe. 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 LNG off takers.

2012-2014
ETINDE EXPLORATION
Bowleven commenced the current era of exploration through 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 the Etinde licence commercially viable.

1967-2014
ETINDE DISCOVERY
The Etinde Permit has been moderately explored. Eighteen exploration and appraisal wells have been drilled since 1967, of which 14 were successful in discovering hydrocarbons. Several separate gas condensate discoveries were made in the Upper and Middle Isongo (IM, IE and IC fields) alongside the IF oil field.

Securing our finances

Group	Year ended 30 June 2023 $000	2022 $000
Loss for the year after impairment and similar charges	**2,020**	2,484
Net cash used in operating activities	**2,032**	2,466
Bank deposits, cash and cash equivalents	**906**	1,273
Financial investments	**644**	2,251
Shareholders' funds	**159,320**	161,340

Loss per share (basic and diluted) was $0.01 (2022: loss per share $0.01).

Global market conditions remain unstable following the large-scale impact of the COVID-19 pandemic. Whilst business activity has recovered, raw material shortages and lower production levels remain commonplace. The effect of this has been exacerbated by global inflation and raising global interest rates. Whilst global oil and gas demand and production has mostly recovered, the ongoing Ukraine-Russian Federation conflict and the resulting western nation sanctions have added an extra layer of complexity. At the moment, Opec+ (most notably Russia and Saudi Arabia) appear to be restricting national production levels to ensure oil and gas prices remain relatively high. This seems likely to continue for some time. Europe is actively migrating away from Russian oil and gas supply for global sources, which is driving prices higher than 2019 and prior. Other nations, most notably India and China are buying Russian oil at a discount to market prices. Combined these effects have added significant volatility to the oil and gas sector. Western capex investment in new E&P developments remains at a historical low level as nations grapple with the contradiction between maintaining and expanding current energy generation with reducing hydrocarbon usage. Western bank financing for the oil and gas sector is increasingly difficult to obtain.

As noted in the Operations review, virtually no significant Operational activity has been incurred since March 2022. New Age has reduced Etinde activity level and reduced costs in anticipation of the completion of the disposal of their Etinde investment to Perenco. This was due to be completed by the 6th June 2023 longstop date. However, this was not met and we understand that discussions between Perenco, SNH and New Age continue at resolving whatever problems that are delaying completion. Perenco and New Age agreed to extend the long stop date for the foreseeable future. No new deadline was agreed on.

Etinde activity in the current financial year is, and continues to be, a 'care and maintenance' level including maintaining a reduced legal and administrative presence in Cameroon for the foreseeable future.

Bowleven took further steps to reduce its ongoing cash expenditure in late 2022. We virtualised Bowleven's physical presence and otherwise reduced expenditure drastically wherever possible. This was expected to be a short term, temporary measure until the Perenco/ New Age transaction was completed.

FINANCIAL REVIEW

The Group continues to express our commitment and determination to secure a profitable development option for Etinde as soon as possible, however, the current impasse between New Age, Perenco and SNH is making this difficult to achieve in the short term. Whilst we viewed the proposed change in operatorship in a positive light, the limited progress is worrying. The absence of public comment by Perenco alongside very limited private communication is concerning and perhaps indicative of limited appetite to develop Etinde in the short term. We believe this apparent deadlock will not be sustainable for many more months, however, we cannot predict how it will be resolved at this juncture.

EQUITY RAISE AND GOING CONCERN

Given the situation it is very difficult for Bowleven to determine what our capital needs are. At 30 June 2023, cash and investments totalled around $1.5 million, which should be sufficient at current Bowleven and Etinde activity levels to sustain the business into spring/summer 2024. Whilst it may be possible to extend this by a small number of additional months in practice, Bowleven will clearly need to raise additional financing. The amount will depend on the status of Etinde. Current cash expenditure levels are around $1.5 million to $1.8 million per annum inclusive of the joint venture operations that are being funded to date by the Company.

The Directors are currently contemplating the various scenarios to ensure that the Group has sufficient financial resources to continue in operational existence for the foreseeable future based on our cash flow forecast for the period up to 30 June 2026. In summary, the Directors are aware that the current cash and liquid investments reserve funding may run out in 2024 and are working on the basis that a new equity or debt raise will be required by early 2024 in order to bridge any immediate funding gap resulting from ongoing delays to reaching FID.

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

Apart from the uncertainty surrounding the date of actual completion date of the proposed Perenco New Age transaction, there is also additional growing uncertainty should the proposed transaction not complete at all. In particular, in respect of New Age's actions should they consider the Perenco transaction to be effectively terminated through inactivity. We have little visibility into New Age's finances or strategy other than what is a clear asset divestment agenda.

In either case, it is likely that a resumption of Etinde operations will require the creation of a new Operations and Technical team, which will need to be financed by JO partners. We might expect a new team to review the development options at Etinde for some time before moving forward to a new development plan followed by additional FEED/pre-FEED activity streams. It is unlikely that FID will occur much before 31 December 2024 and could easily take longer than that. In this situation, Bowleven will have to contribute its 25% of the ongoing cost, which is likely to be considerable. This additional expenditure would also need to be financed.

Whilst we welcomed what we anticipate being a positive step towards FID with the arrival of Perenco as Operator of the JO, we also recognise that Perenco may well adopt a fresh approach to the development, commencing with a new assessment of the current JO agreed EG development option, which may lead to the proposal of new or refined versions of previously rejected development scenarios. This may well include a new or expanded FEED process. As at the date of this report the work plan and budget for 2023 has not been submitted to SNH for approval and the New Age prepared draft 2024 WPB is under discussion by the Etinde partners. We expect the current draft following the change in operatorship to Perenco at the completion of this transaction.

We are unable to determine the amount of additional finance likely to be required as this will depend on the status of the Etinde development and the likely time period to FID as well as any anticipated risk of this being further delayed beyond our expectation. None of these factors are within the operational control of the Bowleven Group.

Should the Perenco transaction complete, this alongside the $25 million FID cash payment from its JO partners upon attaining FID, will make raising additional funds to fund development activity much more achievable. With Perenco as Operator and 37.5% shareholder in the Etinde PSC, the Directors are satisfied that the Group will be able to secure additional debt and equity funding in order to finance its share of the Etinde development.

FINANCIAL PERFORMANCE

The Group's loss for the year to 30 June 2023 was $2.0 million (2022: $2.5 million), reflecting the business' underlying basic operating activity at the current time. Bowleven's non-Etinde opex costs (defined as total administrative expenses less Etinde JO opex costs as per Note 3 forming part the financial statements) in the period were $1.86 million compared to $1.8 million in 2022. Bowleven 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. Around half of these costs are incurred in GBP.

The Group also bears a share of the administrative operating cost of the Etinde joint venture. The 2023 share of $0.5 million was slightly lower than in 2022 ($0.6 million) as the amount fluctuates depending on a combination of both JO opex and non-capitalisable project team costs. We expect FY2023/24 Etinde costs to be slightly lower given the current 'care and maintenance' activity looks likely to form the basis of the entire year's expenditure.

The Group's investment income is generated by interest income on its financial investment. Net investment income and market price gain in 2023 were $0.2 million compared to (net) $nil in 2022. The Group incurred $nil forex gain or loss in 2023 compared to a $0.1 million forex loss in 2022.

In 2023, the Group invested $0.1 million in Etinde-related capital investment (2022: $0.6 million). Bowleven is not currently capitalising any Etinde expenditure incurred by New Age.

CASH FLOW

The Group's net cash position reduced to $0.9 million from $1.3 million at the end of the prior year. The cash value of the Group's operating loss for the financial year was $2.0 million compared to $2.5 million in 2022.

FINANCIAL POSITION AT 30 JUNE 2023

The Group continues to have an unleveraged balance sheet with cash of $0.9 million (2022: $1.3 million) and reasonably liquid investments of $0.6 million (2022: $2.2 million) giving overall funds of $1.5 million (2022: $3.5 million).

The Group has an unrecognised contingent asset of $25 million. The amount is due as part of the consideration arising from the 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 $0.1 million (2022: $0.5 million) to $156 million (2022: $155 million). This is due to Bowleven recognising its share of the Etinde project capex in 2022. Given the lack of tangible activity in 2023, we have ceased capitalising any expenditure at the current time. During FY2022/23, the majority of expenditure incurred relates to finalising post-FEED development planning in late 2022.

Accounting for Bowleven's Share of Etinde

The Etinde PSC is accounted for under IFRS 11 'Joint Arrangements' as an unincorporated joint operation, 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.

VALUATION OF THE ETINDE ASSET

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

The principle changes in assumptions made in 2023 are:

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

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

A discounted cash flow model was used in both 2023 and 2022 to determine our best estimate of the expected value of the development of the Etinde asset. We have refreshed our FY2022 assumptions taking the following factors and assumptions into account. These are set out in detail in Note 8 to the accounts. We consider the most significant assumptions to be as follows:

- the commercial and governmental situation in Cameroon;
- the JO partner approves the EG development scenario;
- 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; and
- infrastructure capital and operating costs estimated are based on FEED and pre-FEED engineering studies undertaken or assessed between 2019 and 2021, except where pricing data was not available, adjusted for subsequent cost inflation estimated at 10%.

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

- reaching commercial agreement with potential off-takers and receiving governmental approval to export gas;
- agreeing the development solution with joint operating partners and other stakeholders; and
- raising finance to fund development post-FID.

For 2023, we have applied a risk-weighted discount rate of 15% to the projected Etinde cash flows, based on FID in late 2024, with first revenue projected to occur from January 2027, with the date depending on the development scenario considered.

We have used a range of recovered oil and gas reserves from various discovered oil and gas condensate fields based on the latest reservoir modelling information prepared by New Age on a C2 (P50) resource basis. Our base line financial modelling demonstrates that the 1 January 2024 value of the Bowleven Group's 20% share of the Etinde development project ranges from $176 million to over $200 million at $75 Brent, $6 LNG export price and $3 domestic gas price points.

On this basis, the Board has concluded that the current net book value of the Etinde intangible asset (at $156 million) is not impaired at the current date. However, in reaching this conclusion we do note that there are elements of the modelling which will be refined and may be amended if Perenco's plans for the development of the asset are announced following completion of their transaction with New Age. We therefore cannot rule out further valuation impairment triggering events arising in future periods and that a lower valuation may be estimated at that point.

As discussed in the Operating Review, we expect FID to occur by the end of 2024 although this is not within the control of Bowleven management. 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.

INVESTMENTS

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

At the commencement of the financial year, the Group had and continues to hold a single investment in one company, in the form of limited partnership preference shares for a total amount of $0.6 million (2022: $2.2 million). This investment has been fully sold after the end of the financial year.

SHAREHOLDERS' FUNDS

Shareholders' funds are $159 million (2022: $161 million) at 30 June 2023. The reduction is due to operating loss in the current financial year as discussed above.

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 to protect business interests from risks.

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 controls 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 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.

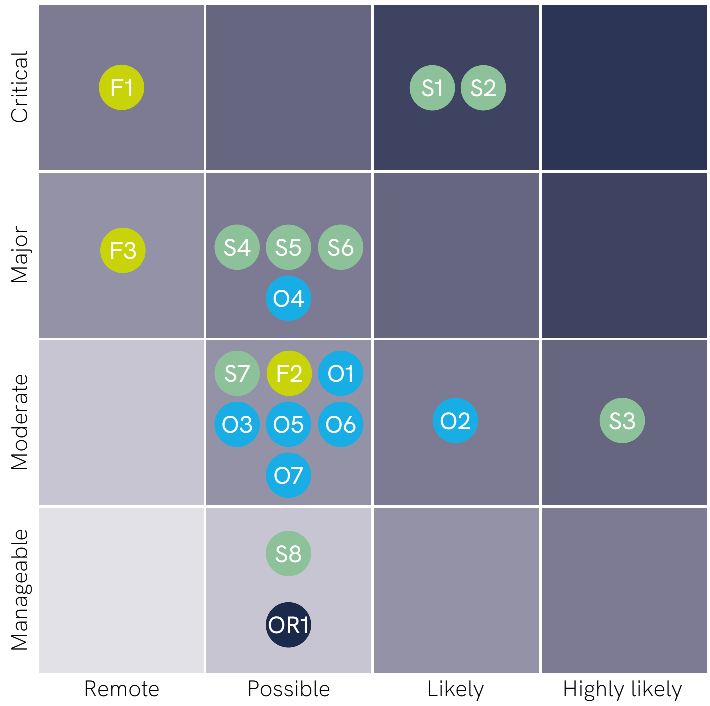
RISK IMPACT AND CERTAINTY

Shows Impact and Probability of Risk.

- All significant mitigating actions are in place and operating effectively.
- Some significant actions remain in progress.
- Significant and urgent actions remain under way.

RISK MOVEMENT

Colour indicates extent of activity outstanding to mitigate in line with risk appetite.



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

Risk	Mitigation	Risk rating
Strategic risks		
S1 **Going concern.**	The Group's current working capital position is reducing rapidly and unlikely to be sufficient to fund the Group's activities beyond Summer 2024 on the basis of current Bowleven group and Etinde cash calls from New Age on the basis of its 'care & maintenance' activity level. Bowleven is currently in discussion with its major shareholders and other potential investors in respect of a new equity raise. The Board has agreed that the Directors will defer the receipt of their emoluments to the extent there is insufficient liquidity within the business over the course of the following 12 months. This will prioritise the funding of costs necessary to retain going concern status whereby the Directors emoluments will be accrued until such time the liquidity situation improves or there is a capital raise. In addition, a major shareholder of the Group has confirmed that it will provide financial support to the extent that money is not otherwise available for a period of not less than twelve months from the date the financial statements are authorised or the date the audit report is signed, whichever is later in order for the Group to discharge their liabilities primarily relating to general and administrative expense and Etinde monthly cash calls.	**High**
S2 **Delay in Final Investment Decision due to political and regulatory factors and/or inadequate financial investment return (from factors such as low oil price, increase in project costs, partner funding difficulties) or potential loss of licence interest.**	The Group is due to receive a $25 million cash payment from its JO partners at FID. FID is now anticipated during 2024 or 2025. To the extent that there will be a delay to FID the Directors will engage capital providers to secure additional debt and equity to fund Bowleven. This uncertainty does carry risks as the market will be difficult to anticipate given the macro environment. Whether there are sufficient financial resources in Bowleven's joint operations and internal operational costs is dependent on the work programme for 2024 which has not yet been proposed by the Operator and Bowleven raising additional Equity finance. This is on account of the revised planning and budgeting anticipated following the divestment of New Age's stake in the Etinde PSC and the ongoing decline in available working capital funds of the group. Whilst difficult to be precise, it appears that at this juncture Bowleven has sufficient funds from existing resources for the next 12 months to ensure it retains its going concern status so long as a new equity raise is completed. Our cash flow modelling shows that Bowleven will need to raise additional short-term finance to 'bridge the gap' to FID. The Directors are currently addressing the various options available. The timing and amount of such fundraising is dependent on the final development option chosen for the Etinde development scheme, and to the extent it is materially different from that which is currently agreed. It is likely Bowleven will have to raise additional finance earlier than anticipated. Discussions with the host government regarding any need to extend the licence have been undertaken in parallel with the collaborative efforts to formalise the field development plan for Etinde.	**High**

Risk	Mitigation	Risk rating
Strategic risks continued		
S3 **Change in Operator.**	In June 2022, it was announced that New Age sold its stake in Etinde to Perenco subject to completion. Perenco has a historically strong relationship with SNH and is a significant sized international (Anglo-French) operator. They both possess the operational experience and credibility to increase the pace of the development. The Group will continue to have open discussions with the JO partners to secure a development option which will ultimately deliver shareholder value.	**Medium**
S4 **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**
S5 **Potential removal of Etinde licence.**	Under the terms of the Presidential decree and the Etinde exploitation licence, the JO partners had an obligation to finish the development phase of the asset within a six-year window from January 2015. The original licence is based on the 2013/14 fertiliser scheme development, a 500 bcf/20-year commitment for Etinde gas production to be sold to a government-owned fertiliser project under study at that time. Bowleven (as Operator at that date) entered into a series of contracts on behalf of the Etinde JO partners. This SNH/government development project did not proceed and Etinde development was indefinitely delayed during 2016/17. New Age, as Operator at that time, proposed an alternative FLNG-based development, which also failed following the 2018 appraisal drilling showing that the total Etinde gas resources were too small to support FLNG on a stand-alone basis. SNH and the Government of Cameroon are well aware of the history, that both development options failed due to factors beyond the JO partners' control. They have approved the annual work plan and budgets up to 2022 and are fully supportive of the change in operatorship to Perenco. Perenco are the largest oil and gas producer in Cameroon currently and have strong, deep relationship with SNH. In addition, SNH has not notified the JO partners that it intends to utilise their ability to withdraw the licence and has been strongly supportive of the JO partners' efforts to secure a commercial development of the Etinde licence.	**Low**
S6 **LUKOIL financial sanctions risk.**	LUKOIL are not currently subject to western financial sanctions following the Russian invasion of Ukraine, although two former Board members have been sanctioned individually (both of whom have cut all links to LUKOIL). They are a non-operated partner. However, we consider that a long-term risk that may apply is that western financial institutions may not be comfortable having LUKOIL as a long-term development partner for Perenco and Bowleven. We consider this risk to most likely crystallise when Bowleven and our financial advisers seek to pull together a financing consortium to fund our contribution to the Etinde development. At the current time, this remains in our view, at least 12 to 18 months in the future. At that point, the situation may have become clearer.	**Medium**
S7 **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 were built into the FEED process. Environmental base case assessment is being undertaken to identify the current level of environmental degradation at the proposed Limbe processing facility site. Inherently safe and low pollution design facility and infrastructure design was built into the FEED process.	**Medium**
S8 **Reliance on JO Operator for asset performance.**	The Group is actively engaged with its JO 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 JO as a whole. Due diligence is used to review development plans tabled alongside regular engagement to ensure partner interests are aligned. Cost and schedule overruns are continually monitored and managed where possible.	**Medium**

Risk	Mitigation	Risk rating
Financial risks		
F1 **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 JO assigns 500 bcf of resource to Cameroon domestic offtakes. SNH and the government remain interested in developing power generation capacity.	**Medium to High**
F2 **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 JO 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 the 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**
F3 **The Group's JO 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 JO partners to acquire the defaulting partner's equity share in the asset concerned.	**Low**
Operational risks		
O1 **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**
O2 **Geological/reservoir risk: leading to sub-optimum development options being made.**	The appraisal programme was undertaken to de-risk the Etinde asset and the JO partners are obtaining a better understanding of the reservoir geology. The Group utilises its experience and that of the JO 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 JO will require an independent consultant's report to verify the results of the appraisal drilling and before an FID is made.	**Medium**
O3 **Regulatory uncertainty.**	The Group uses its influence in the JO Management Committee(s) to support the JO Operator in ensuring that there are open communication channels with Cameroon government agencies. Additionally, the Group ensures that it is represented at the in-country meetings to discuss JO 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 JO has been collaboratively deliberating with the Government of Cameroon with a view to agreeing a new development plan. 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 2022. Whilst we consider the risk of licence removal to be low at the moment, we will request the government 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 may increase.	**Medium**

Risk	Mitigation	Risk rating
Operational risks continued		
O4 **Change in Operator.**	New Age has entered into a transaction to sell its investment and status as Operator in the Etinde JO to Perenco, which is expected to complete in Q4 2023. Perenco are a well-known Anglo-French privately owned Group with oil and gas operations across the globe with a very strong presence in Cameroon. As such, they bring both very strong technical and commercial skills to the JO partnership, which we expect to be highly advantageous in the medium term. In the short term, we expect Perenco may wish to reassess development options for the Etinde field, which may slow down the path to FID and push it into 2024 or 2025.	**Medium**
O5 **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 JO. 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's systems are secure and able to adequately protect its intellectual property.	**Low to Medium**
O6 **ESG risk.**	At the current time, Bowleven, as a one-asset business, is dependent on the Operator to present their development plan for the Etinde asset, which will include ESG requirements as required and agreed with the Government of Cameroon and whatever operational ESG standard we choose to adopt as a JO partnership. To date, ESG issues, whilst understood, have not been given a high priority for assessment given our greater need to agree on a commercial development scheme as JO partners and with our regulator, SNH, and the Government of Cameroon.	**Low**
O7 **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 and illegal activity or any wrongdoing within the organisation.	**Low**
Organisational risks		
OR1 **Staff recruitment, development and retention.**	The Group has retained a small executive team and some key technical expertise on ad hoc contracts to be called upon to deliver specialist support at JO meetings. 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. To the extent there is material uncertainty in the lead up to FID it is likely that our ability to remunerate and retain the right calibre of staffing may be compromised.	**High**

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.

SECTION 172 REPORT

ENGAGING WITH STAKEHOLDERS

The success of our business is dependent on the support of all of our stakeholders. Building positive relationships with stakeholders that share our values is important to us, and working together towards shared goals assists us in delivering long-term sustainable success.

The leadership team makes decisions with a long-term view in mind and with the highest standards of conduct in line with Group policies. In order to fulfil their duties, the Directors of each business and the Group itself take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

The Board is well informed about the views of stakeholders through the regular formal and informal discussion with them and we uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process. Details of the Group's key stakeholders and how we engage with them are set out below.

SHAREHOLDERS

We rely on the support of shareholders and their opinions are important to us. We have an open dialogue with our shareholders through one-to-one meetings, group meetings, and the Annual General Meeting. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices.

COLLEAGUES

Our people are key to our success and we want them to be successful individually and as a team. As a small business we rely on personal interaction.

SUPPLIERS

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues as necessary.

COMMUNITIES

We directly and indirectly (via the Etinde operator, New Age) engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We partner with local charities and organisations at a site level to raise awareness and funds. The impact of decisions on the environment both locally, nationally and internationally is a key concern.

GOVERNMENT AND REGULATORS

We engage with the government and regulators directly and via the Etinde operator, New Age. Key areas of focus are compliance with laws and regulations, health and safety and operational safety and strategy.

Further information on the ways in which the Board engages with stakeholders is set out in the Corporate Governance Report on pages 24 to 33 and the Board report on pages 31 to 33 and further information on environmental considerations can be found in the Strategic Report on pages 6 to 7.

APPROVAL OF STRATEGIC REPORT

The Strategic Report on pages 1 to 23 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 2023

Maintaining QCA Code compliance in our business

The Directors purposefully comply with the QCA Code having regard to Company fundamentals. Set out below is our Statement of Compliance with the key principles of the QCA Code.

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 OF DIRECTORS

ELI CHAHIN
Chief Executive Officer

APPOINTED TO THE BOARD
March 2017

EXPERIENCE
Eli Chahin has over 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.

JACK ARNOFF
Non-Executive Director & Chairman

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.

	Board Member	C-Suite Executive	General Management	Finance	Financial Reporting	Risk Management	Strategy Development	Investments	Legal/ Regulation	Mergers & Acquisitions	International Business	Corporate Governance	Government Relations	Stakeholder	Sustainability
JACK ARNOFF	●						●	●	●	●	●	●	●	●	
ELI CHAHIN	●	●	●	●	●	●		●			●	●		●	●

Governance principle	Compliant	Explanation	Further reading
Deliver Growth			
Establish a strategy and business model which promote long-term value for shareholders.	✔	Our strategy model is underpinned by the following sets of values: • Maintain a sustainable E&P company with a production base and infrastructure-led exploration focus • Convert current portfolio resources to reserves • Create and realise value through material exploration success and development • Seek value-adding partnerships and niche acquisitions that offer a strategic fit • Foster strong external partnerships and in-country relationships	**See pages 9 – 11 & 18 – 22** https://www.bowleven.com/about-us/strategy
Seek to understand and meet shareholder needs and expectations.	✔	We always encourage informal and formal regular communication with shareholders. The CEO, Chairman, and staff are all contactable via email or through the 'Contact Us' section on our website. We hold formal meetings such as investor conference calls and the Annual General Meeting (AGM) to give the opportunity for any questions or concerns to be addressed. Management regularly visits group chat sites to gauge investor sentiment, interests, and concerns. A PR agency is mandated to solicit stakeholder views to Board consideration.	**See pages 27 – 30** https://www.bowleven.com/investor-relations/corporate-governance
Take into account wider stakeholder and social responsibilities and their implications for long-term success.	✔	The Company solicits information from our stakeholder groups via public relations activities, written communication, meetings, conference calls, management committee meetings with our JO partners, meetings with the government, and forums. The Board seeks to address issues identified from wider stakeholder groups, as well as the Company's social responsibilities, in their ESG action plan.	**See pages 27 – 30** https://www.bowleven.com/investor-relations/corporate-governance
Embed effective risk management, considering both opportunities and threats, throughout the organisation.	✔	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. The Group risk register and matrix detailing key risks and uncertainties facing the business is regularly reviewed and updated by the Board.	**See pages 18 – 22** https://www.bowleven.com/investor-relations/corporate-governance
Maintain a Dynamic Management Framework			
Maintain the board as a well-functioning, balanced team led by the chair.	✔	The Board comprises one Executive Director and one Non-Executive Director who is also the Chairman. Both Board members are collectively responsible and committed to promoting the interests of the Company and meeting high standards of corporate governance. The Board members together provide a blend of broad commercial, management consulting, financial services experience, financial restructuring, legal and investment skills and expertise.	**See pages 24 – 29** https://www.bowleven.com/investor-relations/corporate-governance
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	✔	Each Board member goes through a rigorous selection process to ensure that they possess the necessary skills and knowledge to fulfil the expectation of discharging their duties and responsibilities effectively. Further education is encouraged, and they keep abreast of the industry's current activities by attending conferences and events globally to keep their knowledge, skills, and contacts current. They are supported by other professional bodies, including a qualified Company Secretary.	**See pages 24, 27 – 30** https://www.bowleven.com/investor-relations/corporate-governance

Governance principle	Compliant	Explanation	Further reading
Maintain a Dynamic Management Framework			
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	✔	A formal review takes place annually for each Board member to review individual performance which reflects details of the Financial Reporting Council's Guidelines on Board effectiveness. The Board is collectively assessed against criteria based on relevant objectives and the results are collated and reviewed. Recommendations are made, an action plan is devised and is reviewed throughout the year.	**See page 28 – 30** https://www.bowleven.com/investor-relations/corporate-governance
Promote a corporate culture that is based on ethical values and behaviours.	✔	The Company is committed to conducting business in an open, honest, fair and ethical way. The Directors lead by example, demonstrating professionalism and integrity, always promoting communication and team spirit. The Company's policies and procedures ensure transparency in decision-making at all levels, and details pertaining to the corporate culture of the Company are outlined in the Company's documentation such as Annual Report, corporate website etc.	**See pages 6 – 7, 27 – 33** https://www.bowleven.com/investor-relations/corporate-governance
Maintain governance structures and processes that are fit for purpose and support decision-making by the board.	✔	With the absence of formal committees, the Board members take full responsibility of ensuring corporate governance standards are met, particularly in relation to executive remuneration, accountability, and audit. The Directors have established financial controls and reporting procedures which are considered appropriate for the size of and structure of the Group. These controls are reviewed regularly and will be further reviewed and adjusted accordingly following any significant acquisitions by the Group.	**See pages 6 – 7, 27 – 33** https://www.bowleven.com/investor-relations/corporate-governance
Build Trust			
Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	✔	As an AIM listed company, fair and balanced information must be communicated to all stakeholders for which the Directors take responsibility. The Company communicates with shareholders, potential investors, and relevant stakeholder 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 and one-to-one and group meetings.	https://www.bowleven.com/investor-relations/corporate-governance https://www.bowleven.com/investor-relations/

CORPORATE GOVERNANCE STATEMENT

Corporate Governance is an important matter for the Board and the Directors are committed to ensuring that good practice flows throughout the Company. The Board recognises that the execution of the Company's strategy and delivering shareholder value is reliant on good governance and remain dedicated to maintaining appropriate standards of corporate governance, as it considers practicable for the size, stage of development and operations of the Group.

BOARD STRUCTURE

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

Jack Arnoff (Non-Executive Chairman) was independent on appointment to the Board. Jack 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. Both 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 24.

BOARD SKILLS

The Board members provide a 50/50 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 together 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.

Given the current business model, the relevant skill set is deemed to be in place and appropriately split between both an Executive and Non-Executive position. As a non-operator of Etinde and having communicated to the market a desire to divest Bomono, the requisite technical competencies are represented at the Board level to ensure all eventualities can be competently managed. Together, the Directors present a balanced and understandable assessment of the Company's position and prospects.

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

The Board has at least six scheduled meetings in each year. As part of their responsibilities, the Directors are expected to attend scheduled Board meetings that take place throughout the year. Additional meetings are arranged on an ad hoc basis. During the meetings, the matters reserved for the Board that are tabled are discussed and the CEO provides an update on key current activities and issues together with a report on operational and financial matters. Any relevant papers or specific matters requiring consideration or approval are discussed. The Risk Register is discussed on a quarterly basis, the Board considers any changes to the principal risks facing the Group and updates it accordingly.

The total number of scheduled Board meetings held for the period 1 July 2022 to 30 June 2023 was eight, which were all attended by Eli Chahin and Jack Arnoff.

MATTERS RESERVED FOR THE BOARD

The key matters reserved for the Board comprise 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 18 to 22.

BOARD PERFORMANCE EFFECTIVENESS

The Board evaluation occurs annually, whereby the Chairman conducts a one-to-one meeting with the CEO. 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.

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. None of the Board members are up for re-election this year.

BOARD COMMITTEES

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 also adopt terms of reference to establish audit, remuneration and nominations committees in the short term. This will be reviewed along with the appointment of an additional non-executive director and the implementation of committees will be considered at the appropriate time in line with changes to the structure, size and composition of the Board.

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.

In the absence of an Audit, Nomination and Remuneration Committee, 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

With the Board currently comprising the Chief Executive Officer and the Non-Executive Director who is also the Chairman of the Company, 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.

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. Management supports a flexible approach in the work environment and the open-plan office space provides the opportunity for continual staff interaction.

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 and 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 in this policy 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 have 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. Employees can easily report any matters of concern, whether it be work related or a personal issue, with their manager. Management supports assisting employees in many ways, such as obtaining advice on health and personal matters, dealing with any grievances or furthering their 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 and 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.

DIRECTORS' STATEMENT

Under Section 172(1) of the Companies Act 2006, a Director is obliged to promote the success of the Company for the benefit of the Company's overall members by having regard to the following matters of the Act:
(a) the likely consequences of any decision in the long term;
(b) the interests of the Company's employees;
(c) the need to foster the Company's business relationships with suppliers, customers and others;
(d) the impact of the Company's operations on the community and the environment;
(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the Company.

The Directors confirm that the deliberations of the Board, that underpin its decisions, incorporated appropriate consideration with due regard to the matters detailed above and the way in which the decisions have been implemented throughout the business is detailed in this Strategic Report.

The Board and each Director acknowledge that the success of the Company's strategy is dependent on the support and commitment of all of the Company's stakeholders. The decision-making process has been structured to enable Directors to evaluate the merit of proposed business activities and the consequences of its decisions over the short, medium and long term, with the aim of safeguarding the Company so that it can continue in existence, fulfilling its purpose and creating value for stakeholders. 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.

COMPANY'S STAKEHOLDERS AND RELEVANT ISSUES AND FACTORS

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 and the environment, as well as the Company's reputation for good business conduct, when making their decisions.

Employees

The Board recognises the important role our employees play in enabling the delivery of the Company's vision and objectives. The Directors continue to have regard to the interests of the Company's employees by ensuring that:

- employees are compensated accordingly and in line with market rates;
- health, safety and environmental practices are considered with the utmost importance and all related policies and guidelines are followed;
- post-COVID-19 employees have the option to work either in the office or from home;
- the culture of the Company is one that promotes inclusion;
- Company policies and procedures are regularly reviewed and updated to reflect organisational and legislative changes and are easily accessible by all employees;
- ongoing training is provided in various forms for the continuous development of staff;
- employees are encouraged to be engaged in relevant Company activities; and
- all employees are kept abreast of important business decisions and Company results.

Shareholders

As an AIM listed company the Directors are mindful that the Company is governed by regulatory requirements pertaining to how it communicates with its shareholders. They acknowledge the need to provide fair and balanced information in a way that is understandable to all stakeholders, particularly our shareholders, at all times.

Formal means of communication with our shareholders include the Company's website, the Regulatory News Service (RNS), the Annual Report and Accounts, investor conference calls, the Annual General Meeting (AGM), the Interim Report and presentations. All of these provide shareholders with updated details of the business, the Board, presentations and reports, information in association to AIM Rule 26, QCA Code disclosure updates and a host of other details pertaining to the Company.

The Directors encourage non-formal two-way communication with our shareholders to gain mutual understanding and make themselves available for one-to-one dialogue either by email, telephone, or online sessions via Zoom or Microsoft Teams. Albeit communications between the Directors and our shareholders have primarily occurred in a remote way during the past two years, the Company believes that engagement with its shareholders has been carried out efficiently through a variety of communication channels during these challenging times.

JO partners and Key Stakeholders
The Directors foster the Company's business relationships with suppliers, customers and others by continually working responsibly with stakeholders which includes the JO partners, the Government of Cameroon and their regulatory agent (SNH), other regulatory bodies and all of our suppliers. The relationship and engagement with the JO partners (and Operator) are significant in the context of maximising long-term value in the business. Regular meetings are held with the JO partners and discussions are ongoing with other key stakeholders. The Directors value the feedback that is received from our stakeholders and where applicable endeavour to take this into consideration.

Community and Environment
The Company fully recognises the importance of striving towards reducing the factors which have a negative impact on the environment and climate change. They appreciate how pertinent the current drive to net-zero carbon emissions is, particularly in the oil and gas industry. Together with the JO Operator, they strive to maintain this at the forefront of their priorities during the decision-making process.

The protection of the environment and upholding environmental consideration of the surrounding areas in which we operate is also held in great consideration by the Directors. The containment of disruption to the environment is held in high regard and decisions are made in line with regulations and other standards, such as Environmental and Social Impact Assessment (ESIA) certification.

The Company is committed to having positive regard to the community where our asset is based and supporting the members of the community that may be impacted by our operations. Further details regarding how the Company is mindful of these factors and reflected in the decisions that are made by the Directors can be found in the Environmental, Social and Governance section of this Annual Report.

METHODS OF STAKEHOLDER ENGAGEMENT AND FEEDBACK TO THE BOARD

The Board reviews how the Company engages with its principal stakeholders through discussions and reports, based on the effects the Company's activities has on each of them. This is achieved through information provided by management and by direct engagement with stakeholders themselves.

CONSIDERATIONS OF BOARD DECISION-MAKING PROCESS

The Board believes that information obtained in discussions with some of the Company's key stakeholders helps keep them informed of the considerations to be incorporated with its decision-making processes.

The Company adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the QCA Code) in August 2018 and the Directors acknowledge the importance and their responsibility of maintaining a good level of corporate governance. This, together with the requirements to comply with the AIM Rules, ensures that the interests of the Company's stakeholders are protected.

The Board has directed that ethical behaviour and business practices should be implemented across the business. The Company provides mandatory anti-corruption and anti-bribery training for all staff and contractors and there is a zero-tolerance policy for bribery and unethical behaviour by any employee, contractor, Company representative or associate.

The Directors have high regard to fair, honest and professional behaviour and acknowledge their responsibility to act fairly as between members of the Company. A high level of importance is placed on the need to create and maintain an environment that promotes inclusion, safety and confidentiality. Staff can seek to address any issues with management and feel confident that these will be dealt with by management in a non-judgemental or biased manner.

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 2023. These will be available on the Company's website for shareholders prior to the AGM to be held on Wednesday, 6 December 2023.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The CEO & Chairman Statement (pages 4 to 5) and the Operations Review (pages 10 to 11), which form part of the Strategic Report, describe the activities of the Group during the financial year and its future developments.

The Group operates through 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 $2.0 million (2022: $2.5 million loss). The Directors did not recommend the payment of a dividend for the year ended 30 June 2023 (2022: None).

THE DIRECTORS AND THEIR INTERESTS

The Directors who served the Company during the year were as follows:

	Appointment date	Resignation date
Executives		
E Chahin	14 March 2017	–
Non-Executives		
J Arnoff	1 November 2020	–

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

	Ordinary shares at £0.10 each	
	At 30 June 2023	At 30 June 2022
Executive		
E Chahin	**1,141,579**	1,141,579

DIRECTORS' REMUNERATION

Remuneration Policy

The Board's policy is aimed to provide overall packages of terms and conditions that are 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 Bowleven Transformation Incentive Plan (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 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 10 years from the date of grant.

No Director received an award under the BTIP that was set up in 2017. As a result of the appropriate performance criteria not being attained before 31 March 2022, the Options granted to the Chief Executive Officer in 2017 all expired during the previous financial 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 2023 are summarised below:

	Date of contract	Notice period
E Chahin	30 March 2017	12 months
J Arnoff	1 November 2020	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. Jack Arnoff receives an annual fee of £100,000 ($120,000). Jack Arnoff has contractual bonus payments of up to £200,000 on achievement of Etinde FID.

Directors' remuneration is paid in GBP and converted at an average rate of $1.21/£1.00 (2022: $1.23/£1.00). Non-Executive Directors do not participate in the BTIP scheme or 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	Other benefits $000	**Total 2023 $000**	Total 2022 $000
Executives				
E Chahin (i)	**482**	**24**	**506**	573
Non-Executives				
J Arnoff	**120**	**–**	**120**	133
	602	**24**	**626**	706

(i) Highest paid Director.

FURTHER NOTES TO DIRECTORS' REMUNERATION TABLE

Benefits in kind principally comprised of medical and a travel allowance for the Executive Director. Additionally, the remuneration package incorporates a percentage amount based on applicable statutory limits for the Executive Director to contribute to a chosen personal pension plan. No further pension contribution is made by the Company on behalf of the Executive Director.

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.

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 2023, 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	96,876,798	29.96
HSBC James Capel as principal	28,081,736	8.68
OVMK Vermogensbeheer	15,235,897	4.71

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 2023).

RELATIONS WITH SHAREHOLDERS

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.

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.

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 2023

The AGM of the Company will be held at 10 a.m. (UK time) on Wednesday, 6 December 2023 at The Office Group, Borough Yards, 13 Dirty Lane, London, SE1 9PA.

The resolutions to be proposed at the AGM are set out and fully explained on pages 73 to 74 in the Notice Of Meeting and are also available on the Company's website at: www.bowleven.com/investor-relations/corporate-documents.

Financial Risk Management Objectives and Policies
The financial risk management objectives and policies of the Company are detailed in Note 20 forming part of the financial statements on pages 68 to 71.

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.

Corporate Governance
During the current financial year, the Company's auditors BDO LLP, resigned their position following discussions regarding audit fees. No statement of issues was lodged with Companies House regarding their resignation. In accordance with Company Law, the Directors appointed Grant Thornton, Dublin, to fill the causal vacancy.

As 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.

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.

Auditor and disclosure of information to the Auditor
During the current financial year, the Company's auditors BDO LLP, resigned their position following discussions regarding audit fees. No statement of issues was lodged with Companies House regarding their resignation. In accordance with Company Law, the Directors appointed Grant Thornton, Dublin, to fill the causal vacancy.

As 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.

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.

By order of the Board

Eli Chahin
Chief Executive Officer
9 November 2023

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. These consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards (IAS) and applied in accordance with the provisions of the Companies Act 2006 (CA06).

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 UK adopted IAS and applied in accordance with CA06, 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 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 ("Company") and its subsidiaries (the "Group''), which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group and Company Cash Flow Statements, the Group and Company Statements of Changes in Equity, for the year ended 30 June 2023, and the related 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 UK-adopted international accounting standards (UK-adopted IAS).
In our opinion, Bowleven Plc's Group and Company financial statements:

- give a true and fair view in accordance with UK-adopted IAS of the assets, liabilities and financial position of the Group and the Company as at 30 June 2023 and of the Group's financial performance and the Group and Company cash flows for the year then ended; and
- have been properly 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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.

Material uncertainty related to going concern

In forming our opinion, which is not modified, we draw attention to the disclosures made in the strategic report and Note 1 in the financial statements concerning the Group's ability to continue as a going concern. The Group has incurred a net loss of $2.02 million during the year ended 30 June 2023 (2022: net loss of $2.48 million). At the end of the year, the Group had $1.5 million of cash and cash equivalents and liquid investments, which the directors have acknowledged will not be sufficient to support the operating activities of the Group for a period of at least twelve months from the date of approval of the financial statements. As stated in the strategic report and Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Obtaining, challenging and assessing the Group and Company's cash flow forecast and the underlying assumptions such as the level of operational spend, the level of anticipated capital spend against the Etinde Work Programme and Budget (WPB) by considering budgets and forecasts provided by the operator and comparing prior and post year end actual spend in order to assess the Directors' ability to forecast accurately.
- Understanding and corroborating the key assumptions included in the cash flow forecast and challenging the Directors on these assumptions. Key assumptions include the timing of FID under a range of possible scenarios and the level of operating and capital expenditure.
- The opening cash position as per the cash flow forecast was agreed to post year-end bank statements.
- Undertaking sensitivity analysis on key assumptions within the cash flow forecast in order to determine the range of potential outcomes.
- Reviewing the board minutes confirming that the Directors will defer the receipt of their emoluments until the financial position of the Group improves upon completion of the capital raising activities.
- Reviewing the confirmation received from a shareholder confirming that they will provide financial support to the extent that money is not otherwise available for a period of not less than twelve months from the date the financial statements are authorised or the date the audit report is signed, whichever is later in order for the Group to discharge their liabilities primarily relating to general and administrative expense and Etinde monthly cash calls.
- We discussed the Directors' progress towards the Company's capital raising activities, noting that the Directors are still in discussions with prospective investors and existing shareholders to secure additional funding.
- Reviewing and considering the adequacy and consistency of the disclosure within the financial statements with the Directors' going concern assessment.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classifications of liabilities that might be necessary should the Company be unable to continue in existence.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other matter
The financial statements of Bowleven Plc for the year ended 30 June 2022, were audited by BDO LLP who expressed an unmodified opinion on those statements on 31 October 2022.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

In addition to the matter described in "Material uncertainty related to going concern'', we have determined the matters described below to be the key audit matters to be communicated in our report.

Overall audit strategy
We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our area of focus included:
- Valuation of the Group's intangible exploration and evaluation assets

How we tailored the audit scope
Bowleven Plc is an AIM listed oil and gas company focused on Africa, where it holds an exploration and development interest in Cameroon.

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. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

We performed an audit of the complete financial information of two components and audit of one or more classes of transactions of one component. All procedures were performed by the Group engagement team.

Components represent business units across the Group considered for audit scoping purposes.

Materiality and audit approach
The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the entity and its environment, the history of misstatements, the complexity of the Group and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group at $2,430,000 and for the Company at $779,000 as at 30 June 2023. We have applied these benchmarks because the main objective of the Group and the Company is to utilise its existing exploration and evaluation assets to provide investors with returns on their investments.

We have set performance materiality for the Group and Company at 70% of materiality, having considered business risks and fraud risks associated with the entity and its control environment. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the directors that we would report to them misstatements identified during our audit above 2.0% of Group and Company materiality, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

<table>
<tr><th>Significant matter</th><th>Description of Significant Matter and Audit Response</th></tr>
<tr><td>Valuation of the Group's intangible exploration and evaluation assets (Group) (Notes 8 and 10)</td><td>
The Group reviews and tests for impairment its exploration and evaluation assets on an ongoing basis when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.
The Group's intangible exploration and evaluation assets amounted to $155.5 million as at 30 June 2023 (2022: $155.4 million). The valuation of the Group's intangible exploration and evaluation assets also impacts the recoverability of the Company's investment in subsidiaries holding the Group's intangible exploration and evaluation assets amounting to $145.1 million as at 30 June 2023 and 2022 and the amount owed by subsidiary undertakings amounting to $13.5 million (2022: $12.9 million). The recoverability of the Company's investments in subsidiaries and amounts owed by subsidiary undertakings are dependent on successful development or sale of the respective license areas.
Significant auditor's attention was deemed appropriate because of the significance of the exploration and evaluation assets. In addition, the valuation of the Group's exploration and evaluation is a key judgmental area due to the level of subjectivity in estimating the expected future cash flows. As a result, we considered these as key audit matters.
The following audit work has been performed to address the risks:

Obtained management's assessment of each impairment trigger in accordance with IFRS 6 – Exploration of Mineral Resources;
We assessed Management's impairment paper and discounted cash flow models. We challenged the key inputs to the models. Our specific procedures and challenge of management included the following:

Compared forecasted pricing assumptions to independently sourced consensus data and assessed the reasonableness of contingencies built into the cash flow forecast by understanding the manner in which the Directors arrived at the contingencies, comparing these to approved budgets and expenditure profiles using our sector knowledge.
Agreed the judgements made regarding the timing of the FID to the Board minutes.
Reviewed the minutes of the Management and Operating Committees to assess whether there were any other potential indicators of impairment identifiable.
Performed sensitivity analysis over other areas of key inputs, such as operational expenditure, capital expenditure, the anticipated field life, reserves and resources and also the timing of FID and evaluated the appropriateness of the discount rate applied by Management in impairment assessment.
Confirmed with management that there is an ongoing expectation that exploration in the license areas will continue and in so doing have reviewed the Etinde Exclusive Exploration Authorisation Application (EEAA) and in particular focused 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 relevant legislation in Cameroon, the terms of the EEAA and ongoing correspondence with the licensing authorities.
Challenged management on their assessment of a number of potential scenarios for the development of the asset and their view of the level of return considered acceptable to the Group. As part of our challenge we requested Management to consider further scenarios.
Considered whether there are 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.

Reviewed mathematical accuracy of management's information.
Reviewed consistency of judgements and estimates made in the impairment considerations with those used in the going concern considerations.
Evaluated the adequacy of the disclosures given in Note 8 regarding assumptions and sensitivities based on the information obtained during the course of our audit.

We completed our planned audit procedures, with no exceptions noted.
</td></tr>
</table>

Other information
Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report.

The directors are responsible for the other information. 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 in the financial statements, 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 management and those charged with governance for the financial statements
As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with UK-adopted IAS, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and 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 management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of an auditor 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 their 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 an auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to AIM Listing Rules, Data Privacy law, Employment Law, Environmental Regulations, Health & Safety, and other local Cameroonian laws and regulations related to oil and gas sector, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, UK and Cameroonian tax legislations. The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:
- enquiries of management and board on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of minutes of board meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment assessment of intangible exploration assets.
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management; and
- ensuring the engagement team had the appropriate competence and capabilities to identify instances of non-compliance with laws or regulations that could give rise to a material misstatement of the group financial statements.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

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

Cathal Kelly
(Senior Statutory Auditor)
For and on behalf of

Grant Thornton
Chartered Accountants & Statutory Auditors
13-18 City Quay
Dublin 2
Ireland
9 November 2023

GROUP INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

Consolidated group results	Notes	**2023 $000**	2022 $000
Revenue		**–**	–
Administrative expenses	2	**(2,152)**	(2,376)
Impairment charges	3, 8	**–**	–
Operating loss	3	**(2,152)**	(2,376)
Finance and other income/(expense)	5	**132**	(108)
Loss before taxation		**(2,020)**	(2,484)
Taxation	6	**–**	–
Loss for the year		**(2,020)**	(2,484)
Basic and diluted loss per share ($/share) from continuing operations	7	**(0.01)**	(0.01)

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

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

There were no other gains and losses for either period.

GROUP BALANCE SHEET
30 JUNE 2023
(COMPANY NUMBER: SC225242)

	Notes	2023 $000	2022 $000
Non-current assets			
Intangible exploration assets	8	**155,543**	155,433
Property, plant and equipment	9	**3**	13
		155,546	155,446
Current assets			
Financial investments	11	**644**	2,251
Inventory	12	**1,180**	1,180
Trade and other receivables	13	**1,739**	1,858
Cash and cash equivalents	14	**906**	1,273
		4,469	6,562
Total assets		**160,015**	162,008
Current liabilities			
Trade and other payables	15	**(695)**	(668)
Total liabilities		**(695)**	(668)
Net assets		**159,320**	161,340
Equity			
Share capital	16,17	**56,517**	56,517
Share premium	17	**1,599**	1,599
Foreign exchange reserve	17	**(69,857)**	(69,857)
Other reserves	17	**2,767**	2,767
Retained earnings		**168,294**	170,314
Total equity		**159,320**	161,340

The financial statements on pages 40 to 72 were approved by the Board of Directors and authorised for issue on 9 November 2023 and are signed on their behalf by:

Eli Chahin
Chief Executive Officer

COMPANY BALANCE SHEET
30 JUNE 2023
(COMPANY NUMBER: SC225242)

	Notes	2023 $000	2022 $000
Non-current assets			
Property, plant and equipment	9	**3**	12
Investments in Group undertakings	10	**145,099**	145,099
		145,102	145,111
Current assets			
Financial investments	11	**644**	2,251
Trade and other receivables	13	**13,765**	13,142
Cash and cash equivalents	14	**891**	1,264
		15,300	16,657
Total assets		**160,402**	161,768
Current liabilities			
Trade and other payables	15	**(389)**	(311)
Total liabilities		**(389)**	(311)
Net assets		**160,013**	161,457
Equity			
Share capital	16, 17	**56,517**	56,517
Share premium	17	**1,599**	1,599
Foreign exchange reserve	17	**(147,715)**	(147,715)
Other reserves	17	**(2,470)**	(2,470)
Retained earnings		**252,082**	253,526
Total equity		**160,013**	161,457

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the individual parent undertaking income statement. The result for the Company for the year was a loss of $1,444,000 (2022: loss of $1,821,000). The financial statements on pages 40 to 72 were approved by the Board of Directors and authorised for issue on 9 November 2023 and are signed on their behalf by:

Eli Chahin
Chief Executive Officer

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	**2023 $000**	2022 $000
Cash flows from operating activities			
Loss before tax		**(2,020)**	(2,484)
Adjustments to reconcile Group loss before tax to net cash used in operating activities:			
Depreciation of property, plant and equipment	3	**10**	18
Finance (income)/costs		**(136)**	108
Equity-settled share based payment transactions	17	**–**	80
Adjusted loss before tax prior to changes in working capital		**(2,146)**	(2,278)
Decrease/(Increase) in trade and other receivables		**80**	(18)
Increase/(Decrease) in trade and other payables		**34**	(170)
Net cash used in operating activities		**(2,032)**	(2,466)
Cash flows used in investing activities			
Acquisition of intangible exploration assets	8	**(101)**	(572)
Sale of financial investments		**1,584**	–
Interest received		**9**	–
Dividends received		**174**	220
Net cash from/(used in) in investing activities		**1,665**	(352)
Cash flows used in financing activities			
Lease repayments		**–**	(3)
Net cash flows used in financing activities		**–**	(3)
Net decrease in cash and cash equivalents		**(367)**	(2,821)
Cash and cash equivalents at the beginning of the year	14	**1,273**	4,094
Net decrease in cash and cash equivalents		**(367)**	(2,821)
Cash and cash equivalents at the year end	14	**906**	1,273

COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $000	2022 $000
Cash flows from operating activities			
Loss before tax		**(1,444)**	(1,821)
Adjustments to reconcile Company loss before tax to net cash used in operating activities:			
Depreciation of property, plant and equipment	9	**10**	18
Finance (income)/costs		**(130)**	87
Equity-settled share based payment transactions	17	**–**	80
Adjusted loss before tax prior to changes in working capital		**(1,564)**	(1,636)
Decrease/(Increase) in trade and other receivables		**13**	(14)
Increase in trade and other payables		**89**	9
Net cash used in operating activities		**(1,462)**	(1,641)
Cash flows used in investing activities			
Increase in inter-company funding		**(678)**	(1,398)
Sale of financial investments		**1,584**	–
Interest received		**9**	–
Dividends received from financial investments		**174**	220
Net cash from/(used in) investing activities		**1,089**	(1,178)
Cash flows used in financing activities			
Lease payments		**–**	(3)
Net cash flows used in financing activities		**–**	(3)
Net decrease in cash and cash equivalents		**(373)**	(2,822)
Cash and cash equivalents at the beginning of the year	14	**1,264**	4,086
Net decrease in cash and cash equivalents		**(373)**	(2,822)
Cash and cash equivalents at the year end	14	**891**	1,264

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

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

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

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

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 UK Adopted International Accounting Standards (UK IAS) and in conformity with the requirements of the Companies Act 2006. The Company financial statements have been prepared in accordance with UK Adopted International Accounting Standards (UK IAS) as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared under the historical cost convention except for certain financial instruments measured at fair value. The financial statements comply with those parts of the Companies Act 2006 applicable to companies reporting under UK Adopted International Accounting Standards (UK IAS). 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.

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. The most significant estimates and judgements relate to the choice of development project, the future pricing of oil and gas, timing of FID and regulatory uncertainty with operating and capital investment costs, discount rates, and the commencement of development being major second level concerns.

Going Concern

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

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

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

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

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

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

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

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

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

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

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

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

The Board is mindful that the majority of shareholders are long-term investors in Bowleven and the potential of the Etinde asset. The availability of any new equity capital, and the final terms of such an equity raise is highly uncertain, as is the timing, but alongside any new equity financing available, the Board will seek to provide an opportunity for existing shareholders to contribute should they so choose. The Board has also been actively evaluating measures to reduce current Bowleven expenditure levels in order to create more time to identify and complete an equity raise.

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

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

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

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

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

1 ACCOUNTING POLICIES CONTINUED

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

The Directors are nevertheless conscious that the issues discussed above create a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Whilst acknowledging this material uncertainty, the Directors remain confident of raising finance in 2023/24. Accordingly, the financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Group has sufficient funds to meet ongoing working capital and committed capital expenditure requirements.

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

Changes in accounting standards and reporting requirements during the year

Accounting Standards	Effective date
During the year ending 30 June 2023, there were no new accounting standards, amendments or improvements that became effective, which had significant impact on the Group.	
Other amendments and changes	
Amendments to: • IFRS 3 *'Business Combinations: Definition of a Business'*. • IAS 16 *'Property, Plant and Equipment'*. • IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'*. • Amendments to IFRS 9, IAS 39 and IFRS 7: *'Interest Rate Benchmark Reform'*. Annual improvements to IFRSs (2018-2020 Cycle): IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16. None of these changes in accounting practice or guidance had any material effect on the Bowleven Group during the current accounting year.	Periods beginning on or after 1 January 2022
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 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: • IAS 1 and IAS 8: *'Definition of Material'* • 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*'. • Amendments to IAS 1 and IFRS Practice Statement 2: '*Disclosure of Accounting policies*'. • Amendments to IAS 12: '*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*'. • Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9: '*Comparative Information*'.	Periods beginning on or after 1 January 2023 Bowleven will adopt these amendments in due course. There is not expected to be any material changes.

Functional Currency

The Company's functional currency is USD. The functional currency of the Company's investments in subsidiaries and joint operations (JO) is also USD. The presentational currency of the Group is USD.

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.

Fair value measurement
Financial assets and financial liabilities measured at fair value in the consolidated balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

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, is 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.

Three major uncertainties related to:
- global hydrocarbon prices are currently at higher levels than in 2022 price levels;
- the timing of FID remains uncertain; and
- regulatory uncertainty. In our assessment, management remain confident that the JO partners have undertaken all reasonable steps possible to ensure that the JO 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 in the short term.

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
Impairment of exploration and pre-development assets
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.

1 ACCOUNTING POLICIES CONTINUED

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 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, as per IAS 36, for development stage assets.

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 Etinde is defined as such under Cameroon legislation.

Development and production costs also include:

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

Impairment of development and production stage assets

Impairment reviews on development and production assets will be carried out on each cash-generating unit, Etinde in this case, in accordance with IAS 36 ‘Impairment of Assets’. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s (or cash-generating unit’s) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group’s latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to the cash-generating unit, as applicable. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset’s or cash-generating unit’s recoverable amount exceeds its carrying amount.

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

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.

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.

Treasury Shares in Equity
Treasury shares in equity are recorded at cost of acquisition or issue based on the market value of Bowleven equity shares at that time.

Investments in Group Undertakings and Inter-Group balances
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.

Similarly, the expected credit losses on the amounts owed by subsidiary undertakings are intrinsically linked to the recoverable amount of the underlying assets. Any impairment losses arising are charged to the group income statement.

Segment reporting
The Group has two operating segments: headquarters and Cameroon operations. In identifying these operating segments, management generally follows the Group's business activities.

All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services.

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 expected credit loss. 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

Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

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.

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. 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. 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 eventually 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.

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.

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

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

The exchange rate used for the retranslation of the closing balance sheet at 30 June 2023 is $1.27/£1 (2022: $1.21/£1).

2 SEGMENTAL INFORMATION

Segment information for the reporting period is as follows:

	2023			2022		
	Africa $000	**Head office $000**	**Group $000**	Africa $000	Head office $000	Group $000
Administrative expenses	**(580)**	**(1,566)**	**(2,146)**	(641)	(1,717)	(2,358)
Depreciation	**(1)**	**(9)**	**(10)**	(1)	(17)	(18)
Foreign exchange gains/(losses)	**5**	**(9)**	**(4)**	(21)	(58)	(79)
Finance income	**-**	**140**	**140**	–	(29)	(29)
Loss for the year	**(576)**	**(1,444)**	**(2,020)**	**(663)**	**(1,821)**	**(2,484)**
Capital expenditure	**110**	**-**	**110**	548	–	548
Non-current assets	**155,543**	**3**	**155,546**	155,433	13	155,446
Segment assets	**144,715**	**15,300**	**160,015**	145,351	16,657	162,008
Segment liabilities	**(306)**	**(389)**	**(695)**	(357)	(311)	(668)

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 inter-company transactions. The segment assets include cash and investment balances.

3 OPERATING LOSS

Operating loss is stated after charging:

	Notes	**2023 $000**	2022 $000
Depreciation of property, plant and equipment	9	**10**	15
Depreciation of leased property		**-**	3
Etinde project share of JO G&A costs		**534**	581

3 OPERATING LOSS CONTINUED

Audit and non-audit fees are analysed as follows:

In respect of Grant Thornton and BDO LLP and its associates:	2023 $000	2022 $000
Audit fees in respect of the Group	**85**	**100**

There were no non-audit fees during the current and prior year.

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	
	2023 Number	2022 Number	**2023 Number**	2022 Number
Management	**2**	2	**2**	2
Administration and operations	**2**	4	**1.5**	3
	4	**6**	**3.5**	**5**

The aggregate payroll costs for the above persons comprised:

	Group		Company	
	2023 $000	2022 $000	**2023 $000**	2022 $000
Wages and salaries	**724**	883	**711**	869
Social security costs	**108**	125	**95**	112
Pension benefit costs	**10**	18	**10**	18
Share based payments	**–**	80	**–**	80
	842	**1,106**	**816**	**1,079**

Company payroll is paid in GBP and converted at an average rate of $1.21/£1.00 (2022: $1.23/£1.00).

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

The Company operates 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

The Directors were as follows during the year:

	Appointment date	Resignation date
Executive		
E Chahin	14 March 2017	–
Non-Executive		
J Arnoff	1 November 2020	–

Remuneration of Directors

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

	2023 $000	2022 $000
Short-term employee benefits	**626**	706
Directors' remuneration	**626**	706
Social security costs	**84**	91
Share-based payments	**–**	80
Total	**710**	**877**

Directors' Bonuses
No bonuses were paid in 2023 (2022: none). Mr Arnoff has contractual bonus payments of up to £200,000 on achievement of Etinde FID.

Bowleven Transformation Incentive Plan (BTIP)
No Director received an award under the BTIP that was set up in 2017. As a result of the appropriate performance criteria not being attained before 31 March 2022, the Options granted to the Chief Executive Officer in 2017 all expired during the previous financial year.

Remuneration of Individual Directors

	Salary and fees $000	**Pension benefits $000**	**Other benefits $000**	**Total 2023 $000**	Total 2021 $000
Executives					
E Chahin(i)	**482**	**–**	**24**	**506**	573
Non-Executives					
J Arnoff	**120**	**–**	**–**	**120**	133
	602	**–**	**24**	**626**	**706**

(i) Highest paid Director in the current year.

5 FINANCE AND OTHER INCOME/(EXPENSE)

	2023 $000	2022 $000
Income from investments measured at fair value through profit and loss		
Preference share dividend from financial investments	**135**	220
Change in the fair value of equity and debt instrument investments	**(13)**	(248)
Profit on disposal of financial instruments	**9**	–
Interest income	**9**	–
Property lease interest expense	**–**	(1)
Exchange rate loss	**(4)**	(79)
Total finance and other income/(expense)	**136**	**(108)**

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 foreign exchange gain or loss arises on consolidation.

6 TAXATION

Recognised in the Income Statement

	2023 $000	2022 $000
Corporation tax based on the results for the year at 28.9% (2022: 28.5%)	**–**	**–**

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:

	2023 $000	2022 $000
Loss before tax	**(2,020)**	(2,484)
Corporation tax at the Group weighted average income tax rate of 28.9% (28.5%)	**(584)**	(707)
Effects of:		
Expenses not deductible for tax purposes	**5**	32
Tax losses not utilised	**578**	674
Depreciation in excess of capital allowances	**1**	1
Total tax	**–**	**–**

Applicable UK tax rate is computed at 25% (2022: 19%). The standard corporate tax rate applicable in Cameroon is 40% (2022: 38%).

6 TAXATION CONTINUED

Deferred Tax

At 30 June 2023, tax losses were $82 million (2022: $80 million). Tax losses will be carried forward and are potentially available for utilisation against taxable profits in future years. The Group has not recognised a deferred tax asset in respect of these tax losses and temporary differences as it does not currently meet the recognition criteria of IAS 12 'Income Taxes'. The asset will be recognised in future periods when its recovery (against appropriate taxable profits) is considered probable.

7 BASIC AND DILUTED LOSS PER SHARE

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

	2023 $000	2022 $000
Net loss attributable to owners of the parent undertaking	**(2,020)**	**(2,484)**

	2023 Number	2022 Number
Basic weighted average number of ordinary shares	**327,465,652**	**327,465,652**

	2023 $	2022 $
Basic and diluted loss per share – ordinary shares	**(0.01)**	**(0.01)**

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.

8 INTANGIBLE EXPLORATION ASSETS

Group	Exploration and appraisal expenditure $000	Total $000
Cost		
At 1 July 2021	**352,419**	**352,419**
Additions	548	548
At 30 June 2022	**352,967**	**352,967**
Additions	110	110
At 30 June 2023	**353,077**	**353,077**
Impairment		
At 1 July 2021	**(197,534)**	**(197,534)**
Impairment loss	–	–
At 30 June 2022	**(197,534)**	**(197,534)**
Impairment loss	–	–
At 30 June 2023	**(197,534)**	**(197,534)**
Net book value		
At 30 June 2023	**155,543**	**155,543**
At 30 June 2022	**155,433**	**155,433**
At 1 July 2021	**154,885**	**154,885**

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%

(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.

Non-Cash Intangible Asset Additions
Etinde operations are funded by a cash call process where the Operator requests funding in advance of expenditure being incurred. Adjustments and corrections may be made by the Operator to previously submitted monthly expenditure analysis reports, resulting in expenditure that occurred during the second half of our financial reporting period not being finalised until one year later. The combination of both short and long-term timing differences gives rise to a difference between accounting and cash intangible asset additions. Changes in the amount due to or from New Age Cameroon Operating Company (CAMOP) relating to the balance on our net cash call control account, can cause differences between cash and accounting additions. The non-cash fixed asset addition in FY2023 was $0.01 million (FY2022: $0.01 million).

Bomono Licence
The licence terminated on 18 December 2018, but is not yet completely finalised as the close-out meeting with SNH has not yet occurred. SNH has made the Bomono licence area available to third parties should they wish to apply for the licence. All associated costs that were previously capitalised as intangible assets were fully impaired in prior periods. In the 2021 financial year, the amount of $107,235,000 has been removed from the cost and impairment totals in the intangible fixed asset note, to reflect the current status of the licence.

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. $165 million initial cash proceeds were received on 16 March 2015 along with a further $15 million 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 $40 million (net) carry for two Etinde appraisal wells, including testing (or cash alternative in 2020); and
- $25 million cash contingent upon and to be received at Etinde development project FID.

The $40 million (maximum) net carry for the two Etinde appraisal wells was fully utilised in FY2018 and the deferred consideration balance recognised at that date was fully utilised.

The remaining $25 million is currently disclosed as a contingent asset (Note 19) and will be credited to intangible exploration assets once sufficient certainty on FID project sanction is achieved.

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

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

8 INTANGIBLE EXPLORATION ASSETS CONTINUED

Etinde Impairment Review in 2022 and 2023

Etinde Impairment Review in 2023

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

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

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

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

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

The key sensitivities in our valuation models include:
- Oil price. Increasing oil export price to $80 per bbl has a positive impact of around $10 million to $15 million increase in NPV, depending on the development scenario;
- Discount rates. Increasing risk-weighted discount rates from 15% to 17%, reduces NPV by around $20 million to $25 million, depending on the development scenario; and
- Delaying FID and first revenue to 2028 decreased valuation by around $25 million.

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

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

Etinde Impairment Review in 2022

The discounted cash flow model was used in 2022 to determine our best estimate of the expected value of the development of the Etinde asset taking into consideration the following factors and assumptions:
- the macroeconomic environment globally and in Cameroon;
- prevailing market conditions in the oil and gas industry;
- a conservative and phased inclusion of the hydrocarbon resource available for development;
- the commercial and governmental situation in Cameroon;
- the JO partner approved EG development scenario, plus additional consideration of potential alternate approaches that Perenco, as incoming Operator, might propose at a future date;
- that the development will seek to maximise production from the outset giving due consideration to the potential for supplying gas to both Cameroon domestic and export supply;
- that condensate can be supplied to either the global or domestic markets for the same value;
- differential gas and LNG process for the Cameroon domestic and LNG-based European gas export market;
- infrastructure capital and operating costs estimates are based on FEED and pre-FEED engineering studies undertaken or assessed between 2019 and 2021, except where pricing data was not available; and
- the Etinde asset is considered to be a single cash-generating unit and includes historic exploration costs incurred on the Etinde Permit in line with the treatment of those costs for cost recovery purposes.

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

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

We have applied a risk-weighted discount rate of 15% to the projected Etinde cash flows, based on FID in late 2023, with first revenue projected to occur after 2026, with the date depending on the development scenario considered. All capex costs include a project contingency of 20% and allow for EPIC contract costs of 15% and 5% withholding tax applied on imports under Cameroon fiscal code. The largest single risk factor included in the discount rate reflects the risk relating to government approval of the EG development option and a likely longer period to reach the approval.

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

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

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 2021	**157**	**6**	**545**	**708**
At 30 June 2022	**157**	**6**	**545**	**708**
At 30 June 2023	**157**	**6**	**545**	**708**
Depreciation and impairment				
At 1 July 2021	**154**	**6**	**517**	**677**
Charge for year	3	–	15	18
At 30 June 2022	**157**	**6**	**532**	**695**
Charge for year	–	–	10	10
At 30 June 2023	**157**	**6**	**542**	**705**
Net book value				
At 30 June 2023	**–**	**–**	**3**	**3**
At 30 June 2022	**–**	**–**	**13**	**13**
At 1 July 2021	**3**	**–**	**28**	**31**

Company	Property leases $000	Plant and machinery $000	Computer equipment $000	Total $000
Cost				
At 1 July 2021	**157**	**5**	**630**	**792**
At 30 June 2022	**157**	**5**	**630**	**792**
At 30 June 2023	**157**	**5**	**630**	**792**
Depreciation				
At 1 July 2021	**154**	**4**	**604**	**762**
Charge for year	3	1	14	18
At 30 June 2022	**157**	**5**	**618**	**780**
Charge for year	–	–	9	9
At 30 June 2023	**157**	**5**	**627**	**789**
Net book value				
At 30 June 2023	**–**	**–**	**3**	**3**
At 30 June 2022	**–**	**–**	**12**	**12**
At 1 July 2021	**3**	**1**	**26**	**30**

10 INVESTMENTS IN GROUP UNDERTAKINGS

Company	Investment in subsidiaries $000
Cost	
At 1 July 2021	**664,272**
Additions	–
At 30 June 2022	**664,272**
Additions	–
At 30 June 2023	**664,272**
Impairment	
At 1 July 2021	**519,173**
Impairment loss	–
At 30 June 2022	**519,173**
Impairment loss	–
At 30 June 2023	**519,173**
Net book value	
At 30 June 2023	**145,099**
At 30 June 2022	**145,099**
At 1 July 2021	**145,099**

The recoverable amount of the investments is directly linked to the value of the Etinde development as Bowleven is a single asset business. The value of Etinde is determined using discounted future cash flows as set out in Note 8. The valuation attained is 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's sole asset, the Etinde JO along with the inter-company receivable (Note 13) in the Company's balance sheet.

The 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 CFA500,000

There was no change from prior year.

(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, Scotland. EurOil Limited's registered address is PO Box 93, Number 46 Rue Foucauld, next to Institut Universitaire de la Côte, Akwa, Douala, Republic of Cameroon.

11 FINANCIAL INVESTMENTS

Financial investments comprise:

Group and Company	**2023 $000**	2022 $000
Investments in listed preference shares	**644**	2,251
Total	**644**	**2,251**

The investments in preference or partnership shares are 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	
	2023 $000	2022 $000	**2023 $000**	2022 $000
Inventory	**1,180**	1,180	**–**	–
Inventory	**1,180**	**1,180**	**–**	**–**

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

13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $000	2022 $000	**2023 $000**	2022 $000
Trade receivables	**–**	–	**–**	–
Other receivables	**900**	818	**74**	–
Amounts owed by Group undertakings	**–**	–	**13,549**	12,870
JO held cash balance	**6**	117	**–**	–
Amount due from JO	**683**	647	**–**	–
Accrued interest	**17**	55	**16**	55
	1,606	1,637	**13,639**	12,925
Other taxation and social security	**36**	7	**31**	6
Prepayments	**97**	214	**95**	211
	1,739	**1,858**	**13,765**	**13,142**

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
2023							
Not past due	1,408	1,408	–	–	–	–	–
Past due	198	–	–	–	–	–	198
As at 30 June 2023	**1,606**	**1,408**	**–**	**–**	**–**	**–**	**198**
2022							
Not past due	1,439	1,439	–	–	–	–	–
Past due	198	–	–	–	–	–	198
As at 30 June 2022	**1,637**	**1,439**	**–**	**–**	**–**	**–**	**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 ECLs 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
2023							
Not past due	13,639	13,639	–	–	–	–	–
As at 30 June 2023	**13,639**	**13,639**	**–**	**–**	**–**	**–**	**–**
2022							
Not past due	12,925	12,925	–	–	–	–	–
As at 30 June 2022	**12,925**	**12,925**	**–**	**–**	**–**	**–**	**–**

Expected Credit Losses

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

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 $000	2022 $000	**2023 $000**	2022 $000
Cash at bank and in hand	**262**	81	**247**	72
Short-term deposits	**644**	1,192	**644**	1,192
	906	**1,273**	**891**	**1,264**

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 $000	2022 $000	**2023 $000**	2022 $000
Trade payables	**208**	173	**206**	165
JO creditors and accruals	**168**	215	**–**	–
	376	388	**206**	165
Other taxation and social security	**23**	22	**23**	21
Accruals	**296**	258	**160**	125
	695	**668**	**389**	**311**

Group

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

	2023			2022		
	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	**208**	**–**	**208**	173	–	173
JO creditors and accruals	**168**	**–**	**168**	215	–	215
Accruals	**296**	**–**	**296**	258	–	258
	672	**–**	**672**	**646**	**–**	**646**

15 TRADE AND OTHER PAYABLES CONTINUED

Company

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

	2023			2022		
	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	**206**	**–**	**206**	165	–	165
	206	**–**	**206**	**165**	**–**	**165**

16 ISSUED SHARE CAPITAL

	2023 Number	2022 Number	**2023 $000**	2022 $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
At 30 June	**335,272,933**	**335,272,933**	**56,517**	**56,517**

During the year the Company issued nil (2022: nil) ordinary shares in respect of share options. The issue amounted to an aggregated nominal value of $nil (2022: $nil) and an increase in the share premium reserve of $nil (2022: $nil).

17 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 16. 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	Merger reserve $000	Total other reserves $000
Balance at 1 July 2021	**(3,098)**	**548**	**5,237**	**2,687**
Share based payments	–	80	–	80
Balance at 30 June 2022	**(3,098)**	**628**	**5,237**	**2,767**
Balance at 30 June 2023	**(3,098)**	**628**	**5,237**	**2,767**

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.

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 $10 million, 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, with 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.

On 22 September 2020, the Company acquired the 4,106,328 shares held by the EBT at £0.10 per share following shareholder approval given at the 2019 AGM. These shares were transferred from 'Shares held in Trust' to 'Treasury Shares' at cost of acquisition.

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

Company	Treasury shares $000	Share-based payment reserve $000	Total other reserves $000
Balance at 1 July 2021	**(3,098)**	**548**	**(2,550)**
Share based payments	–	80	80
Balance at 30 June 2022	**(3,098)**	**628**	**(2,470)**
Balance at 30 June 2023	**(3,098)**	**628**	**(2,470)**

Company reserves are as defined above under Group reserves.

18 SHARE BASED PAYMENTS

Bowleven Transformation Incentive Plan (BTIP)
The BTIP was adopted by the Board of the Company on 9 May 2017. The purpose of the BTIP was to align employees with the Company's The BTIP was adopted by the Board of the Company on 9 May 2017. The purpose of the BTIP was 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. Options granted under the BTIP cover a performance period running between the date of grant to 31 March 2022.

No awards were made under the BTIP in FY2021 and FY2022 and as a result of the appropriate performance criteria not being attained before 31 March 2022, the Options granted to the Chief Executive Officer in 2017 all expired during the previous financial year.

19 CONTINGENT ASSETS AND LIABILITIES

The Group has the following contingent asset:

	2023 $000	2022 $000
Etinde farm-out contingent consideration	**25,000**	25,000
	25,000	**25,000**

As at 30 June 2023 and 30 June 2022, the Group has a contingent asset of $25 million 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 for 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 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.

20 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.

Market Risks

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:

	2023		2022	
Group Cash at bank	**In currency 2023 000**	**In USD 2023 000**	In currency 2022 000	In USD 2022 000
GBP	**126**	**160**	458	556
USD	**731**	**731**	709	709
CFA	**9,078**	**15**	5,878	8

	2023		2022	
Company Cash at bank	**In currency 2023 000**	**In USD 2023 000**	In currency 2022 000	In USD 2022 000
GBP	**126**	**160**	458	556
USD	**731**	**731**	709	709

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

	2023		2022	
Group and Company Financial investments	**In currency 2023 000**	**In USD 2023 000**	In currency 2022 000	In USD 2022 000
USD	**644**	**644**	2,251	2,251

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 before tax, with all other variables being held constant.

	Effect on loss before tax	
Change in USD:GBP rate	**2023 $m**	2022 $m
+10%	**(0.1)**	(0.1)
-10%	**0.1**	0.1

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	
	2023 $m	2022 $m
+10%	**(0.1)**	(0.2)
-10%	**0.1**	0.2

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 JO 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 $3 million 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 $25 million (or 25% if total cash balance greater than $100 million) held with any one bank. As at 30 June 2023, the largest balance held with one institution was $0.9 million (2022: $1.2 million).

The Group and Company adopt a prudent approach to cash management to maximise safety, liquidity and yield. Developments in the market are closely monitored and if increasing counterparty risk is identified, funds are fully redeemed and invested with alternative institutions. Neither the Group nor Company have any offset arrangements.

Financial Investments – Listed Debt Instruments

During 2018, the Group 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.

20 FINANCIAL INSTRUMENTS CONTINUED

Rating	2023 $000	2022 $000
BB to B3	**644**	2,251
Total	**644**	**2,251**

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 $165 million on completion with a further $15 million received on 30 September 2016. There is further contingent consideration relating to the Etinde farm-out totalling $25 million, receivable as soon as the FID has been taken by the JO 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 also allows them to take advantage of changing conditions in the finance markets as they arise.

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

Listed Debt Instrument Investments

The Group's and Company's investments in listed debt instruments are held in 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 Group's and Company'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. The Directors do not have any formal target in respect of the proportion of funds held in non-cash assets. An amount of around 25% to 35% is considered to be the 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 2023.

	Group 2023 $000	Group 2022 $000	**Company 2023 $000**	Company 2022 $000
Trade and other payables	**(376)**	(388)	**(206)**	(165)
Lease liabilities	**–**	–	**–**	–
Bank deposits, cash and cash equivalents	**906**	1,273	**891**	1,264
Financial investments	**644**	2,251	**644**	2,251
Net funds	**1,174**	**3,136**	**1,329**	**3,350**
Equity	**159,320**	161,340	**160,013**	161,457
Equity less net funds	**158,146**	**158,204**	**158,684**	**158,107**

Fair Values of Financial Assets and Liabilities

Financial Instruments by Category

	Group 2023 $000	Group 2022 $000	**Company 2023 $000**	Company 2022 $000
As at 30 June:				
Measured at fair value through the profit and loss				
Financial investments				
Debt instruments	**644**	2,251	**644**	2,251
Measured at amortised cost				
Loans and receivables				
Trade and other receivables[(i)]	**1,606**	1,637	**13,639**	12,925
Bank deposits, cash and cash equivalents	**906**	1,273	**891**	1,264
	3,156	**5,161**	**15,174**	**16,440**
Financial liabilities:				
Trade and other payables[(i)]	**(376)**	(388)	**(206)**	(165)
Lease liabilities	**–**	–	**–**	–
Total	**2,780**	**4,773**	**14,968**	**16,275**

(i) Excluding tax, prepayments and accruals.

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.

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.

21 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:

	2023 $000	2022 $000
Amounts owed from subsidiary undertakings	**13,549**	12,870
Amounts owed from subsidiary undertakings	**13,549**	**12,870**

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 both years were $nil. Ongoing funding is advanced from the Company to its subsidiaries. Such funding is detailed in Note 13.

Remuneration of Key Management

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

22 POST BALANCE SHEET EVENTS

There is nothing to report.

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, 6 December 2023 at The Office Group, Borough Yards, 13 Dirty Lane, London, SE1 9PA.

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 2023 and the reports of the Directors and the independent auditors thereon.

2. To reappoint Grant Thornton 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.

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

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

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

6. THAT the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the **Act**), in addition to all existing authorities, to exercise all the powers of the Company to allot ordinary shares of £0.10 each in the Company (**Ordinary Shares**) or grant rights to subscribe for, or convert any security into Ordinary Shares:
   a. up to an aggregate nominal amount of £10,778,644, representing approximately one-third of the issued Ordinary Share capital of the Company (excluding treasury shares) as at 7 November 2023; and
   b. up to a further aggregate nominal amount of £10,778,644, representing approximately one-third of the issued Ordinary Share capital of the Company (excluding treasury shares) as at 7 November 2023, in connection with a pre-emptive offer by way of a rights issue,

   provided that the authorities in this Resolution 6 shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or at 6.00 p.m. on 31 December 2024, whichever is earlier, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority in question had not expired.

   For the purposes of this Resolution 6, 'rights issue' means an offer of equity securities to: (i) holders of Ordinary Shares on a fixed record date in proportion to their respective holdings of such shares; and (ii) other persons entitled to participate in such offer by virtue of, and in accordance with, the rights attaching to any other equity securities held by them, in each case, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

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

7. THAT, conditional on the passing of Resolution 6 above and in addition to all existing authorities, the Directors be and are hereby generally and unconditionally authorised pursuant to Sections 570 and 573 of the Act to make allotments of equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 6 as if Section 561 of the Act did not apply to any such allotment, provided that such power shall be limited to:
   a. the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of paragraph b of Resolution 6, by way of a rights issue only) to or in favour of:
      i. the holders of Ordinary Shares in proportion (as nearly as may be) to their existing holdings; and
      ii. holders of other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

      but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise; and
   b. the allotment of equity securities up to an aggregate nominal amount of £3,233,593, representing approximately ten per cent. of the issued Ordinary Share capital of the Company (excluding treasury shares) as at 7 November 2023,

   provided that such authority will expire at the same time as the authority granted pursuant to the passing of Resolution 6, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry date and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution had expired.

8. THAT, conditional on the passing of Resolution 6 above and in addition to all existing authorities, the Directors be and are hereby generally and unconditionally authorised pursuant to Sections 570 and 573 of the Act to make allotments of equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 6 as if Section 561 of the Act did not apply to any such allotment, provided that such power shall be:
   a. limited to the allotment of equity securities up to an aggregate nominal amount of £3,233,593, representing approximately ten per cent. of the issued Ordinary Share capital of the Company (excluding treasury shares) as at 7 November 2023; and
   b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this document,

   provided that such authority will expire at the same time as the authority granted pursuant to the passing of Resolution 6, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry date and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution had expired.

By Order of the Board

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

9 November 2023

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

General
The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 6 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 7 and 8 are proposed as special resolutions. This means that for each of these resolutions to be passed, at least three-quarters 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 poll 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 – 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 2 proposes the reappointment of Grant Thornton as the Company's auditor and Resolution 3 seeks authority for the Directors to determine the auditor's remuneration.

Resolutions 4 and 5 – Re-Election of Directors
The Company's Articles of Association require that each Director shall retire at the AGM held in the third calendar year following the year in which he was last re-elected as a Director of the Company. Eli Chahin and Jack Arnoff were both re-elected as Directors at the AGM held on 9 December 2020 and each will accordingly retire and offer himself for re-election by the shareholders. A biography in respect of each Director is included on page 23 of the Annual Report and Accounts.

Resolution 6 – Authority to allot shares
The purpose of this resolution is to give the Directors powers to allot shares. The authority in paragraph a of Resolution 6, if passed, would provide the Directors with a general authority to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal amount of £10,778,644, representing approximately one-third of the issued Ordinary Share capital of the Company (excluding treasury shares) as at 7 November 2023.

Paragraph b of this resolution will grant the Directors additional authority to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a further nominal amount of £10,778,644 pursuant to a rights issue, which is equal to approximately one-third of the issued share capital of the Company as at 7 November 2023, being the latest practicable date before the publication of this Notice.

The authorities will expire at 6.00 p.m. on 31 December 2024, or, if earlier, at the conclusion of the next annual general meeting to be held in 2024, unless previously renewed, revoked or varied by the Company in a general meeting.

Resolutions 7 and 8 – Disapplication of pre-emption rights
Section 561(1) of the Companies Act 2006 provides that if the Directors wish to allot any equity securities or sell any treasury shares (if it holds any), for cash, the Company must first offer them to existing shareholders in proportion to their existing shareholdings. Section 561 does not apply in connection with allotments made pursuant to an employee share scheme.

The purpose of Resolution 7 is to seek power for the Directors to allot equity securities for cash as if Section 561(1) of the Companies Act 2006 did not apply, in connection with: (i) any rights issues, open offers and other pre-emptive offers pursuant to the authority granted by Resolution 6; and (ii) in any other case, an allotment of equity securities up to an aggregate nominal amount of £3,233,593 (which represents approximately ten per cent. of the issued share capital of the Company (excluding treasury shares) as at 7 November 2023, being the latest practicable date before the publication of this Notice).

The purpose of Resolution 8 is to seek power for the Directors to allot equity securities for cash as if Section 561(1) of the Companies Act 2006 did not apply in connection with an allotment of equity securities up to an aggregate nominal amount of £3,233,593 (which represents approximately ten per cent. of the issued share capital of the Company (excluding treasury shares) as at 7 November 2023, being the latest practicable date before the publication of this Notice) where this power is used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

The powers conferred by these resolutions will expire at the same time as the authority granted by Resolution 6, unless previously renewed, revoked or varied by the Company in a general meeting.

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

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. Appointment of a proxy will not preclude a shareholder from attending and voting in person at the AGM.

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 4 December 2023.

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 4 December 2023.

Record Date
Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, to be entitled to vote at the AGM (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 4 December 2023 (or, in the event of any adjournment, on the date which is two business 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 any 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 articles of association of the Company;
- the Company's Annual Report and Accounts for the year ended 30 June 2023;
- 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 of 7 November 2023 (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 of 7 November 2023 is 323,359,324.

GLOSSARY

AGM	annual general meeting
AIM	the market of that name operated by the London Stock Exchange
Articles of Association	the internal rules by which a company is governed
BBL or bbl	barrel of oil
bcf or bscf	billion standard cubic feet of gas
Board of Directors	the Directors of the Company
boe	barrels of oil equivalent
Bomono Permit/Licence	the production sharing contract between the Republic of Cameroon and EurOil, dated 12 December 2007, in respect of the area of approximately 2,328 km^2 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
BTIP	Bowleven Transformation Incentive Plan
CAMOP	New Age Cameroon Operating Company
CFA	Central African CFA Franc
Companies Act 2006 (the Act)	the United Kingdom Companies Act 2006 (as amended)
contingent resources	those quantities of hydrocarbons that are estimated to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable
EA	Exploitation Authorisation
EBT	employee benefit trust
EEAA	Etinde Exploitation Agreement Authorisation
EEEA	Etinde Exclusive Exploitation Agreement
EG	Equatorial Guinea
E&P	exploration and production
Etinde Permit	the Etinde Exploitation Authorisation (EA) area. The Etinde EA, granted on 29 July 2014, covers an area of approximately 461 km^2 (formerly block MLHP-7) and is valid for an initial period of 20 years with an initial six-year period ending January 2021, by which time development must commence. SNH have informed the JO of their intention to exercise their right to back into this licence, but have not signed the Participation Agreement and funded their share of cash calls in accordance with the requirements set out in the PSC
EurOil	EurOil Limited, an indirectly wholly-owned subsidiary of Bowleven plc, incorporated in Cameroon
FEED	Front End Engineering Design
FID	final investment decision
FLNG	Floating liquefied natural gas
G&A	general and administration
GIIP	gas initially in place
Host Government	Government of Cameroon
Group	the Company and its direct and indirect subsidiaries
HSSE	health, safety, security and environment
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Intra Isongo	nomenclature used to describe a sequence of sedimentary rocks in the Etinde licence area

GLOSSARY

JO, JV or JV partners	an unincorporated joint operation. Joint Venture partners are the financial investors who jointly own and operate the unincorporated joint operations
km	kilometres
km^2	square kilometres
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LUKOIL	LUKOIL Overseas West Project Limited, a subsidiary undertaking of OAO LUKOIL
Macquarie	Macquarie Capital (Europe) Limited
mmbbls	million barrels
mmboe	million barrels of oil equivalent
MMBtu	Metric Million British Thermal Unit
mmscf	million standard cubic feet of gas
mscf	thousand standard cubic feet of gas
New Age	New Age (African Global Energy) Limited, a privately held oil and gas company
New Age Group	New Age and its subsidiaries
NOMAD	nominated advisor
ordinary shares	ordinary shares of 10 pence each in the capital of the Company
P10 (3C)	10% probability that volumes will be equal to or greater than stated volumes
P50 (2C)	50% probability that volumes will be equal to or greater than stated volumes
P90 (1C)	90% probability that volumes will be equal to or greater than stated volumes
Perenco	Perenco Cameroon S.A.
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
US	United States of America
$, US Dollars, USD	United States of America Dollars
£, 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 1boe.

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