



12 November 2007

Bovleven Plc ('Bovleven' or 'the Company')

Preliminary results for the year ended 30 June 2007

Bovleven, the African focused oil & gas company listed on AIM, today announces its preliminary results for the year ended 30 June 2007.

Highlights of the year include:

- Two successful wells, in Block 7, Rio del Rey Basin;
- New discovery in Block 5, Douala Basin;
- Announced and completed a successful takeover of FirstAfrica Oil Plc;
- Farmed out 50% of the onshore Epaemeno Block, Gabon to Addax;
- P50 resource base increased by over 50% during year to 167 mmboe
- Strengthened both the Board and Technical Team; and
- Carried out equity fundraisings of £67 million (net of expenses)

Commenting Kevin Hart, Bovleven CEO, said:

"2006/7 was a year of strong delivery against strategy. The potential of our asset base on blocks 5 and 7 has been substantially advanced, and we have strengthened the resources of the Group through recruitment, acquisition and raising new equity. In the current year, we look to sustain this progress through exploration and appraisal drilling, and to provide Bovleven both with options for the commercialisation of the portfolio and the further development of value for our shareholders."

ENQUIRIES

For further information please contact:

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We are delighted to report that the last year proved to be a very successful time for the Company. During the period, Bowleven made significant steps towards evolving into a business that can ultimately deliver on its goal of consistent organic growth and material shareholder value creation.

The period was marked by a large degree of positive change and activity, with many significant milestones being reached. These included:

- Undertaking a successful three well exploration and appraisal programme in Cameroon that resulted in:
 - The flow testing of the E field appraisal well in Block 7 in the Rio del Rey Basin at 30 mmscfd of gas and 3,800 bpd of condensate.
 - The discovery of the D field in Block 5 in the Douala Basin that tested 26 mmscfd of gas and 1,454 bpd of condensate.
 - The discovery of gas, condensate and oil 700 feet high to prognosis on the IF structure in Block 7 indicating the possible connectivity of the IE and IF accumulations and a possible 1,300-foot hydrocarbon column.
- Announcing and completing a successful takeover of FirstAfrica Oil Plc.
- Farming out part of the onshore Epaemeno Block in Gabon to Addax, subject to government approval.
- Strengthening both the Board and the technical team.
- Carrying out equity fundraisings totalling £67 million net of expenses.

Value Creation

The Bowleven Board and management team strive to position the Company in such a way as to maximise its chances of success and the creation of shareholder value. In so doing, the Board applies a set of aims that it believes is consistent with these goals, namely:

- Have an asset base with the potential for material exploration success, augmented with opportunistic niche acquisitions;
- Create the environment for a competitive advantage to exist through the focused active management of political, commercial and technical risk;
- Foster strong external partnerships and excellent relationships with host nations, based always on mutual respect;
- Keep control of our destiny by acting as exploration operator;
- Maintain a robust financial position;
- Building a world-class team of motivated individuals and an environment where they, and the Company, maximise their potential.

Cameroon

In the past few years we understand that Bowleven, through its wholly-owned subsidiary EurOil, has invested more in Cameroon on exploration and appraisal activities than any other oil and gas company. Recently significant time and effort has been expended on reprocessing and interpreting the extensive 2D and 3D seismic database that the Company has on its Etime Permit covering Blocks MLHP 5, 6 and 7.

The culmination of this work has been a successful three-well drilling programme that was conducted earlier this year on the acreage.

The first (IE-2) and third (IF-1) wells of the campaign, drilled on Block MLHP 7, have helped build confidence that both these structures are connected. Whilst further appraisal of the IF structure is required to confirm the extent of the hydrocarbons present, it is considered likely, due to the excellent reservoir characteristics and high condensate yields encountered, that this area will prove an excellent development candidate. The current development concept for the area anticipates that, initially, the gas produced would be recycled and the condensate extracted and transported to Cameroon via pipeline. Such a scheme has the benefit of negating any immediate requirement for gas sales and would enable the recycled gas to be extracted and sold subsequently when a market becomes available.

It is intended that at least one further appraisal well will be drilled on the IF structure. A tender process to secure a rig is ongoing and it is hoped that a well can be completed during the first quarter of 2008.

The second well of the programme (D-1), a higher risk exploration well drilled in Block MLHP 5 in the Douala Basin, also proved successful. The well, which was the first to be drilled on Bowleven's acreage in the Basin, tested 26 mmcf/d of gas and 1,454 bpd of condensate. The result of this well, combined with the recent positive drilling news in the adjoining acreage, also in the Douala Basin, bodes extremely well for the future exploration of this under-explored basin. The technical team has identified numerous further oil and gas prospects and leads on the acreage. It is intended that further drilling will occur on the acreage in the second half of 2008.

A key objective for the Group in the next 12 to 18 months is to seek to monetise our existing resource base in Block MLHP 7 in Cameroon together with any additional gas/liquids discovered in Blocks MLHP 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 Group's resource base to Limbe, combined with the high well deliverability and liquids content of the gas, should help ensure that Bowleven is ideally positioned to participate in any future gas export project.

Gabon

Bowleven gained entry to its position in Gabon through the acquisition of FirstAfrica Oil, which it completed on 26 January 2007. Since then, progress has been made on both of the contract areas (East Orovinyare and Epaemeno) that were acquired through this transaction.

On the offshore East Orovinyare PSC, extensive work has been carried out to determine the optimal evacuation and processing solution for the production. A final decision on the preferred option is anticipated by the end of 2007, with production anticipated to commence from the field in early 2009.

With regard to the onshore Epaemeno PSC, it was decided to bring into the acreage adjoining operators Addax. It is hoped that their local experience in the acreage will help add value to Bowleven's position as we move forward with seismic and drilling activities in 2008/2009.

Resource Base

The combined 2p resource base for the Group, as independently certified by Scott Pickford and Netherland, Sewell & Associates, is currently 167 mmbob. In addition, the mean unrisks in place exploration inventory comprises over 1.8 billion bob.

Finance

The Group reported a loss of £4.8 million for the year ended 30 June 2007 as we work towards first production from our asset base. The main contributor to this loss was an increase in administrative expenses during the year of £3.7 million to £7.4 million, part of which reflected the expected expansion in the scale of the Group's operations to properly carry out both the work programme to exploit the potential of the Etinde Permit and the integration of the Gabonese operations into the Group following the FirstAfrica acquisition. This was also the first period that the Group had applied FRS 20, which requires all companies to recognise the fair value of employee share-based benefits in the financial statements. This resulted in a charge of £0.8 million for the year ended 30 June 2007 that has been included within administrative expenses (there was a corresponding adjustment to the comparative figures of £0.3 million to reflect the adoption of this new accounting standard).

There was a further charge of £1.4 million within administrative expenses resulting from translation differences on foreign exchange transactions charged to the profit and loss account.

With £67 million of new equity finance raised during the year and a £36 million outflow for Capex, the balance sheet is healthy. The Group had £53 million net cash resources at the year end.

Outlook

The next twelve months promise to be an exciting time in the ongoing evolution of Bowleven. We have a high quality team that is capable of optimising and creating additional value from our existing portfolio whilst also assessing new opportunities as they arise. Of key importance will be the progress towards monetisation of our resource base in Cameroon.

The industry remains an extremely competitive one and if we are to succeed we must ensure that we manage the political, technical and commercial risks we face with energy, belief, integrity and teamwork. This will remain our focus.

Finally, Steve Lowden, who has served as a non-executive director since 1995, is going to step down from the Board at the AGM. His contribution to the Group has been highly regarded and we thank him for all his efforts during his period with Bowleven.

Ronnie Hanna Kevin Hart

Chairman Chief Executive Officer

12 November 2007

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2007

	<i>Notes</i>	2007 £'000	2006 £'000
TURNOVER		-	-
Distribution costs		-	-
Administrative expenses		<u>7,388</u>	<u>3,674</u>
OPERATING LOSS			
Continuing operations		(6,519)	(3,674)
Acquisitions		(869)	-
		<u>(7,388)</u>	<u>(3,674)</u>
Interest receivable and similar income		2,629	1,687
Interest payable and similar charges		(9)	(2)
		<u>(4,768)</u>	<u>(1,989)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,768)	(1,989)
Taxation		-	-
		<u>(4,768)</u>	<u>(1,989)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(4,768)</u>	<u>(1,989)</u>
Basic and diluted Earnings Per Share (£/share)		<u>(0.09)</u>	<u>(0.07)</u>

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

GROUP BALANCE SHEET
30 June 2007

	2007 £'000	2006 £'000
FIXED ASSETS		
Intangible assets	95,669	40,953
Tangible assets	31,921	381
	<u>127,590</u>	<u>41,334</u>
CURRENT ASSETS		
Stocks	3,893	810
Debtors	1,039	435
Cash at bank	52,550	42,453
	<u>57,482</u>	<u>43,698</u>
CREDITORS		
Amounts falling due within one year	(9,717)	(1,003)
	<u>47,765</u>	<u>42,695</u>
NET CURRENT ASSETS		
	<u>175,355</u>	<u>84,029</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
	<u>175,355</u>	<u>84,029</u>
CAPITAL AND RESERVES		
Called up equity share capital	7,452	2,961
Share premium account	177,750	86,002
Other reserves	3,986	3,218
Foreign exchange reserve	(913)	-
Profit and loss account	(12,920)	(8,152)
	<u>175,355</u>	<u>84,029</u>
SHAREHOLDERS' FUNDS		
	<u>175,355</u>	<u>84,029</u>

GROUP CASH FLOW STATEMENT
For the year ended 30 June 2007

	2007 £'000	2006 £'000
Net cash flow from operating activities	(10,533)	(3,411)
Returns on investments and servicing of finance	2,620	1,685
Tax	(25)	-
Capital expenditure and financial investment	(48,553)	(29,433)
Acquisitions and disposals	(458)	-
CASH OUTFLOW BEFORE FINANCING	<u>(56,949)</u>	<u>(31,159)</u>
Financing	67,046	53,094
INCREASE IN CASH IN THE PERIOD	<u><u>10,097</u></u>	<u><u>21,935</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007 £'000	2006 £'000
Increase in cash in the year	10,097	21,935
CHANGE IN NET FUNDS	<u>10,097</u>	<u>21,935</u>
NET FUNDS AT 1 JULY 2006	42,453	20,518
NET FUNDS AT 30 JUNE 2007	<u><u>52,550</u></u>	<u><u>42,453</u></u>

NOTES FORMING PART OF THE FULL YEAR RESULTS

BASIS OF ACCOUNTING

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

1 BASIC AND DILUTED EARNINGS PER SHARE

	2007	2006
	£	£
Basic and diluted EPS – Ordinary shares of £0.10 each	<u>(0.09)</u>	<u>(0.07)</u>
Basic and diluted calculation based on:		
Loss for the financial year	<u>4,767,985</u>	<u>1,988,040</u>
Weighted average number of ordinary shares in the period – Basic EPS	<u>53,980,015</u>	<u>27,138,432</u>
Weighted average number of ordinary shares in the period – Diluted EPS	<u>54,126,857</u>	<u>27,285,274</u>

2 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£'000	As restated £'000
Loss for the financial year as previously stated	(4,768)	(1,744)
Prior year adjustment – FRS 20	–	(245)
Loss for the year as restated	<u>(4,768)</u>	<u>(1,989)</u>
New equity share capital subscribed	4,491	850
Premium on new share capital subscribed	91,748	52,244
Exchange differences on consolidation	(913)	–
Value of share options expensed	768	245
Net increase to funds	<u>91,326</u>	<u>51,350</u>
Opening shareholders' equity funds	<u>84,029</u>	<u>32,679</u>
Closing shareholders' equity funds	<u>175,355</u>	<u>84,029</u>

3 CHANGE IN ACCOUNTING POLICY

FRS 20 'Share-Based Payment' has been adopted with effect from 1 July 2006. For the year ended 30 June 2006, the change in accounting policy resulted in a net increase in the loss for the year of £245,000. The balance sheet at 30 June 2006 has been restated to reflect the recognition of a share options reserve of £335,000. For the year ended 30 June 2007 the change in accounting policy resulted in a net charge to the profit and loss account of £768,000. At 30 June 2007, the share options reserve amounted to £1,103,000

4 ADOPTION OF IFRS

Bowleven will adopt International Financial Reporting Standards (IFRS) with effect from 1 July 2007. The first results to be prepared under this basis will be the 2007 Interim Results later this year. This will require adjusting prior periods to arrive at the opening balances and comparative figures. The conversion work has already been successfully completed and a first time adoption document will be released in the near future.

This document provides details of the full year results of Bowleven Plc. Copies of the Annual Report will be sent to shareholders and can be obtained, free of charge, from the Company at 1 North St Andrew Lane, Edinburgh, EH2 1HX for a period of one month.

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Notes to the Editor:

Bowleven is an African focussed oil and gas group, based in Edinburgh and traded on AIM since December 2004.

BowLeven holds, through its wholly-owned subsidiary EurOil Limited, a 100% equity interest in the Etinde Permit area being three shallow water blocks in offshore Cameroon, West Africa; namely 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. Bowleven has operated in Cameroon since 1999.

The Cameroon Government has announced a cooperation agreement with the Government of Equatorial Guinea to investigate a project to export gas from Cameroon to the gas liquefaction plant on Bioko Island on Equatorial Guinea. It is proposed that Limbe would be the gathering hub for any such scheme.

Bowleven also holds, through its wholly-owned subsidiary FirstAfrica Oil, a 100% equity interest in the EOV offshore block in Gabon, which contains an existing oil discovery that it is seeking to develop, and, subject to government of Gabon consent of a farm out to Addax Petroleum, a 50% equity interest in the Epaemeno Block which is 1,340 km² of exploration acreage in onshore Gabon which sits adjacent to a number of recent discoveries in surrounding blocks.