



BOWLEVEN PLC IS AN AFRICAN OIL AND GAS GROUP AND IS LISTED ON AIM

BOWLEVEN HOLDS, THROUGH ITS WHOLLY-OWNED SUBSIDIARY EUROIL LIMITED, A 100% EQUITY INTEREST IN THE ETINDE PERMIT AREA, COMPRISING THREE SHALLOW WATER BLOCKS IN OFFSHORE CAMEROON, WEST AFRICA (NAMESLY BLOCKS MLHP 5, MLHP 6 AND MLHP 7). IN TOTAL, BOWLEVEN HAS APPROXIMATELY 2,300 KM² OF EXPLORATION ACREAGE LOCATED ACROSS THE RIO DEL REY AND DOUALA BASINS IN THE ETINDE PERMIT. THE TOTAL ACREAGE OFFERS VERY ATTRACTIVE EXPLORATION POTENTIAL. BOWLEVEN HAS OPERATED IN CAMEROON SINCE 1999.

BOWLEVEN HAS ALSO RECENTLY ACQUIRED FIRSTAFRICA OIL PLC, WHICH HOLDS A 100% EQUITY INTEREST BOTH IN THE EAST OROVINYARE OFFSHORE BLOCK IN GABON, WHICH CONTAINS AN EXISTING OIL DISCOVERY THAT IT IS SEEKING TO DEVELOP, AND IN THE EPAEMENO BLOCK, WHICH IS 1,340 KM² OF EXPLORATION ACREAGE IN ONSHORE GABON SITUATED NEXT TO RECENT DISCOVERIES IN ADJOINING BLOCKS.

THE COMPANY'S FOCUS IS ON ORGANIC GROWTH AND SELECTIVE ACQUISITIONS.

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As this is my first official communiqué, may I start by expressing a very warm welcome to each of you. I genuinely believe I have joined BowLeven at a very exciting time in its evolution, as the team strives to develop a business which can consistently deliver organic growth and value creation for its shareholders.

In this regard, the last six months have heralded a period of significant positive change and activity for BowLeven. During this period the Company has:

- Announced and completed a successful takeover of FirstAfrica Oil plc.
- Equity fundraisings of a total of £67 million net of expenses, including a £56 million placing in December 2006.
- Commenced a three/four well, potentially high-impact drilling programme.
- Successfully flow tested the first well as an appraisal of the E field at 30 mmscfd of gas and 3,800 bpd of condensate.
- Strengthened its Board and technical team composition.
- Commenced discussions regarding the possible sale of gas and liquids from the Etinde permit in Cameroon.

VISION AND STRATEGY

It is our vision to build an African-focused exploration and production company which becomes renowned for its ability to consistently create and realise material shareholder value through exploration-led organic growth and niche acquisitions.

OPERATIONS

Cameroon

Over the past few years the Company has built up an extensive database of 2D and 3D seismic coverage over its Etinde Permit, which comprises Blocks MLHP 5, 6 and 7. Ongoing interpretation of the 3D seismic data on Block 7 has resulted in new opportunities on this acreage coming to light. In particular, this work helped identify the potential for

commercial volumes of condensate-rich gas in the region of the IE-1 discovery well, which was first drilled by Total in 1981. Consequently the first well in the drilling campaign, IE-2, was drilled to appraise this discovery.

As announced earlier this month, the IE-2 well successfully tested gas and condensate from the Isongo formation. The well flowed at a stabilised rate of 30 mmscfd and 3,800 bpd through a 60/64 inch choke with a flowing well head pressure of 2,126 psi. The production test indicated excellent reservoir deliverability with no evident depletion. Whilst further evaluation is required to determine the extent of the E Field and associated reserves, the results of the IE-2 well have been very encouraging, especially as the flow rates were constrained by the test equipment. The well also encountered 50 feet of net pay in good quality gas-bearing sandstone in the Biafra formation. The IE-2 well has been suspended as a possible future producer.

A substantial amount of technical work has been carried out and is still ongoing to evaluate the recently-acquired 3D seismic data over Blocks 5 and 6 in the sparsely explored Douala Basin. Whilst still at a relatively early stage, the interpretation of this data has already generated a number of leads and prospects. One such prospect ("D") located in Block 5 is the target for the second well in the current drilling campaign. The Adriatic VI drilling rig has now been moved a short distance to Block 5 of the Etinde Permit to begin drilling the higher risk "D" exploration prospect. This well was spudded on 21 March 2007 with the primary objective of exploring the Upper Miocene channelised turbidite sands, which are believed to be similar to those that were found by Noble Energy to be hydrocarbon bearing, 10 km downslope in the O-1 Belinda discovery in Equatorial Guinea.

Following this second well it is likely that the rig will return to Block 7 and drill an exploration prospect which is located up dip from the adjacent E Field.

The decision on where, and if, to drill a fourth well in this campaign is still being evaluated. This will depend, in part, on the results of the prior wells and the status of our extensive ongoing review of the recently acquired seismic data in both Cameroon and Gabon.

A key objective for the Company in the next 12-18 months is to seek to monetise our existing resource base in Block 7 in Cameroon together with any additional gas/liquids discovered in Blocks 5&6. Of particular encouragement is the Cameroon Government's announcement in early 2007 of a cooperation agreement with the Government of Equatorial Guinea to investigate the possibilities of a project to export gas from Cameroon to the gas liquefaction plant on Bioko Island. It is proposed that Limbe in Cameroon would be the gathering hub for any such scheme. The close proximity (approximately 27 km) of the Company's resource base to Limbe combined with the high well deliverability and liquids content experienced at IE-2 should help ensure that Bowleven is ideally positioned to participate in any future gas export project.

Gabon

The purchase of FirstAfrica Oil plc ("FirstAfrica") (mentioned below) has given us both a significant development opportunity and substantial exploration acreage. We have been busy on our newly acquired Gabonese operations. Having reviewed FirstAfrica's plans we have changed the approach to production of the offshore EOY field. Good progress has been made on preparing an amended field development plan for the EOY which would involve evacuating the oil through a pipeline to nearby existing onshore facilities. This should allow the oil to be produced at lower operational costs than for the previously proposed development scheme based on an FPSO.

First oil is targeted for 2H 2008. Work has also now commenced on reprocessing the vintage 2D seismic over the onshore Epaemeno Block. This work will be completed by mid-year and the new dataset will form the basis for future drilling plans.

CORPORATE

I mentioned earlier that FirstAfrica now forms part of the Bowleven Group. We are very happy to have completed this meaningful acquisition. There is a clear logic in combining the asset portfolios of the two companies and using our existing financial resources and the experience of the management team to develop the various projects that are available. FirstAfrica has a 100% equity interest in both the East Orovinare ("EOY") offshore block in Gabon, which contains an existing oil discovery that we are seeking to develop, and the Epaemeno Block, which is 1,340 km² of exploration acreage in onshore Gabon and sits next to a number of recent discoveries in surrounding blocks.

Following on from the net £11 million placing in July 2006, the Company's finances were further significantly strengthened by the successful placing of 26.4 million shares at 220 pence a share on 19 December 2006 to raise approximately £56 million net of expenses. These funds will be used to help finance the development of the EOY field and to provide funds for exploration activities and working capital purposes.

Fostering strong external partnerships with the right risk-reward profile is a sound strategy for helping develop our assets. Accordingly, we continue to consider our needs and opportunities for timing on farm-outs.

FINANCIAL RESULTS

As yet we have no operating income. Against this background, the Group reported a loss of £2.1 million for the six months ended 31 December 2006. The main contributor to this loss was administrative expenses of £3.1 million reflecting the Group's efforts to develop its assets. This was also the first period that the Company had applied FRS20, which requires all companies to recognise the fair value of employee share-based benefits in the financial statements. This resulted in a charge of £0.3 million for the six months ended 31 December 2006, which has been included within administrative expenses. Also included within administrative expenses was an amount of £1.1 million primarily relating to various translation differences on foreign exchange transactions that have been charged to the income statement. This occurred partly as a consequence of the Company managing currency exposures by, to the extent practical, matching receipts and payments in the same currency.

The balance sheet is healthy, with net cash of £89 million at the period end.

LONG TERM INCENTIVE PLAN ("LTIP")

A LTIP was approved by shareholders at an EGM of the Company held on 6 December 2006. The plan seeks to help align the remuneration of senior management with the underlying long-term performance of the business.

BOARD CHANGES

This has been a period of quite a few Board changes.

I am delighted that Kevin Hart has joined the Company as Chief Executive Officer. His combination of skills, enthusiasm, determination and leadership will prove to be a key appointment for the organisation.

As well as being appointed Non-Executive Chairman myself, following the AGM on 6 December 2006, I was also joined on the Board at that date by Caroline Cook as a Non-Executive Director. She has considerable experience in the oil and gas sector and I welcome her to the Company and look forward to her valuable contributions.

I would like to register my thanks to Terry Heneaghan and Easton Wren, who stepped down as Executive Chairman and Non-Executive Director respectively at the AGM in 2006. Both gentlemen deserve much credit for their efforts in helping secure the position that BowLeven has today.

I am very sorry to report the death of Jerry Anthony, our Exploration Director. He died just before the end of 2006 after a short illness. He was a much respected and admired colleague and will be greatly missed.

It is our intention to make further appointments to the Board and management team as the business develops.

OUTLOOK

Our business is of course one of potentially high risk and high reward. Our approach is to recruit and maintain a very high calibre and motivated team, to be highly professional in assessing and managing the risks and rewards in our operations, such that our prospects are maximised.

The outlook is positive for your Company. I believe that we have the management team and asset base that can provide us with significant opportunities for success in creating value for shareholders.

R G Hanna
Chairman
22 March 2007

GROUP PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

BOWLEVEN PLC INTERIM REPORT 2006

	Six months ended 31 December 2006 (Unaudited) £'000	Six months ended 31 December 2005 (Unaudited) £'000	Year ended 30 June 2006 (Audited) £'000
TURNOVER	-	-	-
Administrative expenses	(3,058)	(1,554)	(3,674)
OPERATING LOSS	(3,058)	(1,554)	(3,674)
Interest receivable and similar income	972	746	1,687
Interest payable and similar charges	-	-	(2)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(2,086)	(808)	(1,744)
Taxation	-	-	-
LOSS FOR THE FINANCIAL PERIOD	(2,086)		(1,744)

There are no recognised gains and losses other than those in the profit and loss account.

GROUP BALANCE SHEET

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

BOWLEVEN PLC INTERIM REPORT 2006

	At 31 December 2006 (Unaudited) £'000	At 31 December 2005 (Unaudited) £'000	At 30 June 2006 (Audited) £'000
FIXED ASSETS			
Intangible assets	49,218	27,496	40,953
Tangible assets	386	356	381
	49,604	27,852	41,334
CURRENT ASSETS			
Stocks	4,199	841	810
Debtors	11,041	956	435
Cash at bank	88,750	62,355	42,453
	103,990	64,152	43,698
CREDITORS			
Amounts falling due within one year	(4,328)	(6,955)	(1,003)
NET CURRENT ASSETS	99,662	57,197	42,695
TOTAL ASSETS LESS CURRENT LIABILITIES	149,266	85,049	84,029
CAPITAL AND RESERVES			
Called up equity share capital	6,041	2,961	2,961
Share premium account	149,969	86,002	86,002
Other reserves	3,494	3,057	3,218
Profit and loss account	(10,238)	(6,791)	(8,152)
SHAREHOLDERS' FUNDS	149,266	85,049	84,029

GROUP CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

BOWLEVEN PLC INTERIM REPORT 2006

	Six months ended 31 December 2006 (Unaudited) £'000	Six months ended 31 December 2005 (Unaudited) £'000	Year ended 30 June 2006 (Audited) £'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(16,412)	(2,301)	(3,411)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	971	744	1,685
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(5,258)	(9,700)	(29,433)
CASH OUTFLOW BEFORE FINANCING	(20,699)	(11,257)	(31,159)
Financing	66,998	53,094	53,094
INCREASE IN CASH IN THE PERIOD	46,297	41,837	21,935

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Six months ended 31 December 2006 (Unaudited) £'000	Six months ended 31 December 2005 (Unaudited) £'000	Year ended 30 June 2006 (Audited) £'000
Increase in cash in period	46,297	41,837	21,935
CHANGE IN NET FUNDS	46,297	41,837	21,935
Opening net funds	42,453	20,518	20,518
Closing net funds	88,750	62,355	42,453

1 BASIS OF PREPARATION

The financial information contained herein does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The unaudited interim financial information has been prepared on the basis of the accounting policies set out in the Group's accounts for the year ended 30 June 2006 with the exception of the adoption of Financial Reporting Standard 20 "Share Based Payments" ("FRS20") which was adopted with effect from 1 July 2006. The figures for the year ended 30 June 2006 have been extracted from the Group accounts as amended for FRS20 as this requires prior period adjustments to the published financial statements. Those accounts have been filed with the Registrar of Companies and contained an unqualified auditor's report. Adoption of FRS20 results in an increase in general and administrative expenses as set out below:

	Six months ended 31 December 2006 £'000	Six months ended 31 December 2005 £'000	Year ended 30 June 2006 £'000
Value of share options/LTIPs expensed in period	276	84	245

2 RECONCILIATION IN MOVEMENT IN SHAREHOLDERS' FUNDS

	Six months ended 31 December 2006 £'000
Loss for the period	(2,086)
New shares issued	3,080
Premium on new share capital subscribed	63,967
Other reserves movement	276
Opening shareholders' equity funds	84,029
Closing shareholders' equity funds	149,266

3 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Six months ended 31 December 2006 £'000
Operating loss	(2,086)
Depreciation	78
Increase in stocks	(3,389)
Increase in debtors	(10,667)
Decrease in creditors	(348)
Net cash outflow from operating activities	(16,412)

4 INTERIM REPORT

This document represents the Interim Report and half yearly results of BowLeven plc. Copies of the Interim Report will be sent to shareholders and can be obtained, free of charge, from the Company at 68-70 George Street, Edinburgh, EH2 2LT for a period of one month.

5 POST-BALANCE SHEET EVENT – ACQUISITION OF FIRSTAFRICA OIL

On 26 January 2007, BowLeven announced that the recommended all share offer made for the entire issued share capital of FirstAfrica Oil plc had been declared wholly unconditional. Accordingly, FirstAfrica will now form part of the BowLeven Group with effect from 26 January 2007.

6 FINANCIAL INSTRUMENT COMMITMENTS

The Group has outstanding forward contracts to manage foreign currencies by committing to purchase US\$3 million per month @ \$1.8625 from 1 January 2007 to 30 June 2007.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ronnie Hanna

Chairman

Kevin Hart

Chief Executive Officer

John Morrow

Chief Operating Officer

Chief Tabetando

Chairman of EurOil

John Brown

Finance Director

Peter Wilson

Commercial Director

Caroline Cook

Non-Executive Director

Steve Lowden

Non-Executive Director

ADVISERS

Nominated Adviser & Broker

Hoare Govett Limited

250 Bishopgate

London EC2M 4AA

Solicitors

McClure Naismith

3 Ponton Street

Edinburgh EH3 9QQ

Auditors

Baker Tilly

23 Queen Street

Edinburgh EH2 1JX

Bankers

The Royal Bank of Scotland

36 St Andrew's Square

Edinburgh EH2 2YB

Registrars and Receiving Agents

Park Circus Registrars Limited

James Sellars House

144-146 West George Street

Glasgow G2 2HG

Financial PR Consultants

The Maitland Consultancy

Orion House

5 Upper St Martin's Lane

London WC2H 9EA

Secretary and Registered Office

Peter Wilson

68-70 George Street

Edinburgh EH2 2LT

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Tel +44 (0)131 220 7990 www.emperordesign.co.uk

WWW.BOWLEVEN.COM

68-70 GEORGE STREET
EDINBURGH
EH2 2LT
UNITED KINGDOM
+ 44 (0) 131 260 5100

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OIL & GAS COMPANY

