

13 August 2014

Oslo Axess / NSX Announcement

African Petroleum Corporation Limited  
("African Petroleum Corporation" or the "Company")

**Agreements Signed to Convert International Petroleum Limited Loan Amounts**

African Petroleum Corporation has signed agreements with International Petroleum Limited ("IOP") regarding the conversion of US\$13 million owed by IOP to the Company into fully paid IOP ordinary shares.

In May 2011 the Company provided a US\$10 million loan facility to IOP and in April 2013 the Company paid a refundable exclusivity deposit to IOP of US\$1,235,000. These amounts together with accrued interest and commitment fees total US\$13 million and are now due and payable by IOP to the Company. Due to the financial position of IOP it has been unable to repay the full amounts owed and accordingly the Company fully impaired the total amount owed in its 2013 financial statements.

As announced by IOP on 12 August 2014, it is now in the process of completing the sale of its Russian assets. Upon conclusion of the sale IOP will make a cash repayment of US\$559,090 to African Petroleum Corporation and all other outstanding monies owed to the Company will convert into fully paid ordinary shares of IOP at a price of A\$0.06 per share. Additionally, African Petroleum Corporation will be granted 5 million IOP share options exercisable at A\$0.06 per share within 24 months from issue date.

Following the loan conversion, African Petroleum Corporation is expected to hold 233,890,450 ordinary shares in IOP representing a holding of approximately 14%.

IOP is listed on the National Stock Exchange of Australia ("NSX") and had a market capitalisation of A\$71 million prior to suspension of trading in March 2013. The securities of IOP are expected to be restored to trading on the NSX upon completion of the Russian assets sale and settlement of IOP's creditors.

**Dr Stuart Lake, African Petroleum Corporation's CEO commented:** "We are pleased with the result of the negotiations with International Petroleum, the objective of which was to recover as much value from this situation as possible, and we are confident that we have achieved this. IOP is now in a strong position to complete the sale of its Russian assets and move forward with its international portfolio of exploration and production licences. IOP will now focus on its highly prospective assets in Niger and has recently revised its exploration programme to incorporate new technology (FTG Full Tensor Gradiometry) in order to high grade the prospectivity at low cost; a process recently completed with great success by Tullow in Uganda and Africa Oil in Kenya. Additionally, African Petroleum Corporation has the right to appoint one member to the IOP board to oversee our substantial investment in the company."

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**About African Petroleum Corporation**

African Petroleum Corporation is a dynamic, independent oil and gas exploration company operating eight licences in four countries offshore West Africa. The Company's assets are located in fast-emerging hydrocarbon basins, principally the West African Transform Margin, where several discoveries have been made in recent years, including African Petroleum Corporation's Narina-1 discovery in February 2012, which proved a working hydrocarbon system in the Liberian basin. With a combined net acreage position of 28,295km<sup>2</sup> through its licences in Côte d'Ivoire, Liberia, Senegal and Sierra Leone, the Company has matured its portfolio rapidly, acquiring more than 15,000km<sup>2</sup> of 3D seismic data and successfully drilling three wells, one of which was the first hydrocarbons discovery in the offshore Liberian deep-water basin.

For more information about African Petroleum Corporation, please see [www.africanpetroleum.com.au](http://www.africanpetroleum.com.au)

This information is subject to disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.