

18 December 2017

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

### **Corporate Update - Senegal**

African Petroleum, an independent oil and gas exploration company with licence interests in four countries offshore West Africa, provides the following update on its licences in Senegal.

#### **SOSP:**

As previously announced on 16 October 2017, the term of the current first renewal phase of the Senegal Offshore Sud Profond ("SOSP") production sharing contract ("PSC") expired on 15 December 2017. Prior to the expiry of the current phase, and in accordance with the terms of the PSC, the Company lodged an application ("PSC Application") to enter into the second renewal phase of the contract, and also requested to exchange the outstanding well commitment in the current phase for a 3D seismic acquisition programme, and to transfer this revised outstanding commitment to the second renewal phase.

Both prior to and after lodgement of the PSC Application, the Company held several meetings with the relevant authorities in Senegal to discuss the Company's PSC Application. All of these meetings led the Company to believe that the PSC Application would be favourably considered prior to expiry of the current phase.

The Company has received no formal response to the PSC Application; however, at a recent meeting with the newly appointed Minister of Energy, the Company was advised that all decisions pertaining to amendments to PSC's held by all companies in the country are being deferred until the new Petroleum Code is issued, which is expected to be in Q2 2018.

In addition, the Company notes recent media reports stating that the Ministry of Energy has outlined a change of policy that only major companies will be considered for new PSCs in Senegal going forward. Such a policy has clear negative implications for smaller exploration led companies.

The Company is disappointed and frustrated with this latest development and is reviewing its options under the PSC in order to protect its contractual rights and to expediate the decision making process.

A further update will be provided to shareholders once the Company has received and considered relevant legal advice on the issues.

#### **ROP:**

African Petroleum continues to reserve its rights on the Rufisque Offshore Profond ("ROP") PSC.

**Jens Pace, African Petroleum's CEO, comments:**

*"We are disappointed and frustrated that our application to move into the next phase of the PSC on SOSIP has become complicated by the introduction of a new hydrocarbon code, and changes to government policy built on the success of a region in which the Company took a pioneering position. Whilst we still hope for an amicable solution that sees us move into the next phase of the SOSIP PSC, we will be seeking advice and reviewing our options to protect our considerable investment in the Senegal licences. We will provide shareholders with a further update as soon as we have more clarity on the situation."*

\*\*\*\*\*

**For further information, please contact:**

Jens Pace, Chief Executive Officer  
Stephen West, Chief Financial Officer  
Tel: +44 20 3655 7810

**Media Contacts:**

Buchanan  
Ben Romney/Chris Judd  
Tel: +44 207 466 5000

**About African Petroleum**

African Petroleum is an independent oil and gas exploration company with an equity interest in licences in four countries offshore West Africa (Senegal, The Gambia, Côte d'Ivoire and Sierra Leone). The Company's assets are located in proven hydrocarbon basins in the West African Transform Margin and the Atlantic Margin, where several discoveries have been made in recent years.

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