



**African
Petroleum**
CORP LTD

Company Presentation

January 2016



This Presentation has been prepared by African Petroleum Corporation Limited (Company).

Summary information

This Presentation contains summary information about the Company and its subsidiaries (Company Group) and their activities. The information in this Presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with Oslo Axess, which are available at www.oslobors.no

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Competent person statements

The information in this Presentation relating to hydrocarbon resource estimates includes information compiled by Dr Adam Law, Geoscience Director of ERC Equipoise Ltd. Dr Law, is a post-graduate in Geology, a Fellow of the Geological Society and a member of the Society of Petroleum Evaluation Engineers. He has 18 years relevant experience in the evaluation of oil and gas fields and exploration acreage, preparation of development plans and assessment of reserves and resources. Dr Law has consented to the inclusion in this Presentation of the matters based on the information in the form and context in which it appears.

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Company Highlights

World Class Exploration Acreage Position

- > Large acreage position in West Africa Margin: 5 countries, 10 licences
- > 12.5bn+ barrels unrisked prospective oil resources¹
- > Strong relationships with host governments

Recent Significant Discoveries Nearby

- > Numerous hydrocarbon discoveries made in adjacent acreage by Total in Côte d'Ivoire, Cairn Energy in Senegal and Kosmos in Mauritania

Excellent Fiscal & Benign Operating Environment

- > Early mover advantage with excellent fiscal terms
- > Low cost drilling opportunities <US\$40m/well
- > Benign operating environment (metocean conditions, normally pressured)

Expertise & Partnerships

- > Proven deep-water operator and deep expertise on West Africa margin
- > Bringing in partners to share risk/ reward and to participate in future growth

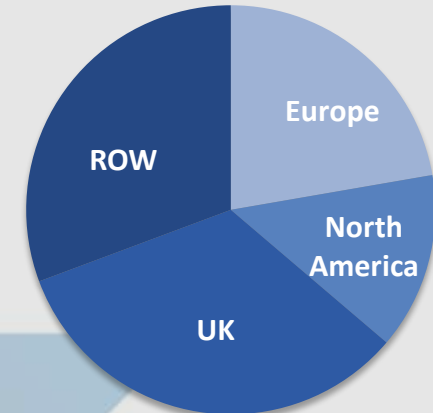
High Impact Drilling Programme Planned

- > Recommence drilling with 3 wells planned in next 24 months²
- > Material prospects on trend and adjacent to recent discoveries

Market Statistics (8-Jan-2016)

Listing	OAX (APCL)
Shares on Issue	106,611,781
Market Cap	NOK 151.39m
Share Price	NOK 1.42
Debt	Nil
Broker Sentiment	Buy

Geographic Analysis of Investors



Blue Chip Shareholder Base



¹Prospective resource volumes taken from ERC Equipoise 2014 & 2015; ²Subject to financing through farm-out transactions

We Have Adapted: Ready For 2016

In a challenging business and investment environment in the energy sector, African Petroleum has adapted to capitalise on our world class acreage position, and to protect and enhance shareholder value...

Deal Completed With Ophir Energy (Dec 2015)

- > New PSC covering CI-513 licence in Côte d'Ivoire: better fiscal terms, lower holding costs and an extension to work commitments
- > Ophir Energy hold a 45% Operated interest
- > African Petroleum receives US\$16.9m in cash
- > Endorsement of acreage and validation of strategy

Streamlined Board (Nov 2015)

- > Number of Non-executive directors reduced from 8 to 5
- > Two new executive directors appointed: CEO & CFO

Significantly Reduced Overheads (H2 2015)

- > London headcount reduced from 17 to 6
- > Only senior key staff retained
- > Head-office salaries reduced by 40%

Voluntarily De-Listed From the NSX (Dec 2015)

- > Reduction in compliance costs



Experienced Board & Management Team



Jens Pace: CEO & Executive Director

- > 30 years at BP and its heritage company Amoco gaining substantial E&P leadership experience in Africa, Europe and Russia
- > Managed an active exploration portfolio for BP in North Africa
- > Extensive additional experience in the areas of field development and as commercial manager



Stephen West: CFO & Executive Director

- > 20+ years of financial and corporate experience from public practice, oil & gas, mining and investment banking
- > Chartered Accountant with Bachelor of Commerce (Accounting and Business Law)
- > Non-Executive Director of ASX listed Apollo Consolidated and Zeta Petroleum



Michael Barrett: Exploration Director

- > 20+ years global exploration experience at Chevron, Addax International
- > Specialised in Play and Prospect risk assessment, volumetric analysis, commercial evaluation and portfolio management
- > Background in quantitative geophysics, stratigraphic interpretation workflows and 3D visualisation



Ian Philliskirk: General Counsel

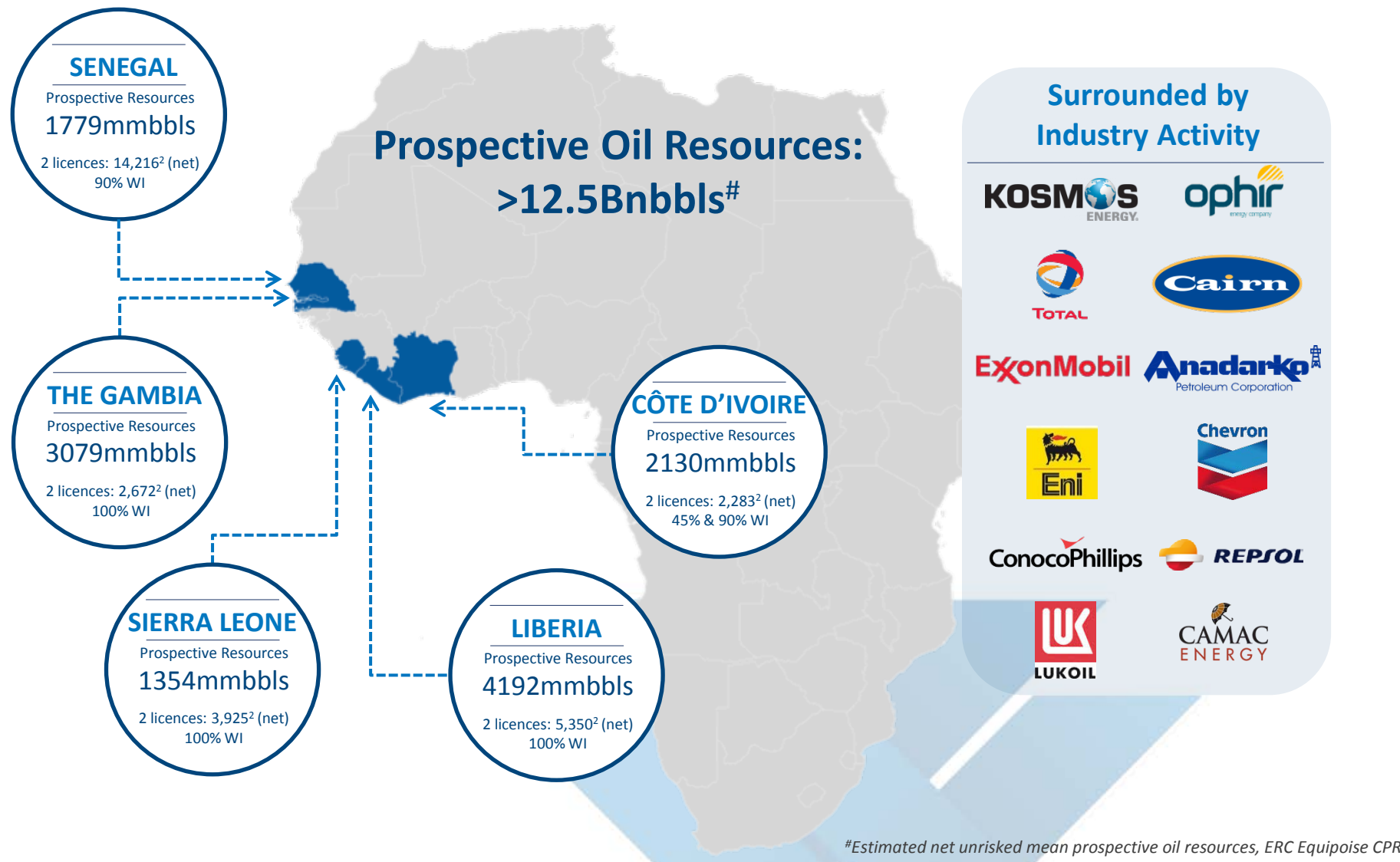
- > A barrister of Lincoln's Inn (presently non-practicing)
- > 20 years of corporate legal experience, 12 years working with a number of international oil and gas companies
- > Held senior positions at Tethys Petroleum, Pinsent Masons LLP, Emirates National Oil Co. Ltd, Dragon Oil



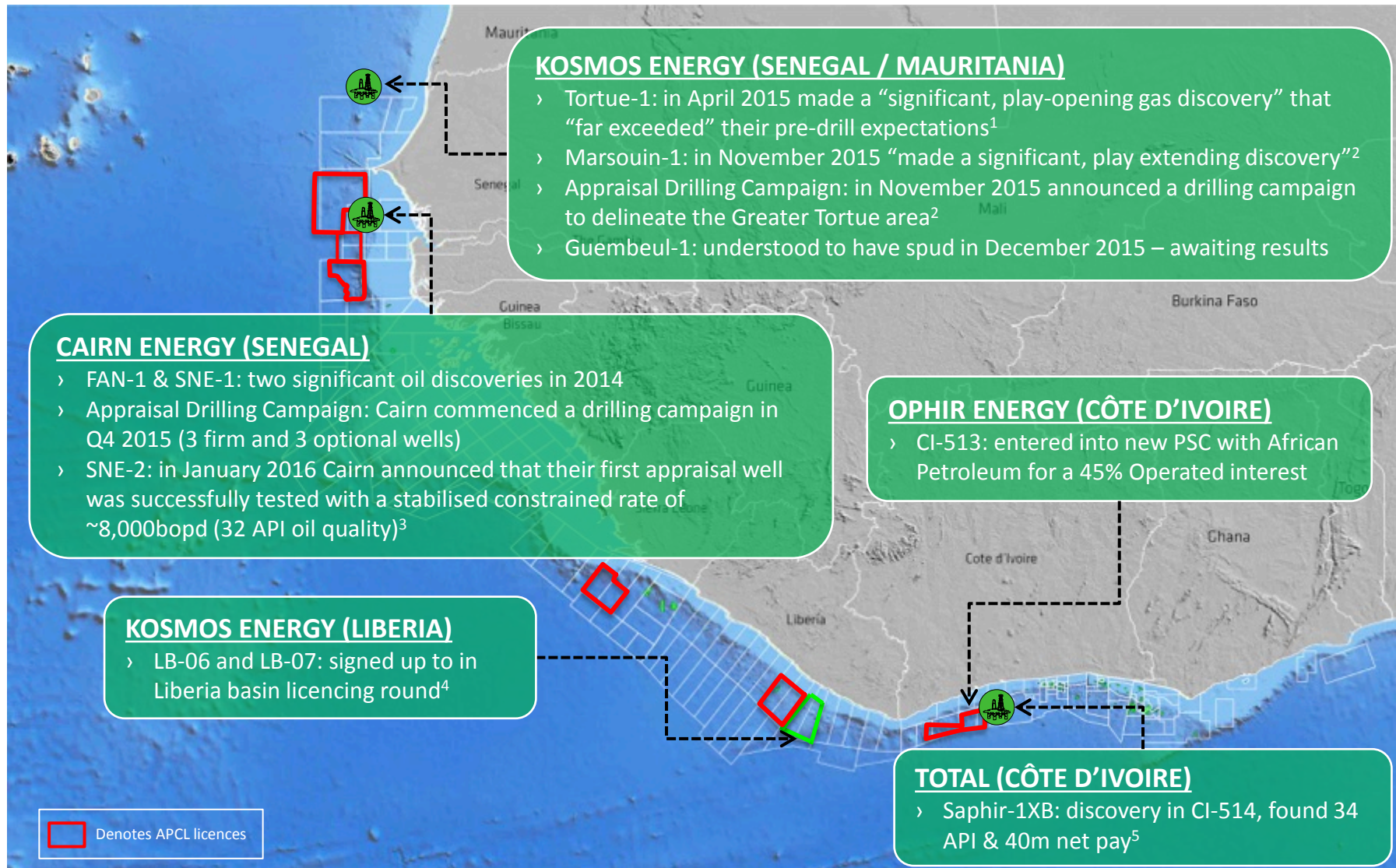
Charles Matthews: Non-Executive Chairman

- > 10+ years experience in Chairman & Director positions
- > Senior management positions at Cosworth Group, Rolls Royce and Bentley Motor Cars, and has served as a Member of the Vickers Group Executive Board
- > Currently Chairman of LSE listed Porvair Plc

World Class Exploration Acreage in Proven Basins



Recent Third Party Catalyst Activity



¹Kosmos Energy news release 27 April 2015; ²Kosmos Energy news release 12 November 2015; ³Cairn Energy news release 4 January 2016; ⁴AfrOil Week Oil and Gas Monitor, Issue 597, 7 July 2015; ⁵Total news release 17 April 2014

Delivering on Milestones

Milestones Achieved in 2015:

- ✓ New PSC Signed with Ophir Energy on Côte d'Ivoire block CI-513
- ✓ Private placements: \$12.5m in Feb 2015 and \$2.0m in Oct 2015 – shareholder support
- ✓ Upgraded Prospective Resource numbers for Senegal, The Gambia & Sierra Leone
- ✓ Shares listed on the Open Market of the Frankfurt Stock Exchange
- ✓ Cost-cutting measures implemented – head count reduced significantly and substantial reduction in office overheads, including a 40% reduction in salaries
- ✓ New CEO (Jens Pace) appointed
- ✓ Board re-structured: CEO and CFO appointed to the Board and number of NEDs reduced
- ✓ Entered into next phase on Sierra Leone licence SL-03 and agreed to modify the work programme and obligations
- ✓ Shares voluntarily de-listed from the NSX
- ✓ Significant activity in farm-out dataroom across acreage, despite industry backdrop

Objectives for 2016

- > Complete further farm-out transactions during H1 2016 to fund forward well drilling programme for next 18 – 24 months
- > Strengthen financial position through successful farm-outs: contribution towards significant historic cost pool
- > Maintain capital and cost discipline with focused team
- > Undertake focused technical work to support forward drilling programme
- > Manage portfolio via licence extensions and/or rationalise portfolio consistent with exploration potential and holding costs
- > Evaluate new ventures and inorganic opportunities
- > Consider changing parent company jurisdiction to align with recent de-listing from Australia and to simplify the group structure



Current Market: Time to Invest

- > The industry is benefitting from a significant decrease in prices for drilling rigs and seismic work
- > Activity in the West African Margin accelerated in 2014 and 2015 with positive results:
 - 4 significant oil discoveries made in adjacent acreage (3 by Cairn in Senegal, 1 by Total in Côte d'Ivoire); and
 - 2 play opening multi-TCF gas discoveries in Mauritania in 2015 (Kosmos)
- > **Oil exploration is for the long term:** investors should focus on long term market stability, our long term strategy to realise potential and the potential value of our 12.5bnbbbls+ assets
- > Ophir Energy deal (Dec 2015) indicates industry interest remains for world class exploration assets despite the weak oil price environment



#Company estimate based on internal quotes

Economic Summary

- > Excellent fiscal terms
- > Benefit from low cost exploration and appraisal cost environment in 2016
 - Drilling opportunities: <US\$40m a well
- > Liquids focused drilling
- > Attractive PSC/Licence terms
 - Contractor share of oil ranges across jurisdictions from 34% to 56%

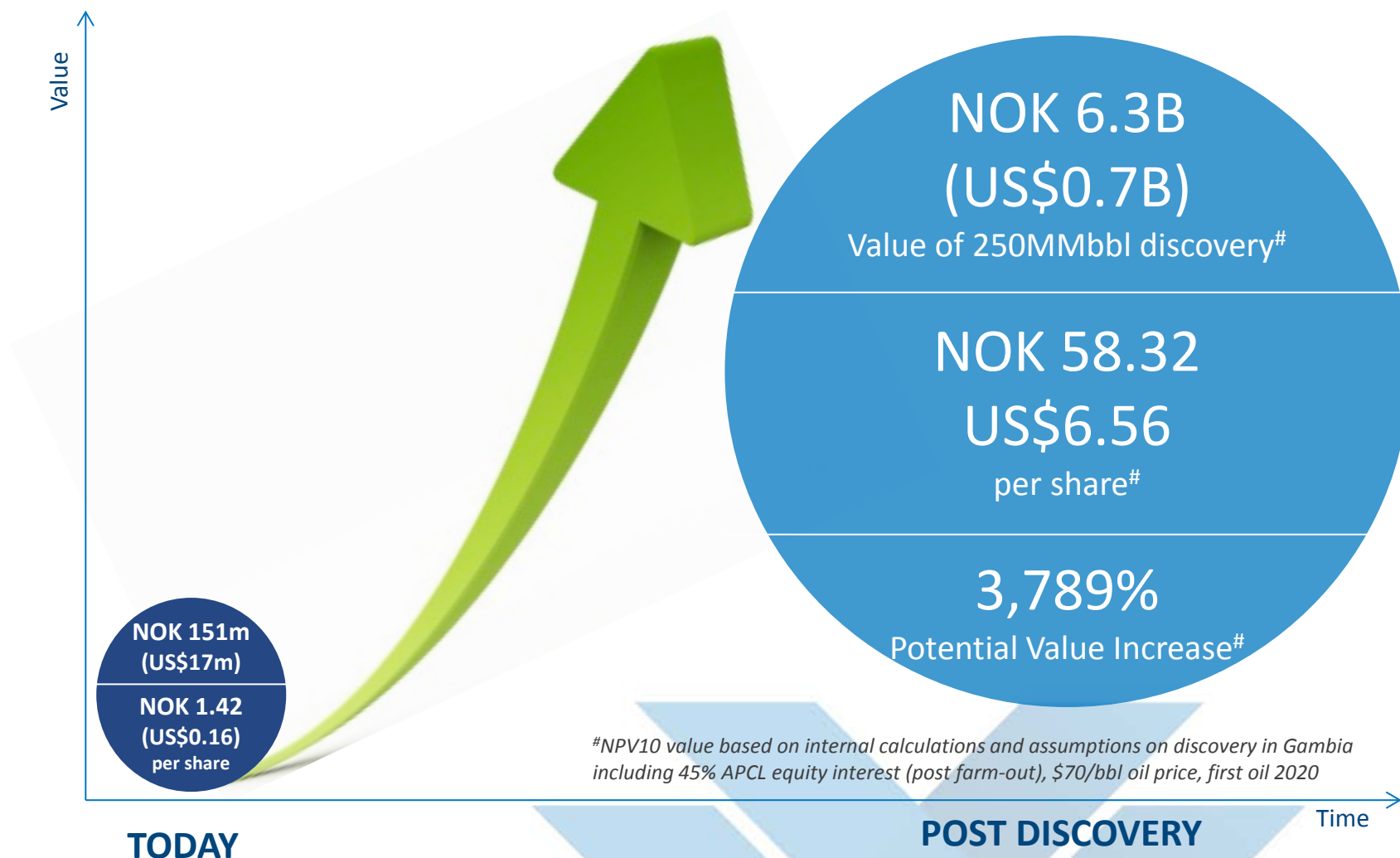
Economic Breakeven Oil Price - APCL Deepwater FPSO Development



Assumptions

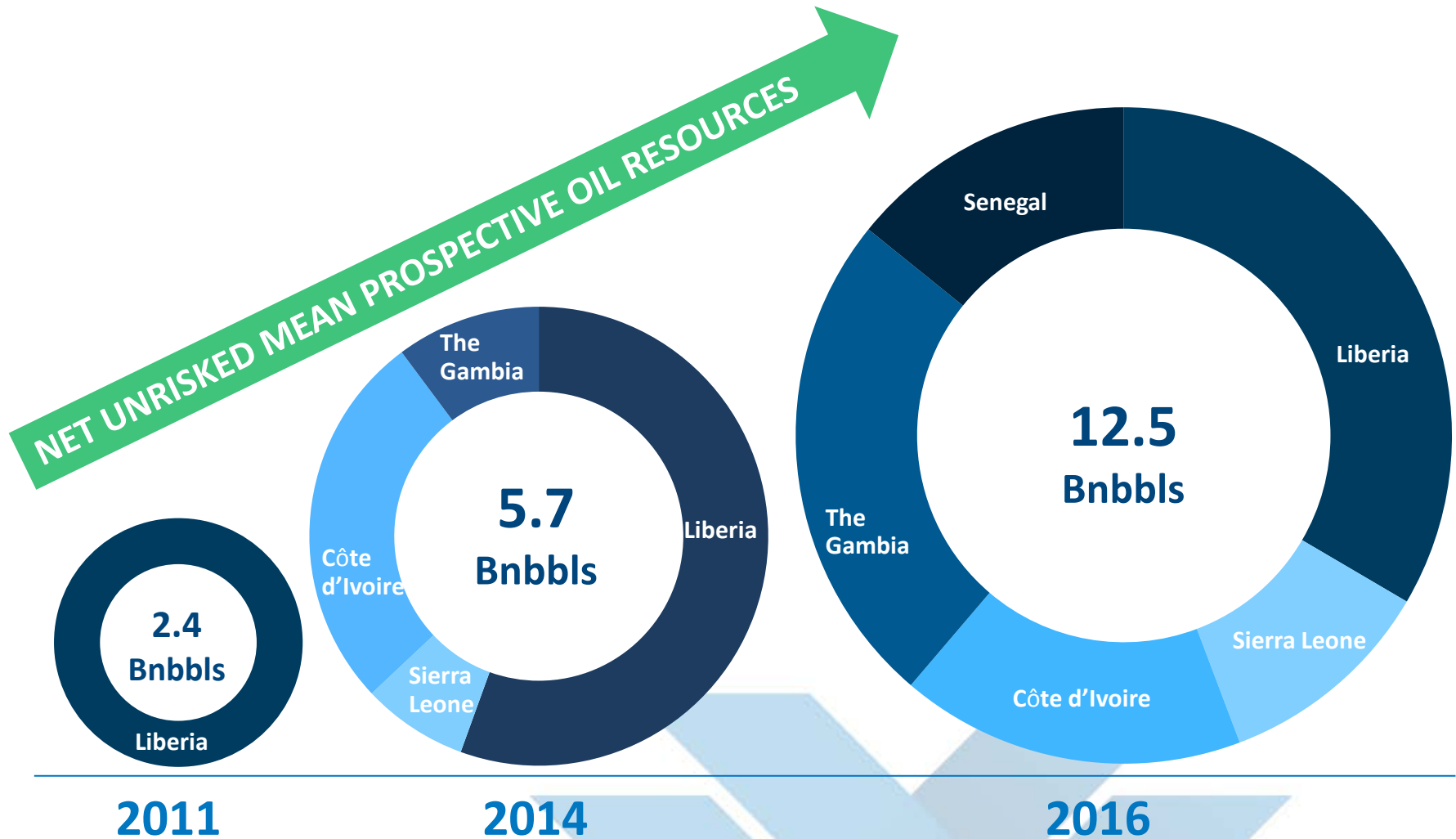
- 250mmbbl oil development
- First oil 2020
- Cost benchmark from Wood Mackenzie 'Deepwater Africa Developments'
- 20 Year development life
- CAPEX \$13/bbl
- OPEX \$17/bbl

Significant Potential Value Creation



The indications set out in the illustrations above are not to be relied upon as any guarantee for the return at the levels indicated or not at all. Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements of the Company to be materially different from any future results, performance or achievement that may be expressed or implied by the information set out above.

Prospective Oil Resources



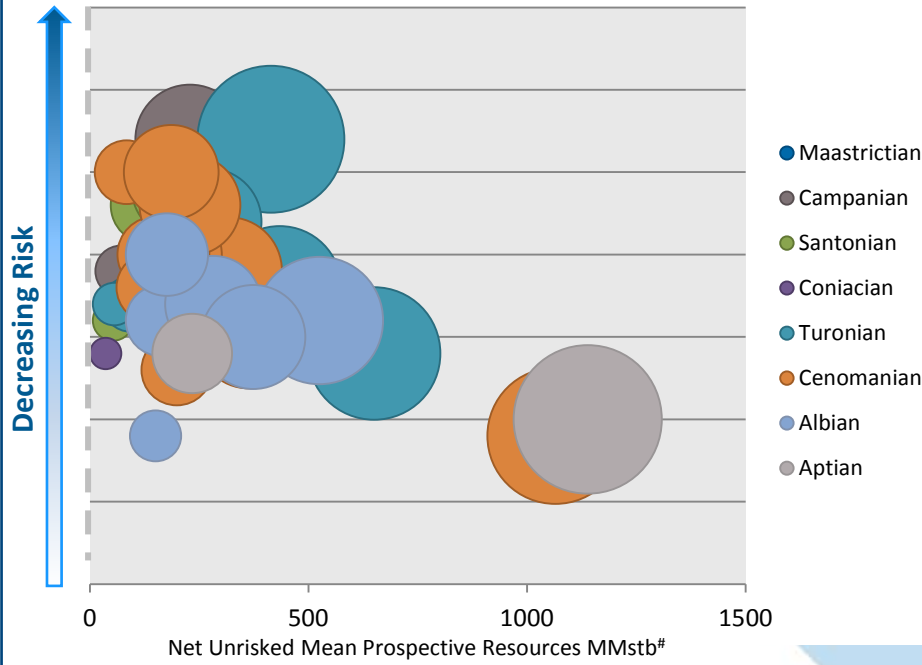
Resource volumes extracted from ERC Equipoise, CPR

Prospects and Plays

- > Pure play deep-water exploration
- > 2014/15 exploration was transformational in Senegal, Mauritania and Côte d'Ivoire
- > CPR inventory is diverse and material
- > Our large equity position provides room for partners in the transformation

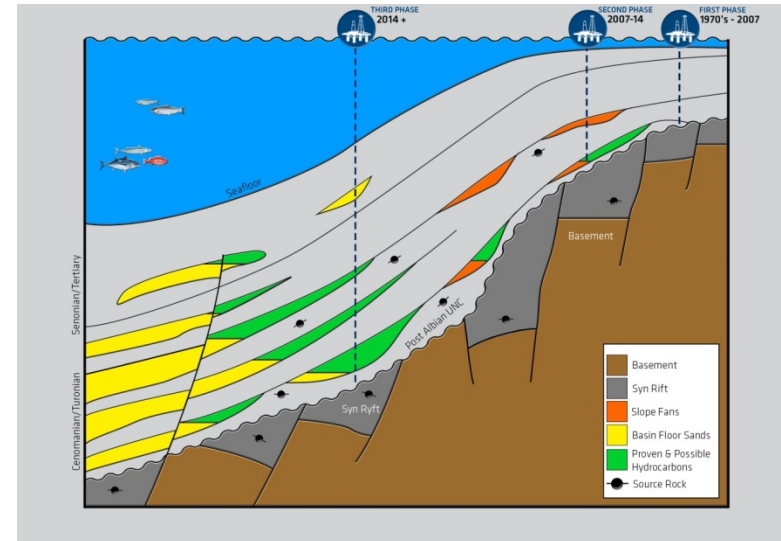
Mean Risked Net Prospective Resources (MMStb)

Commercial Threshold @ 100 MMbbls with leased FPSO

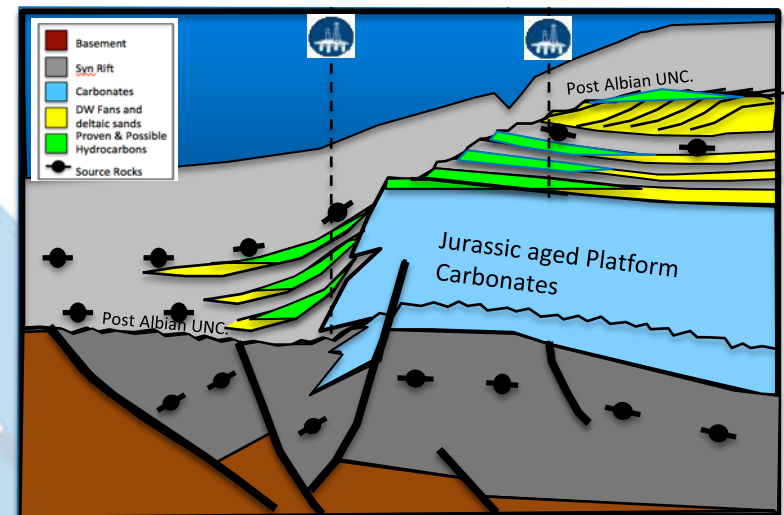


#Resource volumes extracted from 2014 CPR and ERCE Audits January 2015

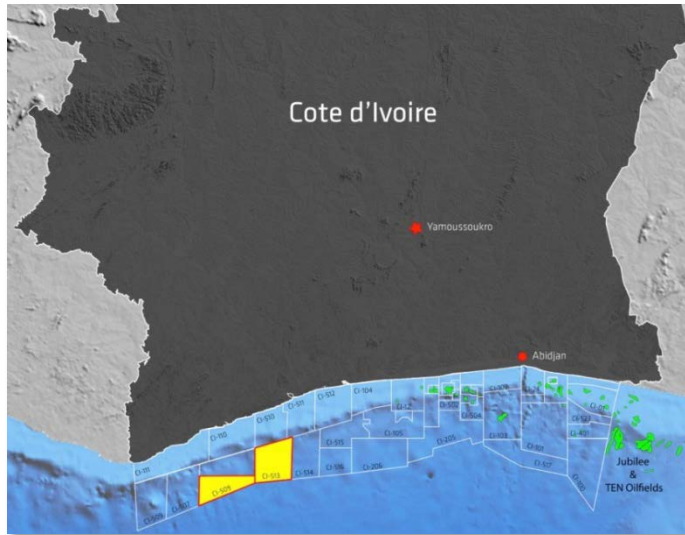
Côte d'Ivoire to Sierra Leone:



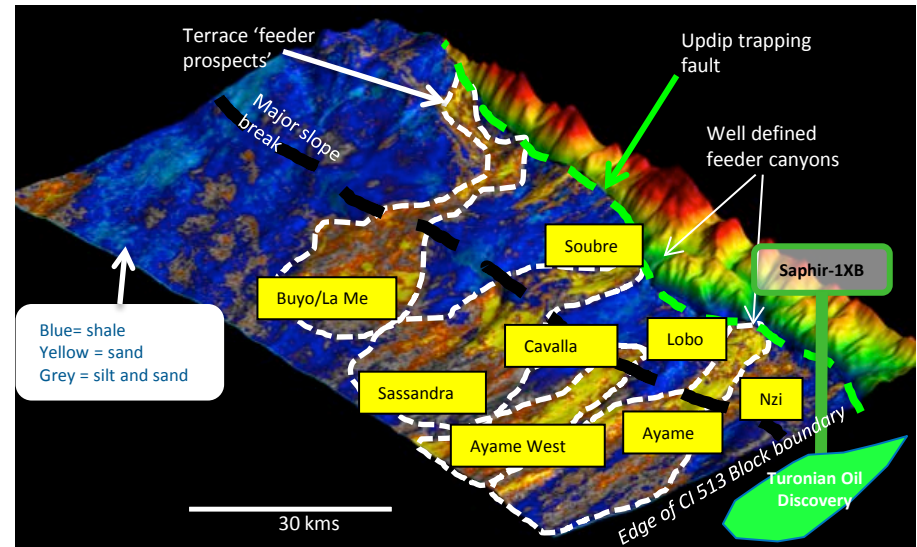
Senegal to Gambia:



Côte d'Ivoire – CI-509 and CI-513

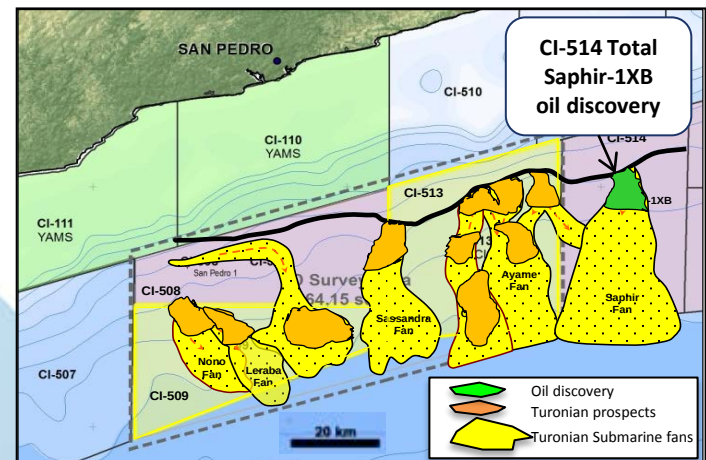


Basin Floor Fan Prospects:



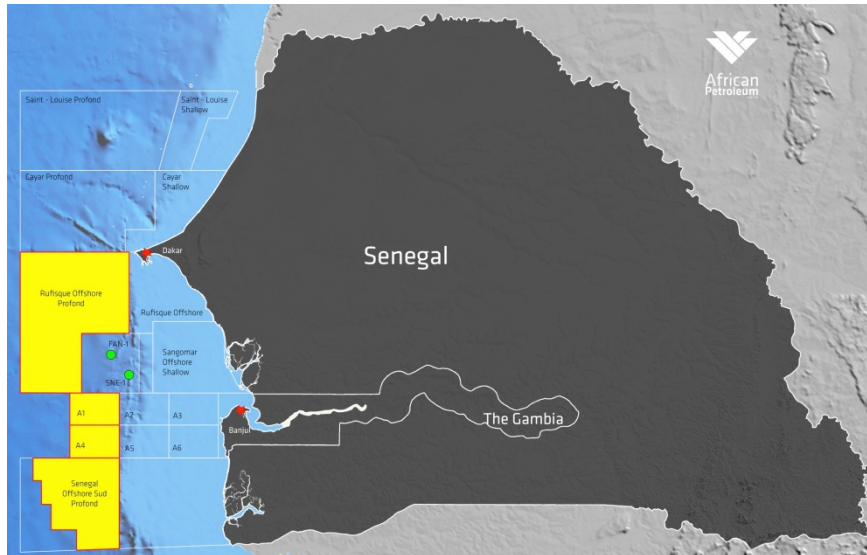
- > CI-513: 45% Ophir (Operator), 45% African Petroleum
- > CI-509: 90% African Petroleum (Operator)
- > High quality proprietary 3D seismic. New PSDM delivered in March 2014
- > April 2014 – Total oil discovery at Saphir-1XB (Block CI-514) 40m net oil pay 34° API
- > Well defined fan systems with numerous material prospects identified

Turonian Prospects on Trend with Saphir-1XB Discovery:

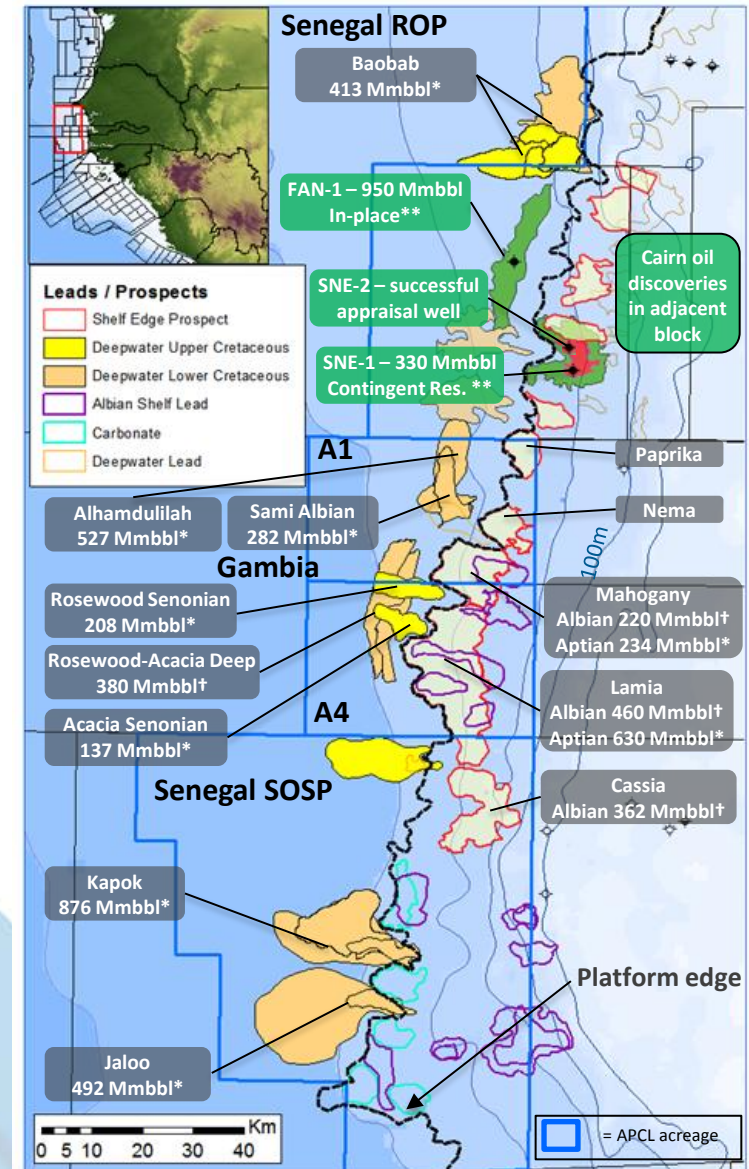


*Image postdates ERC Equipoise CPR 2014, CI 514 interpretation based on 2D seismic data

Gambia and Senegal Overview



- > High potential frontier exploration area
- > 90% working interest in Senegal, 100% Gambia
- > Multiple prospects analogous to Cairn Energy operated discoveries each approx. 1 Billion barrels in place (with 3.5 bnbbbls follow up potential¹)
- > Basin opening Kosmos multi-TCF gas discoveries in Mauritania in April 2015 and November 2015
- > Kosmos now drilling further wells in Senegal and Mauritania²
- > High level of industry interest in Senegal/Gambia



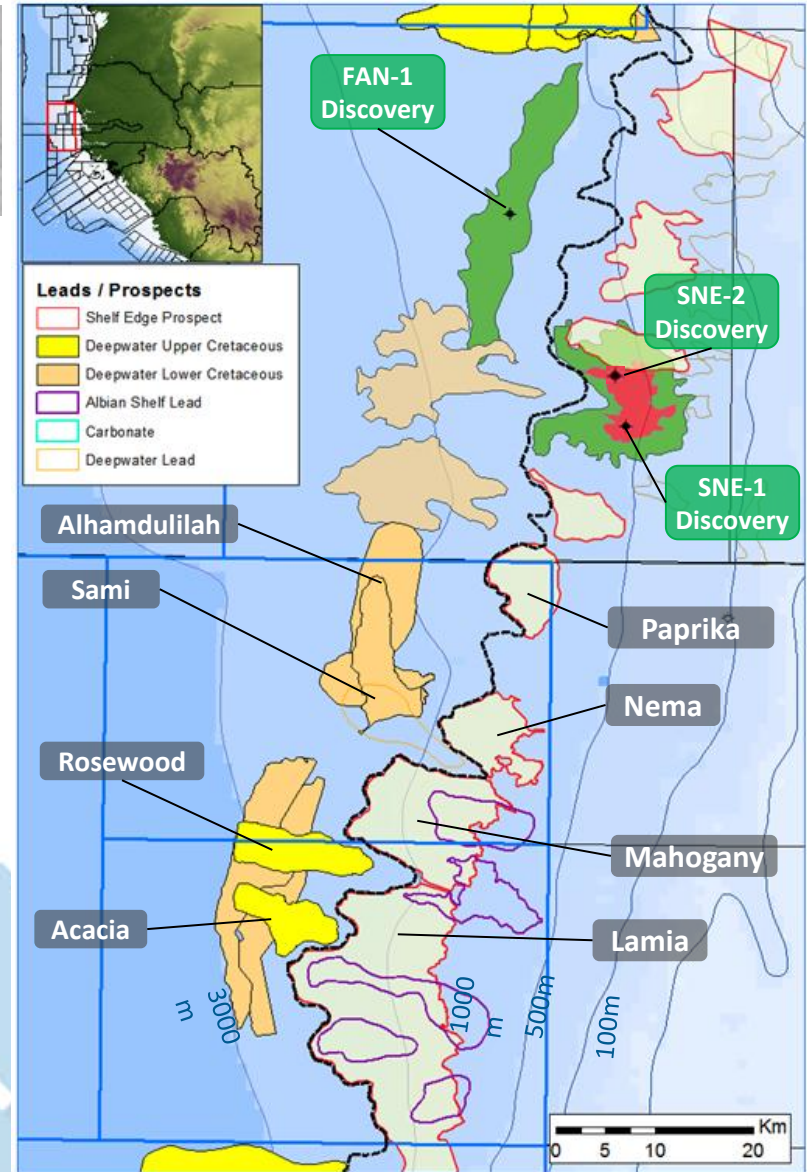
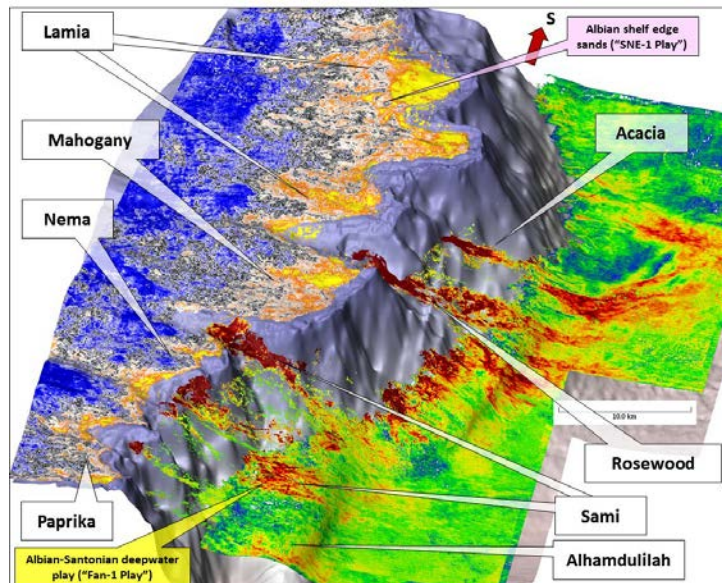
¹FAR, Investor Presentation November 2014; ²Kosmos Energy news release 12 November 2015

The Gambia A1 & A4



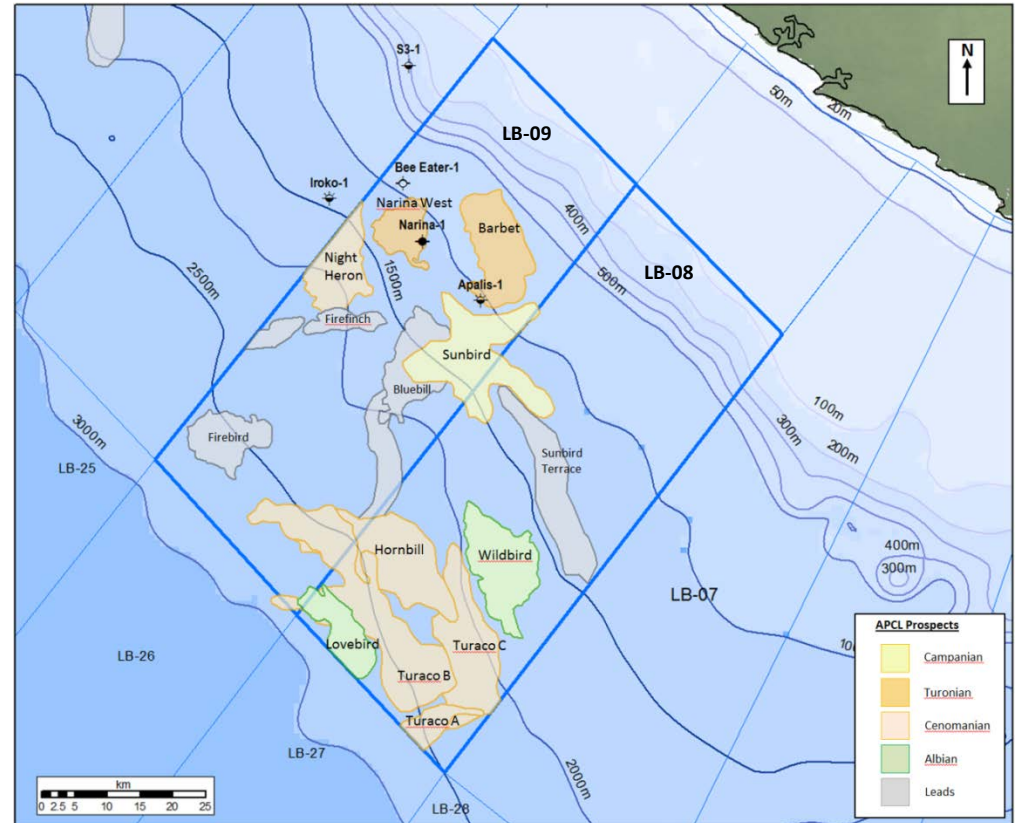
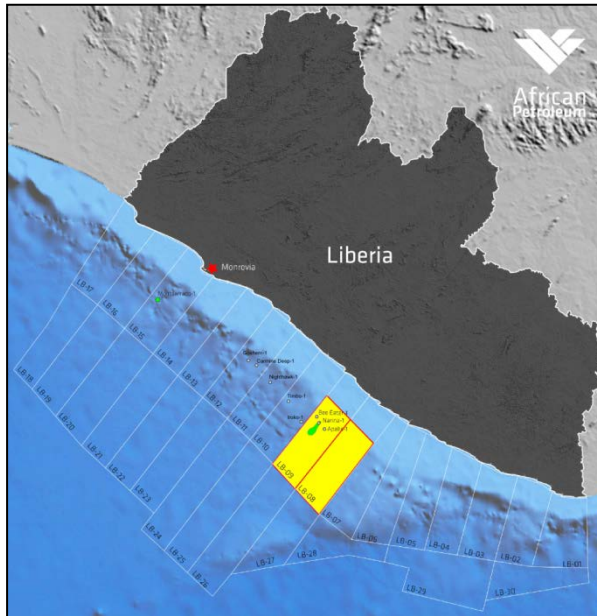
- > 100% working interest
- > 2,500km² 3D seismic acquired over licences
- > Material discoveries by Cairn Energy in Senegal on trend
- > Updated unrisked resource potential 3,079 MMbbls[#]

Looking at the Gambian 3D seismic volume from the North:



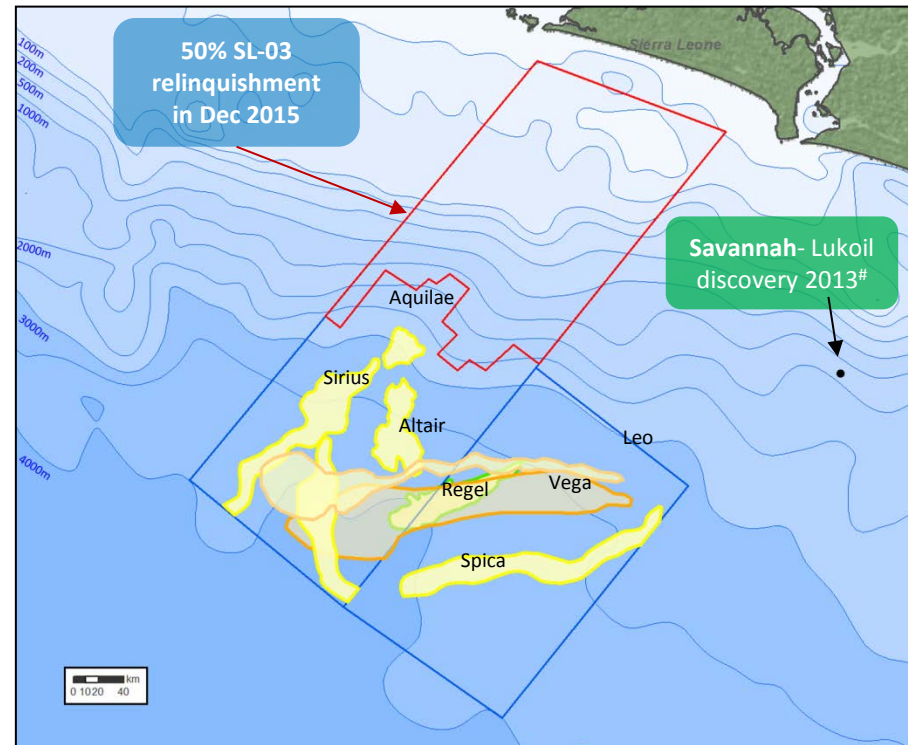
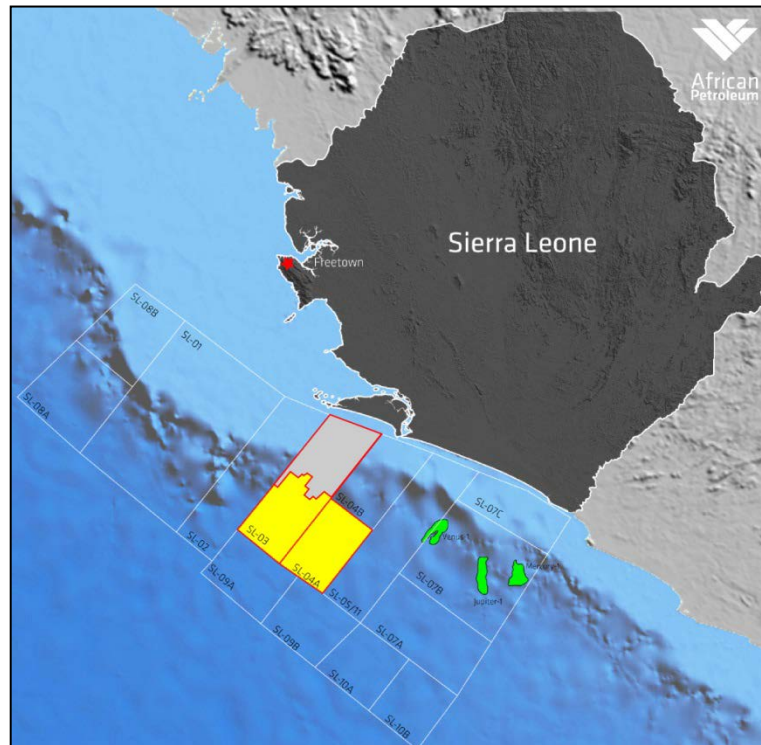
#ERC Equipoise March 2015

Liberia – LB-08 & LB-09



- > Multiple prospects at various intervals in the Cretaceous, with proven hydrocarbon systems
- > Liberia-Sierra Leone hydrocarbon basin proven by five discoveries to date
- > Narina-1 Turonian oil discovery in block LB-09 by African Petroleum (Feb 2012)
- > Attractive early mover fiscal terms
- > APCL 100% working interest in Liberia

Sierra Leone – SL-03 & SL-4A-10

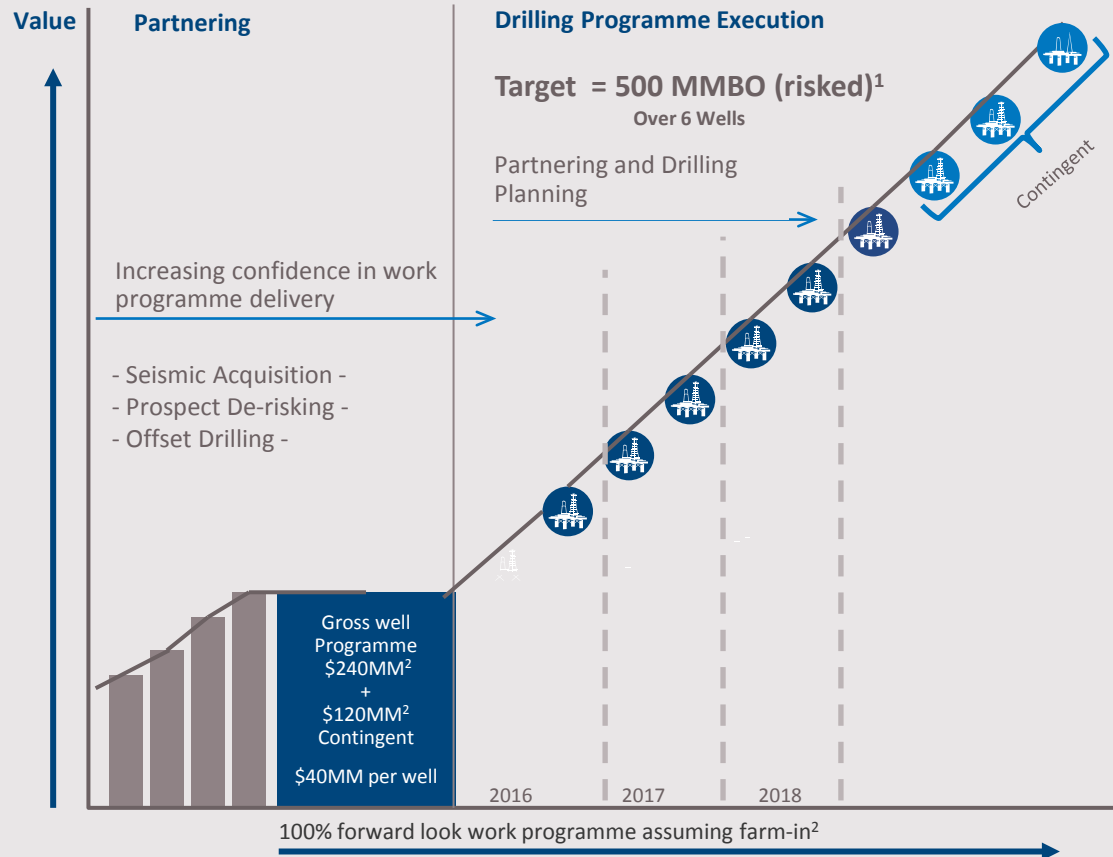


- > Retained area fully covered by 3D seismic, SL-4A-10 3D acquired 2014, completed processing 1Q 2015
- > Prospective at multiple levels within the Cretaceous, on trend with oil discoveries
- > 3 discoveries by Anadarko/Tullow/Repsol partnership
- > Amplitude support for stacked hydrocarbon pays at multiple Upper Cretaceous levels

#Lukoil Press Release, 23 October 2013

Poised to Recommence Drilling

Value Growth through Partnering and Drilling Programme Execution



Active Programme

- > Offset wells by third parties to de-risk prospects
- > Further technical maturation of portfolio
- > Programme order subject to ongoing negotiations with third parties

Partnering

- > Reduce capital exposure through risk sharing
- > Open to assuming position of non-operator
- > Potential promote on well programme

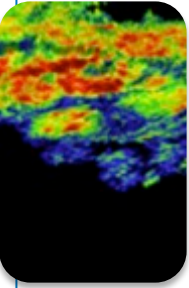
Drilling Execution

- > Assuming fully funded drilling programme
- > Share technical expertise with partner(s)
- > Potential value growth of ~500MMBO in 3 years for 6 wells

¹Risked Volumes based on 100% APCL from April 2014 CPR (numbers rounded); ²African Petroleum estimate

Conclusion: Value Creation (Near & Long Term)

Assets

- 
- Diverse portfolio in 5 countries with multiple drillable prospects
 - 12.5bnbbbls+ net unrisked prospective oil resources
 - Assets significantly de-risked through historic investment and third party activity

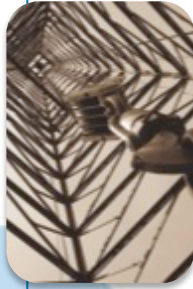
Capabilities

- 
- Highly experienced management team
 - Excellent relationships with host Governments
 - Proven ability to attract credible industry partners

Discoveries

- 
- Narina-1 oil discovery by African Petroleum in Liberia
 - Recent significant discoveries in Côte d'Ivoire (Total), Senegal (Cairn) and Mauritania (Kosmos)
 - Further drilling underway in Senegal by Cairn and Kosmos

Investment Proposition

- 
- Blue chip investor base
 - Positioned for low price environment
 - No debt
 - Significant growth potential
 - Recommence drilling 2016 with 3 wells planned in next 24 months
 - Ongoing discussions with potential partners

Advisers & Contact Details

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EAS Advisors LLC (New York)

Pareto Securities (Norway)

Dundee Securities Corporation (Canada)

AUDITORS

Ernst & Young

COMPETENT PERSON

ERC Equipoise Limited



APPENDIX



Board of Directors



Charles Matthews, OBE
Non-Executive Chairman

- > 10+ years experience in Chairman & Director positions
- > Held senior management positions at Cosworth Group, Rolls Royce and Bentley Motor Cars, and has served as a Member of the Vickers Group Executive Board.
- > Currently Chairman of LSE listed Porvair Plc, a specialist filtration technologies business in the aerospace and general engineering sectors



Jens Pace
CEO & Executive Director

- > 30 years at BP and its heritage company Amoco gaining substantial E&P leadership experience in Africa, Europe and Russia
- > Managed an active exploration portfolio for BP in North Africa
- > Extensive additional experience in the areas of field development and as commercial manager



Stephen West
CFO & Executive Director

- > 20+ years of financial and corporate experience from public practice, oil & gas, mining and investment banking
- > Chartered Accountant with Bachelor of Commerce (Accounting and Business Law)
- > Non-Executive Director of ASX listed Apollo Consolidated and Zeta Petroleum



Bjarne Moe
Non-Executive Director

- > 35+ years experience in the oil and gas industry
- > Former Director General of the Oil and Gas Department of the Ministry of Petroleum, Norway
- > Since 2011, Mr Moe has been an advisor to the oil and gas industry and has several large international companies as clients



Anthony Wilson
Non-Executive Director

- > Long career in a number of senior financial positions
- > Chartered Accountant & initially became a partner in general practice before moving into the investment banking sector with Wedd Durlacher Mordaunt & Co, and BZW
- > Held various senior management roles as a director for DAKS Simpson Group Plc and Panceltica Holdings



Timothy Turner
Non-Executive Director

- > Senior Partner at Australian accounting firm Hewitt Turner & Gelevitis
- > 21+ years experience in new ventures, capital raisings and general business consultancy



Dr. David King
Non-Executive Director

- > Over 30 years experience in natural resources
- > Co-founded and held executive and non-executive board positions in a number of successful ASX listed companies

Corporate Social Responsibility – Examples in Action



Sightsavers

- > APCL sponsored trainees will deliver preventative eye care to a population of over 1.6 million
- > Providing funding and equipment to rural eye-care clinics



Gbowee Peace Foundation

- > Worked with Nobel laureate to design after school program and support Ebola awareness
- > Teaching leadership skills and reproductive health to school girls



University of Liberia Computer Lab

- > Increased capacity for G&G related educational training
- > Provided software licenses and equipment for geo-sciences program



Student Sponsorship

- > G&G scholarship, opportunity to study at top universities in the UK

Commitment to build capacity, transfer knowledge and encourage local commercial participation across areas of operation