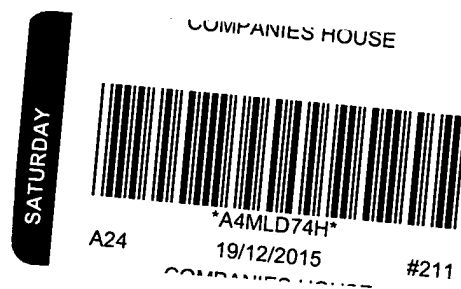


**FIRSTAFRICA OIL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**for the year ended**  
**30 June 2015**



# **FIRSTAFRICA OIL LIMITED**

## **DIRECTORS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

Kerry Crawford  
Kevin Hart (Chairman)  
Edward A.F. Willet  
Peter G. Wilson – resigned 5 May 2015

### **SECRETARY**

Brian Cassidy

### **COMPANY NUMBER**

04006418

### **REGISTERED OFFICE**

Condor House  
St. Paul's Churchyard  
London  
EC4M 8AL

### **BUSINESS ADDRESS**

The Cube  
45 Leith Street  
Edinburgh  
EH1 3AT

### **AUDITOR**

Ernst & Young LLP  
G1  
5 George Square  
Glasgow  
G2 1DY

### **SOLICITOR**

Shepherd & Wedderburn LLP  
1 Exchange Crescent  
Edinburgh  
EH3 8UL

### **PRINCIPAL BANKER**

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

# **FIRSTAFRICA OIL LIMITED**

## **DIRECTORS' REPORT**

**Company Number: 04006418**

The directors present their report and financial statements of FirstAfrica Oil Limited ("the Company") for the year ended 30 June 2015.

### **RESULTS AND DIVIDENDS**

The results of the Company for the year are set out on page 7 and show a profit for the year of \$17,000 (2014: loss of \$11,000). The Company has taken advantage of the small companies exemption from preparing a Strategic report.

The directors do not recommend the payment of a dividend (2014: nil).

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the Company in the year under review was as an intermediate holding company for the subsidiary GGPC Gabon (Epaemeno) Limited.

The principal activity of the Company will continue to be as an intermediate holding company for GGPC Gabon (Epaemeno) Limited. Unless the ultimate parent company decides to re-enter Gabon there is likely to be very little activity in the foreseeable future.

#### **GGPC Gabon (Epaemeno) Limited**

On 29 July 2011, the Epaemeno permit held by GGPC Gabon (Epaemeno) Limited was relinquished. The investment in GGPC Gabon (Epaemeno) Limited was subsequently impaired and amounts owed by GGPC Gabon (Epaemeno) Limited provided against.

#### **Other**

The administrative expenses in the year were \$1,000 (2014: \$11,000) net of \$8,000 of miscellaneous income. The Company has foreign exchange gains of \$18,000, compared to foreign exchange gain of \$81 in the prior year.

### **RISK AND UNCERTAINTIES**

As FirstAfrica Oil Limited's principal role is as an intermediary holding company for GGPC Gabon (Epaemeno) Limited, there is minimal risk and uncertainty directly faced by the Company. Risk and uncertainty, along with key focus areas, are evaluated on a group basis and considered in the consolidated accounts of the Company's parent undertaking, Bowleven plc.

# **FIRSTAFRICA OIL LIMITED**

## **DIRECTORS' REPORT (*continued*)**

### **DIRECTORS**

The directors who served the Company during the year are shown on page 1.

Qualifying third party indemnity provisions for the benefit of all of the directors were in force throughout the financial year and as at the date of approval of the financial statements.

### **GOING CONCERN**

Although the Company holds net liabilities as at 30 June 2015, the Company's parent company, Bowleven plc, has confirmed it will make available sufficient funds to allow Company to meet its liabilities as they fall due for the next twelve months. Hence these accounts have been prepared on a going concern basis.

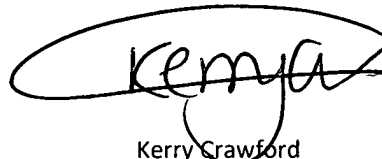
### **AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Ernst & Young LLP has indicated its willingness to continue in office and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Registered office:  
Condor House  
St Paul's Churchyard  
London  
EC4M 8AL

On behalf of the board:

A handwritten signature in black ink, appearing to read 'Kerry Crawford', is written over a large, hand-drawn oval. The signature is fluid and cursive.

Kerry Crawford  
Director  
16 December 2015

# **FIRSTAFRICA OIL LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing those 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRSTAFRICA OIL LIMITED**

We have audited the financial statements of FirstAfrica Oil Ltd for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRSTAFRICA OIL LIMITED (continued)**

### **Matters on which we are required to report by exception**

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.
- the directors were not entitled to take advantage of the small companies' exemption from the need to prepare a Strategic Report or in preparing the Directors' Report.

A handwritten signature in black ink, appearing to read 'James Nisbet', with a stylized flourish at the end.

James Nisbet (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP  
Statutory Auditor  
Glasgow

16 December 2015

## **FIRSTAFRICA OIL LIMITED**

### **PROFIT AND LOSS ACCOUNT**

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Administrative expenses		<u>(1)</u>	<u>(11)</u>
OPERATING LOSS	2	(1)	(11)
Finance income	3	<u>18</u>	<u>(-)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		17	(11)
Taxation on profit/(loss) from ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY	10	<u>17</u>	<u>(11)</u>

All operations are continuing.

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

for the year ended 30 June 2015

There are no recognised gains or losses other than the profit attributable to members of the Company of \$17,000 in the year ended 30 June 2015 (2014: loss \$11,000).

The notes on pages 9 to 13 form part of these financial statements.



# FIRSTAFRICA OIL LIMITED

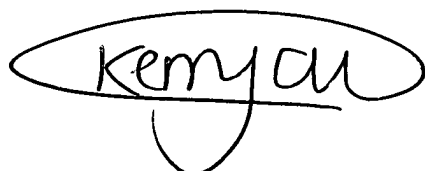
## BALANCE SHEET

As at 30 June 2015

Company Number: 04006418

	Notes	2015 \$'000	2014 \$'000
<b>FIXED ASSETS</b>			
Investments	5	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors	6	13	-
Cash at bank and in hand		<u>3</u>	<u>3</u>
		<u>16</u>	<u>3</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(122)</u>	<u>(21)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(106)</u>	<u>(18)</u>
<b>NET LIABILITIES</b>		<u>(106)</u>	<u>(18)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	5,252	5,252
Share premium account	9	132,521	132,521
Other reserves	9	(105)	-
Profit and loss account	9	<u>(137,774)</u>	<u>(137,791)</u>
<b>SHAREHOLDERS' DEFICIT</b>	10	<u>(106)</u>	<u>(18)</u>

The financial statements on pages 7 to 13 were approved by the board of directors and authorised for issue on 16 December 2015 and are signed on their behalf by:



Kerry Crawford  
Director

# **FIRSTAFRICA OIL LIMITED**

## **NOTES TO THE ACCOUNTS**

### **1 ACCOUNTING POLICIES**

#### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards. Although the Company holds net liabilities as at 30 June 2015, the Company's parent company, Bowleven plc, has confirmed it will make available sufficient funds to allow the Company to meet its liabilities as they fall due for the next twelve months. Hence these accounts have been prepared on a going concern basis.

#### **FUNCTIONAL CURRENCY**

The functional currency of the Company is the United States Dollar. The financial statements are therefore presented in US dollars.

#### **CONSOLIDATION**

The Company was, at the end of the year, a wholly-owned subsidiary of Bowleven plc, a company incorporated in the EU and, in accordance with section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The financial statements contain information about the Company as an individual undertaking.

#### **CASH FLOW STATEMENT**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is a small wholly owned subsidiary and its parent publishes a consolidated cash flow.

#### **FOREIGN CURRENCIES**

Assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction.

#### **TAXATION**

UK Corporation tax payable is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

#### **INVESTMENTS**

Investments, held as non-current assets, are stated at cost less any provision for permanent impairment.

#### **EMPLOYEE BENEFIT TRUST**

Shares acquired to meet awards under Bowleven plc's share based payment compensation plans are held by the Employee Benefit Trust (EBT). The accounts of the EBT are consolidated in these financial statements.

# FIRSTAFRICA OIL LIMITED

## NOTES TO THE ACCOUNTS (*continued*)

### 2 OPERATING (LOSS)

Operating (loss) is stated after charging:

	2015 \$'000	2014 \$'000
Auditors' remuneration	(9)	(11)
	<u>(9)</u>	<u>(11)</u>

FirstAfrica Oil Limited has taken advantage of the exemption permitted by SI 2008 No 489 not to disclose fees in relation to non-audit services as such disclosure is contained within the consolidated accounts of its parent undertaking, Bowleven plc.

### 3 FINANCE INCOME

	2015 \$'000	2014 \$'000
Foreign exchange gain	18	-
	<u>18</u>	<u>-</u>

### 4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

#### a) Analysis of charge in the year

	2015 \$'000	2014 \$'000
<i>Current tax:</i>		
UK corporation tax at 20% (2014: 20%)	-	-

#### b) Factors affecting tax charge for the year

The charge for the loss can be reconciled to the profit/(loss) in the profit and loss account as follows:

	2015 \$'000	2014 \$'000
Profit/(Loss) on ordinary activities before taxation	<u>17</u>	<u>(11)</u>
Profit/(Loss) on ordinary activities at the standard rate of corporation tax in the UK of 20% (2014: 20%)	3	(2)
<i>Effects of:</i>		
Tax losses utilised	(3)	-
Trading losses carried forward	-	2
<i>Current tax charge for the year</i>	<u>-</u>	<u>-</u>

# FIRSTAFRICA OIL LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

### 4 TAXATION *(continued)*

No provision for corporation tax is required due to the availability of tax losses. At 30 June 2015, corporation tax losses were approximately \$7.9m (2014: \$7.9m). Tax losses will be carried forward and are potentially available for utilisation against taxable profits for future years.

The Company has not recognised a deferred tax asset in respect of these tax losses and timing differences as it does not currently meet the recognition criteria of FRS 19. The asset will be recognised in future periods when its recovery (against taxable profits) is considered more likely than not.

### 5 INVESTMENTS

	Subsidiary Undertaking \$'000
<i>Cost:</i>	
At 1 July 2014 and 30 June 2015	<u>288</u>
<i>Amounts provided:</i>	
At 1 July 2014 and 30 June 2015	<u>(288)</u>
<i>Net book value:</i>	
At 30 June 2014 and 30 June 2015	<u>-</u>

Investments comprise:

Name of company	Country of incorporation	Holdings	Nature of business
GGPC Gabon (Epaemeno) Limited	British Virgins Islands	100%	Oil & Gas Exploration

### 6 DEBTORS

	2015 \$'000	2014 \$'000
Amounts owed by subsidiary undertakings	11,381	11,389
Provision for amounts owed to subsidiary undertakings	(11,381)	(11,389)
Sundry debtors	<u>13</u>	<u>-</u>
	<u>13</u>	<u>-</u>

# FIRSTAFRICA OIL LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

### 7 CREDITORS: *amounts falling due within one year*

	2015 \$'000	2014 \$'000
Amounts owed to subsidiary undertakings	(113)	-
Sundry creditors	-	(10)
Accruals	(9)	(11)
	<u>(122)</u>	<u>(21)</u>

### 8 SHARE CAPITAL

	2015 Number	2014 Number	2015 \$'000	2014 \$'000
Allotted, called up and fully paid: Ordinary shares of £0.0001 each				
At 1 July	2,675,694,312	2,675,694,312	5,252	5,252
Issued during the year	-	-	-	-
At 30 June	<u>2,675,694,312</u>	<u>2,675,694,312</u>	<u>5,252</u>	<u>5,252</u>

### 9 RESERVES

	Share premium account \$'000	Profit and loss account \$'000	Other reserves \$'000
At 30 June 2014	132,521	(137,791)	-
Movement for the year	-	-	(105)
Retained profit for the year	-	17	-
At 30 June 2015	<u>132,521</u>	<u>(137,774)</u>	<u>(105)</u>

During the year to 30 June 2015 the Employee Benefit trust comprising 354,414 shares held in Bowleven plc for the settlement of share based payment obligations, were transferred from Bowleven Resources Limited to First Africa Oil limited. As at the 30 June 2015 the shares held in trust reserve included 136,777 shares (2014: 354,414 shares), during the year the EBT purchased 200,000 shares (2014:nil) and issued 417,637 shares (2014:nil).

# FIRSTAFRICA OIL LIMITED

## NOTES TO THE ACCOUNTS (*continued*)

### 10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2015 \$'000	2014 \$'000
At 1 July	(18)	(7)
Share premium movement for the year	-	-
Movement for the year (see note 9)	(105)	
Profit/(loss) for the year	17	(11)
Closing shareholders' deficit	<u>(106)</u>	<u>(18)</u>

### 11 RELATED PARTY TRANSACTIONS

As a subsidiary of Bowleven plc, advantage has been taken of the exemption granted by Financial Reporting Standard 8, Related Party Disclosures, not to report details of the transactions with other 100% owned entities.

### 12 ULTIMATE PARENT COMPANY

The Company's immediate and ultimate parent undertaking at the balance sheet date was Bowleven plc, a company incorporated in Scotland, United Kingdom. Bowleven plc's shares were admitted to the AIM market on 7 December 2004.

Copies of the group's accounts, which include the Company, can be obtained from Bowleven plc, The Cube, 45 Leith Street, Edinburgh, EH1 3AT.

### 13 DIRECTORS REMUNERATION

The directors of the Company are also directors of the ultimate parent company, Bowleven plc. The FirstAfrica Oil Limited directors received remuneration for the year of \$2.1m (2014: \$1.7m), all of which was paid by the ultimate parent company. The directors do not believe it is practicable to apportion this amount between their services as directors of the Company and their services as directors of Bowleven plc and fellow subsidiaries.

The directors participate in a long term incentive plan. The LTIP is designed to reward directors in line with the future performance of Bowleven plc. Four FirstAfrica Oil Limited directors received awards under the Bowleven plc LTIP scheme during the year (2014: four). The aggregate amount of gains, relating to directors of FirstAfrica Oil Limited, on the vesting of LTIPs was \$0.1m (2014: nil).

As at 30 June 2015 three FirstAfrica Oil Limited directors held awards under the Bowleven plc LTIP scheme (2014: four).