

30 January 2015
NSX Announcement

Quarterly Reports

Please find attached the following reports relating to the quarter ended 31 December 2014:

- Quarterly Disclosure Declaration;
- Quarterly Activities Report; and
- Quarterly Cash Flow

Yours faithfully
African Petroleum Corporation Limited

For further information, please contact:

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29 January 2015

Mr Ian Craig
Companies Manager
National Stock Exchange of Australia Limited
Suite 1.2
415 Riversdale Road
Hawthorn East Vic 3123

Dear Sir

QUARTERLY DISCLOSURE DECLARATION

On behalf of the Board of African Petroleum Corporation Limited (the "Company"), we declare that the Board has reviewed the operations of the Company and, in the opinion of each member of the Board:

- (a) all matters that require disclosure have been disclosed by the Company in accordance with Listing Rules of the NSX; and
- (b) the market remains fully informed as to the prospects and activities of the Company

Yours sincerely



Charles Matthews
Chairman



David King
Non-Executive Director



Stuart Lake
Chief Executive Officer



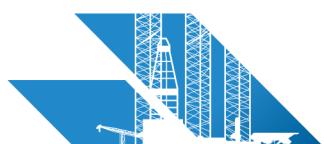
HIGHLIGHTS

CORPORATE

- On 23 December 2014, the Company announced that it signed a non-binding term sheet agreeing terms with a private London based independent oil and gas company to farm-in to the Company's 100% owned Liberian LB-08 licence for 50% equity
- Cairn Energy announced a second oil discovery in Senegal at SNE-1, in acreage adjacent to African Petroleum; preliminary estimates indicate it is a commercial discovery with contingent resource ranging from P90 150 MMbbls, P50 330 MMbbls and P10 670 MMbbls reported by Cairn Energy, the operator. IHS reported it as the biggest exploration oil discovery globally in 2014. African Petroleum has many lookalike prospects to this and the prior Cairn discovery at FAN-1 in both The Gambia and Senegal.
- Approximately US\$3.9 million cash at bank as at 31 December 2014, together with US\$12m restricted cash that will be released upon the achievement of certain drilling milestones in Côte d'Ivoire
- On 15 December 2014, Ian Philliskirk joined African Petroleum as the Company's Group General Counsel. Mr Philliskirk has over 20 years of corporate legal experience in a number of international companies
- Significant progress made with the farm-out process: high level of interest in our licences from a number of international companies with increased focus on Côte d'Ivoire, Senegal and The Gambia following significant nearby discoveries made during 2014 by Cairn Energy in Senegal and Total in Côte d'Ivoire

OPERATIONS

- The Gambian licences A1 and A4 have been reinstated on a 100% basis to African Petroleum through two wholly owned subsidiaries. The Gambian acreage is on trend with two discoveries made during 2014 in Senegal and has many analogue prospects
- On 18 December 2014, African Petroleum, through its wholly owned subsidiary African Petroleum Senegal Limited, entered into the First Renewal Period on licence Senegal Offshore Sud Profond with an 18 month extension and no drilling obligations
- In November 2014, an Environmental Impact Assessment was tendered for the drill activity anticipated to commence in Côte d'Ivoire late 2015
- Subsequent to quarter end, African Petroleum announced an upgrade to its prospective resources in Côte d'Ivoire and Liberia. ERC Equipoise, the independent petroleum consultant, prepared an updated assessment of prospective resources. This assessment resulted in additional 1,532 MMstb



unrisked prospective oil resources. Our total net unrisked mean prospective oil resources exceed 7.3 Billion barrels. We expect further updates on our Gambian, Sierra Leone and Senegalese Licences in H1 2015. The Company expects a significant uplift in the prospective resources number therein from both work performed by the Company and from third party catalyst well results. The information will be released through formal letters and an updated CPR over the coming months

- African Petroleum continues to work with Sierra Leone and Liberian governments following the outbreak of Ebola in 2014. The Company is working with an NGO in country to raise awareness of the disease

Stuart Lake, CEO commented:

"Substantial progress has been made in all areas of our business during the fourth quarter. Despite the challenging industry backdrop caused by the declining oil price, experienced in the latter part of the year, we are confident oil companies will continue to explore the best regions in the world and our acreage in West Africa undoubtedly presents a huge opportunity. As the largest net acreage holder in the region, we are best placed to benefit from interest by the large independents and majors alike and recent discoveries in Senegal and Côte d'Ivoire have certainly polarised thoughts and earlier misconceptions.

A significant step towards our goal of securing a farm-out deal was the signing of a term sheet for our Liberia License LB-08 in December 2014. We continue to hold encouraging discussions with a number of partners, and reiterate our high degree of confidence that we will complete further farm-out transactions on favourable terms in the first half of 2015. African Petroleum is poised for an active and transformational year and we look forward to reporting on our progress as we make further steps towards becoming a leading independent exploration company."

Company Background

African Petroleum Corporation Limited ("African Petroleum" or the "Company") is an independent oil and gas exploration company with ten licences in five countries offshore West Africa (Côte d'Ivoire, Liberia, Senegal, The Gambia and Sierra Leone). The Company's assets are located in fast-emerging hydrocarbon basins, where several discoveries have been made in recent years, including three significant discoveries during 2014: one by Total in Côte d'Ivoire and two by Cairn Energy in Senegal.

African Petroleum has a real opportunity to become a leading independent exploration company through its highly prospective acreage offshore West Africa.

The Company continues to achieve key operational milestones across its ten licences, having rapidly matured its exploration portfolio by acquiring more than

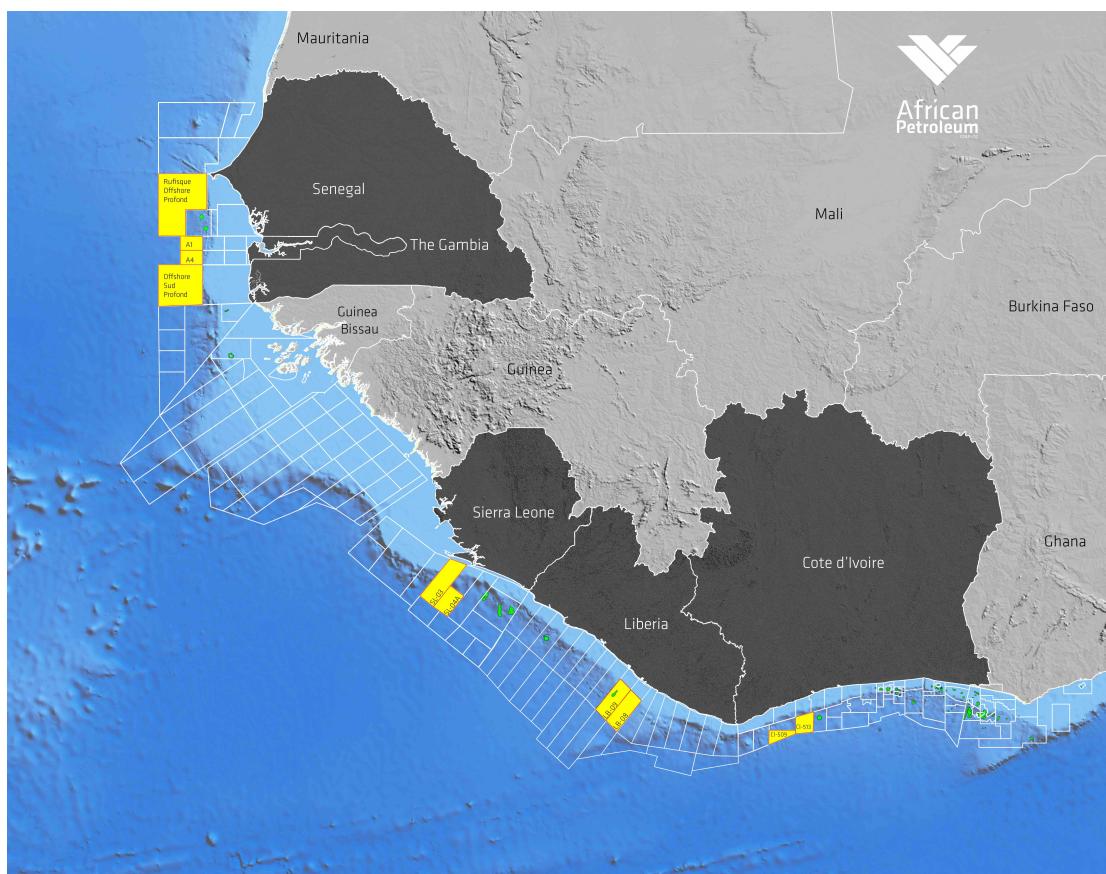


18,500km² of 3D seismic data and drilling three exploration wells, one of which was an oil discovery at Narina-1 in Liberia.

African Petroleum is the largest net acreage holder in the West African Transform Margin, rivaling industry majors such as: Anadarko Petroleum, Chevron Corporation, Exxon Mobil, Total, ENI and Lukoil. The Company has mean prospective oil resources in excess of 7.3 billion barrels (ERC Equipoise Competent Persons Report April 2014 in conjunction with ERCE Audit January 2015), further highlighting the scale of its presence in the region.

OPERATIONS

Location of African Petroleum's Licence Blocks



Senegal Project: Rufisque Offshore Profond and Senegal Offshore Sud Profond

Licence Overview

In Senegal, African Petroleum holds an 81% operated working interest in exploration blocks Rufisque Offshore Profond ("ROP") and Senegal Offshore Sud Profond ("SOSP") (together the "Senegal Licences"). The Company's Senegal Licences are located offshore southern and central Senegal, with a net acreage of 14,804km².

Licence Activity

To date, the Company has acquired 10,000km² of 2D seismic data over its Senegal Licences and has compiled an extensive regional database.

In May 2012, the Company completed a 3,600km² 3D seismic acquisition over the SOSP licence block. In the ROP block an existing seismic dataset (2007 vintage) covers 1,800km² and was purchased from Petrosen.

This base dataset was reprocessed with the final product delivered in Q4 2014 and interpretation is underway. Several large Cretaceous turbidite fan 'leads' have already been identified; these will be matured to prospects as the reprocessed data is evaluated and will be included in the updated CPR anticipated to be released in H1 2015.

Recent Updates

Interest in the margin continues to grow as evidenced by Kosmos Energy's return to the region. In September 2014, Kosmos Energy signed a farm-in agreement to acquire a 60% interest in two licences offshore Senegal in return for drilling up to three wells and acquiring approximately 7,000km² of 3D seismic. Reuters reported that Kosmos Energy has committed to drill two wells up to a total value of \$240 million, and it will then drill a third well to a value of another \$120 million.

On 7 October 2014, Cairn Energy announced an important oil discovery offshore Senegal. The FAN-1 exploration well recovered light oil from a series of stacked Cretaceous sandstones, with APIs ranging from 28° up to 41°. Cairn Energy believes that the discovery "may have significant potential as a standalone discovery".

Cairn Energy drilled a second well, SNE-1, offshore Senegal in 1,100m of water and announced, on 10 November 2014, that they had made an additional discovery. Initial analysis of the well, as reported by Cairn Energy, showed 95m gross oil bearing column with a gas cap. Excellent reservoir sands with net pay of 36m of 32 API oil and a P50 contingent resource of 330 MMbbls. FAR Ltd, one of Cairn's partners, issued notice of discovery on both wells and reported; "based on preliminary estimates, it [SNE-1] is highly likely to be a commercial discovery", a significant statement for both African Petroleum and the country.



On 18 December 2014, the Company announced that its subsidiary African Petroleum Senegal Limited received confirmation from the President in the form of a Presidential decree of entry into the First Renewal Period on licence SOSP. Prior to entering into the First Renewal Period, Petrosen agreed to defer the existing well commitment of the First Renewal Period of SOSP by 18 months to allow for further technical work by the Company prior to drilling.

The forward programme provides an opportunity to analyse the data fully, prior to making a commitment to drill the exploration well in the second sub period of the First Renewal Period.

In January 2015, Cairn Energy announced its intention to spud a series of exploration and appraisal wells offshore Senegal during the year. African Petroleum will monitor the results of this programme closely.

Each of these developments, especially their proximity to the Company's acreage, provides a very positive context to African Petroleum's presence offshore Senegal (and The Gambia - refer next section).

The Gambia Project: Blocks A1 & A4

Licence Overview

African Petroleum holds 100% operated working interest in offshore licences A1 and A4. The Company has completed a 3D seismic survey with data covering 2,500km². The Company has found a number of analogue leads and prospects in its acreage to that of the recent SNE-1 discovery made by Cairn Energy in Senegal.

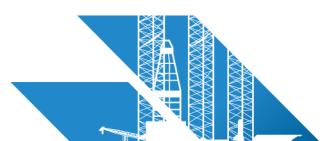
Licence Activity

On 27 November 2014, African Petroleum entered into an agreement with The Government of the Republic of The Gambia to reinstate the Company's Licence Block A1 and Licence Block A4 (together the "Gambian Licences") on a 100% interest basis, and settle all prior issues concerning the Gambian Licences. The reinstatement of the Gambian Licences is a significant and positive step for the Company, particularly following the recent oil discoveries made by Cairn Energy in Senegal.

Upon reinstatement, African Petroleum agreed to a revised initial exploration period that will expire on 1 September 2016 in return for a commitment to drill an exploration well on one of the Gambian Licences and reprocess 3D seismic on Licence Block A4 prior to 1 September 2016.

Recent Updates

The Company has identified leads and prospects in the Gambian Licences, many of which are on trend with the discoveries made at FAN-1 (announced 7 October 2014)



and SNE-1 (announced 10 November 2014) by the Cairn Energy operated group in Senegal.

African Petroleum is looking to farm-out both Gambian Licences and has had significant interest from international and large independent oil companies. We expect this interest to culminate in a farm-in in due course.

Liberian Project: Blocks LB-08 and LB-09

Licence Overview

African Petroleum is both operator and holder of a 100% working interest, in production sharing contracts LB-08 and LB-09, which have a combined net acreage of 5,352km². The Company has completed an extensive work programme on its Liberian licences with 5,100km² of 3D seismic acquired, three wells successfully drilled, including the discovery at Narina-1, and identified key prospects with net unrisked mean prospective oil resources in excess of 4,192MMstb (ERCE Audit January 2015 in conjunction with ERCE Competent Persons Report).

Licence Activities

African Petroleum has completed the acquisition and processing of 5,100km² of 3D seismic data over both licences. The interpretation of this data identified numerous prospects and leads in the Upper Cretaceous post rift section and also a number of Cretaceous aged syn-rift opportunities.

African Petroleum has successfully executed an initial exploration programme in LB-09, with three wells drilled: Apalis-1, Narina-1 and Bee Eater-1. In September 2011, African Petroleum completed drilling on its first exploration well, Apalis-1, on LB-09. The well encountered oil shows in several geological units including the shallow unlogged (Tertiary-Paleocene) and proved source rock in the Cenomanian.

The Narina-1 well was drilled on LB-09 in January 2012 targeting a major Turonian fan system. The Narina-1 well encountered a total of 32 metres of net oil pay in the primary objective Turonian and underlying Albian reservoirs with no oil water contact observed. African Petroleum's discovery at Narina-1 was the first to prove a working petroleum system in the central Liberian basin, an extremely positive result for the Company and one that improves the chances of success elsewhere in the area.

The Company drilled its third well, Bee Eater-1, on LB-09 in January 2013. The well tested an up-dip axial section of the Turonian slope fan in which the Company's Narina-1 discovery had been made in 2012. The Bee Eater-1 well encountered a tight reservoir interval, but provided the impetus to integrate the information into a predictive model for improved reservoir in slope fans outboard and down-dip. These



new findings have been incorporated into a revised interpretation of the subsurface across the portfolio, with new basin floor fan prospects identified in both blocks.

In September 2013, the Company completed reprocessing of all the 3D seismic data from its Liberian licences to improve image quality and support the maturation of additional prospects and appraisal opportunities. The reprocessing has highlighted that certain areas may benefit from improved seismic imaging and so both further targeted 3D reprocessing and acquisition of new high-resolution 3D seismic are currently being considered for LB-09 to cover two key exploration prospects (Narina West and Night Heron) near the Narina-1 well. Detailed stratigraphic analysis and reservoir quality prediction from seismic data will assist in the rapid assessment of both Narina West and Night Heron to further de-risk the licence area to enable accurate well positioning and efficient development in the event of appraisal success. The high-resolution 3D seismic survey, should it go ahead, will incorporate lessons learned from seismic reprocessing and will be acquired utilising state of the art broadband technology.

In LB-08, new seismic data is also being considered to cover three prospects (Lovebird, Darter and Turaco) in the Southern corner of the licence area. Encouraging amplitude support for reservoir and potential hydrocarbons exist within the current reprocessed dataset; however, near surface effects (shallow slump zone "mass transport deposit") degrades seismic data quality. New 3D high-resolution broadband datasets, should they be acquired, will better delineate and further de-risk the prospects prior to drilling.

The Company has identified a number of key prospects in the Liberian licences, with net unrisked mean prospective oil resources of 3,230MMstb (ERC Equipoise, CPR 2014).

Recent Updates

On 23 December 2014, African Petroleum signed a non-binding term sheet agreeing terms with a private London based independent oil and gas company to farm-in to the Company's 100% owned Liberian LB-08 licence for a 50% equity and non operated interest. Completion of the farm-in transaction, as contemplated by the Term Sheet, is subject to contract and a number of conditions precedent.

The signing of the Term Sheet is a significant milestone for African Petroleum and, should the farm-in transaction complete, the incoming party will bring a breadth of knowledge and experience to the partnership and will allow the Company to continue its exploration programme in its acreage offshore Liberia. African Petroleum and the incoming party has sought to extend the deadline by 30 days to complete the various contract assignments and African Petroleum with NOCAL has supported this.

In January 2015, African Petroleum announced that independent petroleum consultant ERC Equipoise prepared an updated assessment of prospective oil



resources attributable to the Company's Liberian Licences. This updated assessment, in conjunction with the ERCE Competent Persons Report (April 2014), estimates the net unrisked prospective oil resources at 4,192 MMStb.

Sierra Leone Project: Blocks SL-03 & SL-4A-10

Licence Overview

In Sierra Leone, the Company holds a 100% operated working interest in offshore licences SL-03 and SL-4A-10. African Petroleum was awarded a 100% interest in SL-03 in April 2010, while licence SL-4A-10 was awarded as part of Sierra Leone's third offshore licencing round in 2012. The Company's Sierra Leone licences cover a combined net acreage of 5,855km² and are located to the south of Freetown, offshore Sierra Leone.

Licence Activities

Since gaining operatorship of the Sierra Leone licences, African Petroleum has acquired approximately 2,500km² of 3D seismic data over block SL-03, approximately 1,000km² of 3D seismic data over block SL-4A-10 and 2D seismic data over block SL-4A-10. The Company has already identified a number of key prospects in its Sierra Leone licences, one of which has net unrisked mean prospective oil resources of 434 MMStb (ERC Equipoise, CPR 2014).

In September 2013 the Company received a two-year extension to the first exploration period for SL-03, extending the first exploration period on the block to April 2015.

Recent Updates

In September 2014, the Company commenced and completed the acquisition of approximately 1,000km² of 3D seismic data on Block SL-4A-10, offshore Sierra Leone. An initial version of the data was made available for interpretation in late December 2014. The Vega lead looks materially exciting as initial work supports an AVO response at the Campanian level over a large potentially dip-closed area. The final volume will be available in April 2015. This seismic acquisition fulfills the remaining obligations in Sierra Leone ahead of the next exploration phase in both blocks.



Côte d'Ivoire Project: Blocks CI-509 & CI-513

Licence Overview

In Côte d'Ivoire, African Petroleum holds a 90% working interest in offshore licences CI-509 and CI-513 (the "CI Licences"), the remaining 10% is held by Petroci, the National Oil Company of Côte d'Ivoire. The Company was awarded CI-513 in December 2011 and CI-509 in March 2012, with a combined net acreage of 2,284km². The Company has acquired 4,200km² of 3D seismic data and has identified in excess of 2,130 MMstb net unrisked prospective oil resources (ERCE Audit, January 2015).

Licence Activities

In October 2012, the Company acquired 4,200km² of 3D seismic data over the CI Licences, fulfilling the seismic work commitments of the first exploration phase for both licences.

Fast-track 3D seismic data was received in November 2012, while final 3D seismic depth processing of the entire survey was completed in March 2014. Interpretation of the data has identified a number of significant prospects, with net unrisked mean prospective oil resources of 1,560 MMstb (ERC Equipoise, CPR 2014). These numbers will be updated and upgraded in the new CPR (expected for release Q1 2015) as the new seismic volume and recent Total discovery has changed the view on this portfolio significantly.

On 22 April 2014 African Petroleum announced PSC Amendments to both licences CI-509 and CI-513. The PSC Amendments include an adjustment of the licence periods providing for one-year extensions to the first exploration periods of both licences at the expense of the duration of future exploration periods.

The PSC adjustment allows the Company more time for drilling of the first period commitment wells in these blocks. The first exploration period for block CI-509 is extended to March 2016 and block CI-513 has been extended to December 2015. The Company intends to use some of this additional time to integrate seismic depth processing into the optimisation of exploration well locations as several new amplitude supported prospects have arisen from processed PSDM 3D data on trend with the Saphir-1XB Total discovery.

The new PSDM is being calibrated to the recent results of Total's oil discovery in CI-514, as African Petroleum had pre-traded the 3D covering both Total's CI-514 operated acreage and the acreage immediately north of CI-513 and CI-509 held by the Vitol operated group. In January 2014, following an independent assessment of the Côte d'Ivoire prospects by ERC Equipoise, the Company announced an additional 570MMstb to be added to the net unrisked prospective oil resources. The Company has found that its acreage has been significantly derisked by Total's discovery at Saphir-1XB in April 2014.



The Company also intends to use the additional time from the licence extensions to secure the appropriate sixth generation rig for a wider drilling programme, and build a partnership group to explore in the promising area of the Côte d'Ivoire deep-water margin. In preparation for the 2015 drilling campaign, the Company signed an agreement with DrilQuip Limited to provide two SS-15 wellheads. The purchase of these wellheads is a positive step for the Company and a move towards initiating the drilling campaign. African Petroleum continues to seek strategic partners in its Côte d'Ivoire acreage.

Recent Updates

In April 2014, Total announced a discovery of hydrocarbons in its Saphir-1XB exploration well block CI-514, which is adjacent to African Petroleum's acreage. Total reported a total of 40 metres of net oil pay and 34° API light oil. This discovery is significant for the Company's acreage as it proves oil charge, the earlier pre-drill principal risk.

As announced on 14 July 2014, the Company entered into an agreement with Buried Hill Africa Limited ("Buried Hill") to farm-out a 10% interest in Block CI-509, in return for Buried Hill funding 21.1% of the cost of the next exploration well to be drilled on the block and an additional cash payment to African Petroleum representing 10% of past costs incurred ("Farm-Out Agreement"). Under the terms of the Farm-Out Agreement, African Petroleum will continue as Operator on the licence. Completion of the Farm-Out Agreement is subject to the satisfaction or waiving of certain conditions precedent. The Company is delighted with this initial farm-out, but continues to seek additional partners in its Côte d'Ivoire acreage and anticipates making a further announcement in H1 2015.

In January 2015, African Petroleum announced that independent petroleum consultant ERC Equipoise prepared an updated assessment of prospective oil resources attributable to the Company's Côte d'Ivoire Licences. This updated assessment, in conjunction with the ERCE Competent Persons Report April 2014), estimates the net unrisked prospective oil resources at 2,130 MMStb and net risked prospective oil resources at 456 MMStb, a 118% increase in net risked prospective resources from April 2014 Competent Persons Report.



Operational Update

Farm-out Update

As previously announced, African Petroleum is seeking strategic partners on its ten licences in Côte d'Ivoire, Liberia, Senegal, The Gambia and Sierra Leone in order to share risk and potential reward of the Company's exploration programme.

In addition to the agreement announced on 14 July 2014 to farm-out a 10% interest in Block CI-509 offshore Côte d'Ivoire, on 23 December 2014 African Petroleum announced that it had signed a non-binding term sheet agreeing terms with a private London based independent oil and gas company to farm-in to the Company's 100% owned Liberian LB-08 licence ("Term Sheet").

Pursuant to the Term Sheet, the third party has agreed, subject *inter alia* to the completion of due diligence and the entering into of mutually agreed contracts, to acquire a 50% net participating interest in the LB08 licence in return for the payment of 50% of all future costs and expenditures relating to the LB-08 licence and a contribution to past costs and expenditures.

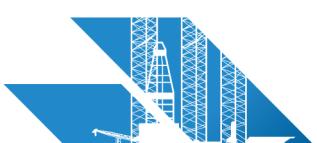
Completion of the farm-in transaction, as contemplated by the Term Sheet, is subject to contract and a number of conditions precedent.

The Company is pleased to have secured an initial farm-in on Block CI-509 and to have signed a term sheet for Block LB-08. In addition, significant progress has been made on attracting additional companies to farm-in to the acreage. The Company has received a high level of interest in Côte d'Ivoire, Senegal and The Gambia from a number of international companies and Independents outside the interest already shared for our Liberian acreage. The significant oil discoveries made by Cairn Energy (op.) in Senegal has led to the heightened interest in Senegal and The Gambia and similarly with Total's Saphir 1XB in CI 514 adjacent to our Côte d'Ivoire acreage. African Petroleum has identified a number of analogues in its acreage to Cairn Energy's discoveries at SNE-1 and FAN-1 and the Total discovery in Côte d'Ivoire at Saphir -1XB.

Gambian Licences A1 and A4 Reinstated

On 28 November 2014, African Petroleum announced that it entered into an agreement with The Government of the Republic of The Gambia to reinstate the Company's Licence Block A1 and Licence Block A4 (the "Gambian Licences"), and settle all prior issues concerning the Gambia Licences including the discontinuation of arbitration proceedings.

The reinstatement of the Gambian Licences is significant and positive for the Company, particularly following the recent oil discoveries made by Cairn Energy in adjacent acreage in Senegal.



As part of the agreement with The Government of the Republic of The Gambia, African Petroleum agreed to revise the initial exploration period that will expire on 1 September 2016 in return for a commitment to drill an exploration well on one of the Gambia Licences and reprocess 3D seismic on Licence Block A4 prior to September 2016.

The Company has 2,500km² 3D seismic data over the licences and has identified a number of significant prospects with net unrisked mean prospective resources of 593 MMstb (ERC Equipoise CPR, 2014). In H1 2015 the Company expects to release an updated CPR and anticipates there to be significant uplift in this number as many more prospects have now been added to the portfolio in the light of the recent success in the adjacent acreage by Cairn Energy and partners.

African Petroleum Enters First Renewal Period on Senegal Licence

On 18 December 2014, the Company announced that its subsidiary African Petroleum Senegal Limited received confirmation from the President in the form of a Presidential decree of entry into the First Renewal Period on licence Senegal Offshore Sud Profond ("SOSP"). Prior to entering into the First Renewal Period, Petrosen agreed to defer the existing well commitment of the First Renewal Period of SOSP by 18 months to allow for further technical work by the Company prior to drilling.

SOSP has significant potential for both deep-water submarine fans and shelf edge platform plays, both of which have recently been proven in nearby acreage by the Cairn Energy (op.) wells FAN-1 and SNE-1. The Company has proposed Pre-Stack Depth Migration (PSDM) over the licence area to improve definition of the material prospects identified through technical work to date. The forward programme provides an opportunity to analyse the data fully prior to making a commitment to drill the exploration well in the second sub period of the First Renewal Period.

Upgraded Prospective Resources in Côte d'Ivoire and Liberia

Subsequent to quarter end, on 26 January 2015, the Company announced an update to its prospective oil resources at its 90% owned and operated CI-509 and CI-513 offshore licence blocks in Côte d'Ivoire ("Côte d'Ivoire Licences") and its 100% owned and operated LB-08 and LB-09 offshore blocks in Liberia ("Liberia Licences").

The Company engaged the independent petroleum consultant, ERC Equipoise Ltd ("ERCE"), to prepare an updated assessment of prospective oil resources attributable to the Company's Côte d'Ivoire and Liberia Licences (the "ERCE Audit").

The ERCE Audit of prospective resources includes the addition of eight new prospects and has taken into account information gathered from third party drilling campaigns in the margin during 2014, particularly the oil discovery made by Total in CI-514 in April 2014.



The ERCE Audit, in conjunction with the ERCE Competent Persons Report April 2014 (“April 2014 CPR”), estimates the net prospective oil resources relating to the Côte d’Ivoire Licences and Liberia Licences are as follows:

Licence	Mean (MMstb)		% Increase in Net Risked Prospective Oil Resources from April 2014 CPR
	Net Unrisked Prospective Oil Resources	Net Risked Prospective Oil Resources	
Côte d’Ivoire			
CI-513 & CI-509	2,130	456	118%
Liberia			
* LB-08 & LB-09	4,192	662	33%
Total Updated Portfolio Côte d’Ivoire & Liberia		6,322	1,118
			58%

**Liberia values include four (4) new prospects reviewed in the ERCE Audit as well as unchanged prospects from April 2014 CPR*

The impact of de-risking through regional third party drilling activity in Côte d’Ivoire and the addition of new Turonian and Cenomanian prospects as outlined in the ERCE Audit translates into the addition of 410 MMstb in the net risked mean prospective oil resources from the April 2014 CPR (increase of 58%).



Corporate Update

Appointment of General Counsel

On 15 December 2014, African Petroleum announced the appointment of Ian Philliskirk as the Company's Group General Counsel. Mr Philliskirk has over 20 years of corporate legal experience including, 12 years working with a number of international oil and gas companies. Most recently, Mr Philliskirk was VP and General Counsel at Tethys Petroleum Ltd. Prior to joining Tethys Petroleum Ltd, Mr Philliskirk held senior positions at Pinsent Masons LLP, Emirates National Oil Co. Ltd, Dragon Oil Plc and Kanoo Group UAE and Oman.

Health, Safety, Environment and Security

As an operator of offshore concessions, it is the duty of African Petroleum to provide a safe working environment and minimise any adverse impact on the environment. Health, safety, environment and security policies are embedded throughout all of the Company's core operations. In this regard, we strive for continuous improvement as lessons learned from past operations are incorporated into business practices going forward.

Due to the Ebola outbreak in West Africa, African Petroleum has implemented precautionary measures to ensure the safety of its staff. There have been office closures in Liberia and Sierra Leone, and local staff have been urged to work from home and avoid dangerous regions. Currently, the Company does not have any active operations in Sierra Leone or Liberia.

African Petroleum is following the Liberian and Sierra Leone government protocol and has consulted with host government officials to see how strategic social investments can be leveraged to combat Ebola.

Outlook

The priority for the next two years is to progress and unlock the high potential in our West African assets; through leveraging technology to de-risk ahead of the drill bit and, subject to finalising finance, through drilling key exploration wells with strategic partners. By obtaining partners to farm-in to our acreage, where we hold high working interest positions between 81-100%, we will mitigate our risk and financial exposure whilst also enabling us to crystallise value for our shareholders.

Despite the fall in oil price impacting sentiment with regards to global exploration; we believe that the industry will continue to explore the best regions in the world and in that regard we are confident that exploration of the West Africa Transform Margin and the wider margin up through The Gambia and Senegal will remain very active going forwards evidenced by the recent entry of Kosmos in Senegal and Exxon Mobil in Côte d'Ivoire amongst others. Furthermore, there has been a sizeable



reduction in operating costs which presents a significant cost-saving opportunity for exploration focused operators such as African Petroleum.

African Petroleum has a real opportunity to become a leading independent exploration company through its highly prospective acreage offshore West Africa. Plans for our 2015 exploration campaign have begun, with multiple prospects identified and wellheads ordered we are in a strong position and confident that 2015 will be a transformational year for us. Our long-term strategy is simple: to find commercial oil, and expand our footprint both as a low cost operator and non-operator, leveraging our highly skilled and experienced team, utilising the latest technology and taking advantage of the low cost environment.



Quarterly Report

Name of entity

African Petroleum Corporation Limited

ABN

87 125 419 730

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (12 months) \$US'000
1.1 Receipts from customers		-
1.2 Payments for		
(a) staff costs	(1,461)	(8,436)
(b) advertising and marketing	(5)	(194)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	1,246	(2,562)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28	67
1.5 Interest and other costs of finance paid	(24)	(94)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) exploration & evaluation	(1,025)	(12,630)
(b) business development	(8)	(2,859)
(c) project related travel	(386)	(1,848)
(d) arbitration	(355)	(1,275)
(e) inventory sold	714	714
(f) other income	-	43
Net operating cash flows	(1,276)	(29,074)



		Current quarter \$US'000	Year to date (12 months) \$US'000
1.8	Net operating cash flows (carried forward)	(1,276)	(29,074)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	(14)
	(c) intellectual property	-	-
	(d) physical non-current assets	(4)	(22)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	7
	(e) other non-current assets	-	-
1.11	Loans to other entities	(55)	(363)
1.12	Loans repaid by other entities	114	939
1.13	Other (provide details if material)		
	(a) cash backing security provided	-	-
	(b) cash backing security returned	-	-
	Net investing cash flows	55	547
1.14	Total operating and investing cash flows	(1,221)	(28,527)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc net of capital raising costs	-	24,680
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	-	24,680
	Net increase (decrease) in cash held	(1,221)	(3,847)
1.21	Cash at beginning of quarter/year to date	5,429	7,914
1.22	Exchange rate adjustments	(343)	(202)
1.23	Cash at end of quarter	3,865	3,865



Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$US'000
1.24 Aggregate amount of payments to the parties included in item 1.2	425
1.25 Aggregate amount of loans to the parties included in item 1.11	-
1.26 Explanation necessary for an understanding of the transactions	<p>US\$425,268 (net of GST) has been paid to directors during the quarter for the provision of services as directors.</p>

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-



Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$US'000	Previous quarter \$US'000
4.1 Cash on hand and at bank	3,865	5,429
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,865	5,429

NOTE: As at the end of the current quarter, the Company has provided US\$12.0m of cash backing security in relation to the Company's exploration programs that will be released on achievement of certain drilling milestones.

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to NSX.
- 2 This statement gives a true and fair view of the matters disclosed.

Print name: Angeline Hicks

Date: 30 January 2014



Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** NSX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

