



9 April 2014
NSX Announcement

Quarterly Reports

Please find attached the following reports relating to the quarter ended 31 March 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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9 April 2014

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 (**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

A handwritten signature in black ink, appearing to read 'C Mathews'.

Charles Mathews
Chairman

A handwritten signature in black ink, appearing to read 'D King'.

David King
Non-Executive Director

A handwritten signature in black ink, appearing to read 'S Lake'.

Stuart Lake
Chief Executive Officer

9 April 2014

HIGHLIGHTS

CORPORATE

- Approximately US\$7.9 million cash at bank at 31 March 2014
- In addition, approximately US\$12 million restricted cash as at 31 March 2014, being security deposits that will be released upon the achievement of certain drilling milestones in Côte d'Ivoire
- Consolidation of the Company's securities completed on 3 February 2014
- Appointment of Stuart Lake as Chief Executive Officer on 3 February 2014
- A\$20 million two tranche share placement announced on 24 February 2014, with the first tranche completed on 4 March 2014
- The Company announced on 24 February 2014 that it is seeking to list on a recognised European Exchange
- General Meeting of Shareholders held on 2 April 2014 with all resolutions were passed, including the second tranche of the recent share placement

OPERATIONS

- Updated Competent Persons Report published by ERC Equipoise estimating African Petroleum's net mean unrisks prospective oil resources in excess of 5.2 billion barrels, released on 4 March 2014
- Two year licence extensions announced for LB-08 and LB-09 in Liberia, and SL-03 in Sierra Leone on 5 February 2014

Stuart Lake, CEO commented:

"It has been a strong start to the year for African Petroleum and I am excited about leading the Company into an important period in its development. In March we announced an updated CPR published by ERC Equipoise estimating African Petroleum's net mean unrisks prospective oil resources are in excess of 5.2 billion barrels, highlighting our strong acreage position offshore West Africa. With the successful completion of a A\$20 million private placement to institutional and sophisticated investors in the first quarter of this year, the Company has sufficient working capital and is in a strong position to pursue a farm out.

In the two months since I have joined the Company, it is clear to me that the quality of the assets and the team we have in place are exceptional. I am delighted to be CEO of the Company at this exciting time and in a position to utilise my experience to take African Petroleum into the next phase of delivery and growth."

Company Background

African Petroleum is an independent oil 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's Narina discovery in February 2012, which successfully proved a working hydrocarbon system in the Liberian basin. With a combined net acreage position of 28,295 km² through its assets in Côte d'Ivoire, Liberia, Senegal and Sierra Leone, the Company has matured its portfolio rapidly, acquiring more than 15,000 km² of 3D seismic data and successfully drilling three wells, one of which was a discovery.

African Petroleum has estimated net unrisks mean prospective oil resources in excess of 5.2 billion barrels* in highly attractive acreage, adjacent to blocks being explored by major operators such as Anadarko, Chevron, Exxon, Lukoil Total and Tullow.

On 3 February 2014 the Company announced the appointment of Dr Stuart Lake as CEO. Dr Lake is a highly experienced industry executive and proven explorer with over 27 years of experience at Hess, Apache and Shell, with an 85% geological success rate based on drilling over 300 wells in 11 countries. Following the appointment of new Chairman Charles Matthews, Non-Executive Director David King and Finance Director Stephen West in 2013, the Company continues to build on its high calibre Board and management team ensuring the Company is in a good position to move forward.

African Petroleum has recently completed a successful A\$20 million share placement which, along with the support of existing blue chip shareholders, gives Africa Petroleum financial flexibility to continue its initiatives to further develop its portfolio and attract farm-in partners for its licences.

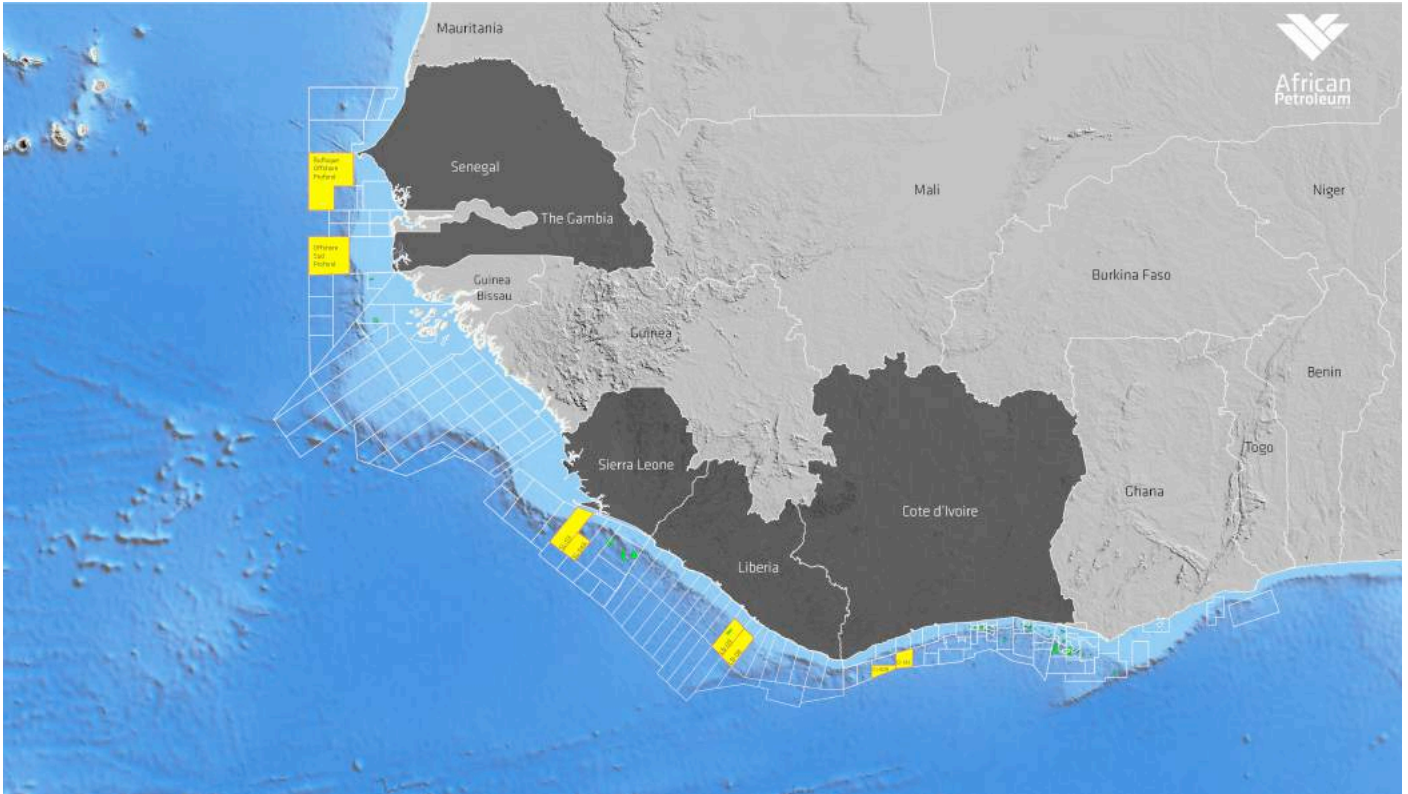
*(*ERC Equipoise, Competent Persons Report 2014)*





OPERATIONS

Location of African Petroleum's Licence Blocks





Liberian Project: Blocks LB-08 and LB-09

Licence Highlights

- 100% working interest in production sharing contracts LB-08 and LB-09 with combined net acreage of 5,352 km²
- Three wells drilled to date, including the oil discovery at Narina-1
- A number of key prospects identified with net unrisked mean prospective oil resources of 3,230 MMstb
- High resolution 3D seismic data planned to de-risk acreage further
- Announced two year extension of Liberia licences in February 2014

In Liberia, African Petroleum is the operator and holds a 100% working interest in production sharing contracts LB-08 and LB-09 with combined net acreage of 5,352 km². The Company has conducted an extensive work programme to date on its Liberian licences. In 2010 the Group completed the acquisition and processing of 5,100 km² of 3D seismic data over both licences. The interpretation of this data identified numerous prospects and leads in the Upper Cretaceous section.

African Petroleum has successfully executed an exploration programme in LB-09, with three wells drilled to date: Apalis-1, Narina-1 and Bee Eater-1.

In September 2011, African Petroleum completed the drilling of its first exploration well, Apalis-1, on LB-09. The well encountered oil shows in several geological units including the shallower (Tertiary) and deeper (Cretaceous). Petrophysical analysis, and core samples from the well, indicated the presence of hydrocarbons and source rock intervals.

The Narina-1 well was drilled on LB-09 in January 2012, targeting a major Turonian fan system. The well encountered a combined total of 31 metres of net oil pay in the primary objective Turonian and underlying Albian reservoirs with no oil water contacts observed. African Petroleum's discovery at Narina-1 proved a working petroleum system in the Liberian basin, an extremely positive result for the Company and one that improves the chance 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, however, the data gathered from the well provided further evidence of the working petroleum system and more critically has regional significance for the Cretaceous on-lap play, highlighting the exploration potential down-dip and basin-wards to, more likely, better quality reservoir units. These new findings have been incorporated into a revised interpretation of the subsurface across the portfolio, with new basin floor fan prospects identified.

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. Certain areas will benefit from additional improvement of the seismic image and accordingly the Company is currently considering 3D seismic for LB-09 to cover two key exploration prospects (Narina West and Night Heron) near the Narina-1 well. This proposed survey will incorporate lessons learned from seismic processing to date and will be acquired utilising state of the art technology. 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.

In LB-08, new seismic data is also being considered to cover three prospects (Lovebird, Darter and Turaco) in the Southern corner of the licenced area. Encouraging amplitude support for reservoir and potential hydrocarbons exists within the current reprocessed dataset. However, near surface effects (shallow slump zone “mass transport deposit”) degrades seismic data quality. Investment in both of these 3D datasets will better delineate and further de-risk the prospects prior to drilling.

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

On 5 February 2014 European Hydrocarbons Limited, a wholly owned subsidiary of African Petroleum, received approval from the Board of Directors of the National Oil Company of Liberia (“NOCAL”) for a two year extension to the second exploration period for both LB-08 and LB-09 until 11 June 2016. The Company will work with NOCAL to implement a work programme that includes the acquisition of additional high-resolution 3D seismic data.





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

Licence Highlights

- 90% working interest in offshore licences CI-509 and CI-513 with combined net acreage of 2,284 km²
- Acquired 4,200 km² seismic data over Côte d'Ivoire licence blocks
- Key prospects identified with net unrisks mean prospective oil resources of 1,560 MMstb
- Significant well campaigns in neighbouring blocks will potentially de-risk acreage

In Côte d'Ivoire, African Petroleum holds a 90% working interest in offshore licences CI-509 and CI-513 (the "CI Licences") with a combined net acreage of 2,284 km². The remaining 10% interest in both licences 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.

In October 2012, the Group acquired 4,200 km² 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 processing for the entire survey was completed in June 2013. Interpretation of the data has identified a number of significant prospects, with net unrisks mean prospective oil resources of 1,560 MMstb (ERC Equipoise, CPR 2014).

Significant well campaigns are due to take place offshore Côte d'Ivoire in 2014, with exploration and appraisal wells planned by, amongst others, Vitol, Anadarko and Total. These catalyst wells provide potential to de-risk the Company's acreage.





**Senegal Project: Rufisque Offshore Profond and Senegal Offshore Sud Profond
Licence Highlights**

- 81% working interest in exploration blocks Rufisque Offshore Profond and Senegal Offshore Sud Profond with combined net acreage of 14,804 km²
- 13,600 km² seismic data acquired over both blocks
- Extensive regional database is currently being interpreted
- Third party drilling activity will aid in the evaluation of the licences

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 Senegal Licences are located offshore southern and central Senegal, with a net acreage of 14,804 km².

To date, the Group has acquired 10,000 km² of 2D seismic data over the Senegal Licences and has compiled an extensive regional database. In May 2012, the Group completed a 3,600 km² 3D seismic data acquisition over the SOSP licence block. Fast-track 3D seismic data has been received and is currently being interpreted. In addition, 1,500 km² of 3D data over the ROP licence block is currently being reprocessed ready for final interpretation during 2014.

Cairn Energy and ConocoPhillips are scheduled to commence a two well drilling campaign offshore Senegal during 2014, and the results from this campaign will aid in the evaluation of the prospectivity of African Petroleum’s Senegal Licences.



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

Licence Highlights

- 100% working interest in offshore licences over Blocks SL-03 and SL-4A-10 with combined net acreage of 5,855 km²
- Significant 3D and 2D seismic data acquired over the licence area
- A number of key prospects have been identified, one of which, the Altair prospect has net unrisked mean prospective oil resources of 434 MMstb
- Two-year extension agreed for the first exploration period on the SL-03 licence

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

Since gaining operatorship of the Sierra Leone licences, African Petroleum has acquired 3D seismic data covering SL-03 and 2D seismic data over the SL-4A-10 licence and is currently performing extensive geological and geophysical work on both blocks. The Company has already identified a number of key prospects in the Sierra Leone licences one of which has net unrisked mean prospective oil resources of 434 MMstb (ERC Equipoise, CPR 2014).

Following discussions with the Government of Sierra Leone, in September 2013 the Group received a two-year extension to the first exploration period for SL-03, extending the first exploration period on the block to April 2015.

On SL-4A-10, the Group has interpreted existing 2D seismic and has identified a number of promising prospects for verification. TGS-NOPEC acquired a multi-client 3D seismic survey over parts of SL-4A-10 in October 2011, which the Group is considering to licence for further geological and geophysical work.



CORPORATE

Board Changes

Following the strengthening of the Board in October 2013 with the appointment of Charles Matthews as Chairman, on 3 February 2014 African Petroleum announced the appointment of Dr Stuart Lake as CEO. Dr Lake has over 27 years of experience in a wide variety of roles in international oil and gas companies including the Hess Corporation, four years in the Apache Corporation overseeing Global New Ventures and later Exploration/Exploitation activity in Argentina and over 19 years in Shell, where he was Vice President Exploration for Shell, Russia and held a wide variety of positions in both Exploration and Production throughout the world.

Most recently, Dr Lake spent over four years at Hess Corporation. As Vice President of Exploration, he was directly responsible for Exploration New Ventures globally, re-establishing a proactive basin master approach to Exploration New Ventures that led to significant strategic partnerships, and secured Hess a competitive position enabling Hess's entry into Kurdistan and other positions in West Africa and the Gulf of Mexico. Prior to that, he was vice President Exploration for Europe, Africa, Middle East, Russia and South America directing more than 30 discoveries in Russia and leading the highly successful exploration campaign in Ghana that resulted in seven consecutive hydrocarbon discoveries and the subsequent submission of the appraisal plans for those discoveries.

Dr Lake has demonstrated himself to be a proven oil finder, maintaining a high 85% geological success rate in all three companies, based on drilling over 300 wells in 11 countries over his 27 year career. He has a BSc Hons in Geology from the University of Wales and a PhD in Geology from the University of Durham, England supervised by Professor J. F. Dewey. Dr Lake also remains on the Advisory Board of the Energy and Geoscience Institute (E.G.I.) at the University of Utah.

A\$20 Million Share Placement

On 24 February 2014 the Company announced it had received firm commitments for a placing of 83,334,000 new fully paid ordinary shares ("Placing Shares") at A\$0.24 per Share with institutional and sophisticated investors, to raise a total of A\$20,000,160 before costs ("Placing"). The Placing took place in two tranches with the first tranche of 37,852,000 Placing Shares issued on 4 March 2014 and the second tranche of 45,482,000 Placing Shares issued on 8 April 2014.

This successful Placing reflects the commitment of our major shareholders to the future of the Company. The Company intends to use the net proceeds of the Placing for maintaining its West African licences in good order and for general working capital purposes.

Listing Update

On 24 February 2014 the Company announced that in addition to seeking an ASX listing (as had been previously announced on 28 June 2013), African Petroleum is also seeking a potential listing on a recognised European stock exchange. The Company will keep shareholders informed of further developments.



Share Consolidation

On 3 February 2014 the Company completed a consolidation of the issued capital of the Company, being every three shares consolidated into one share, and every three options being consolidated into one option, the exercise price of each option being amended in inverse proportion to this ratio.

The Gambia

On 8 January 2014 the Company announced that its wholly owned subsidiary African Petroleum Gambia Limited ("AP Gambia") had received from The Republic of The Gambia notification of the purported termination of AP Gambia's exploration licences over Blocks A1 and A4. AP Gambia disputes the Government's actions, which AP Gambia considers are in breach of its licence obligations. Disputes under the licences are subject to resolution by confidential arbitration at the International Centre for the Settlement of Investment Disputes ("ICSID") and on 14 March 2014 the Company announced that AP Gambia had lodged Requests for Arbitration with ICSID in relation to the purported termination of the exploration licences over Blocks A1 and A4.

Strategy Update

Following the appointment of Dr Stuart Lake as the Company's new CEO, the Board of African Petroleum undertook a review of the Company's strategy. The Board has determined that, going forward, African Petroleum's renewed strategy over the next 12 months is to consolidate its position as a leading West African focused oil and gas exploration company by rapidly maturing its exploration portfolio and fulfilling work programme commitments in conjunction with new industry partners (who will share risk and funding, and enhance technical competence) whilst placing a strict emphasis on capital discipline. The Company's exploration led strategy is focused on building on our balanced portfolio to create sustained long-term value for our shareholders.

Specifically, during 2014 the Company will work towards moving to a new recognised exchange, securing long-term strategic partners, firming up the Company's funding base and executing a low cost exploration programme of 3D acquisition in preparation for the 2015 drilling campaign. Such moves will be a significant step towards our goal to deliver sustained value and return to all stakeholders.



Quarterly Report

Name of entity

African Petroleum Corporation Limited

ABN

87 125 419 730

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (3 months) \$US'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(2,002)	(2,002)
(b) advertising and marketing	(22)	(22)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,415)	(1,415)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	(34)	(34)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) exploration & evaluation	(3,395)	(3,395)
(b) business development	(674)	(674)
(c) project related travel	(227)	(227)
(d) other income	43	43
Net operating cash flows	(7,723)	(7,723)

	Current quarter \$US'000	Year to date (3 months) \$US'000
1.8 Net operating cash flows (carried forward)	(7,723)	(7,723)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(15)	(15)
(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	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(108)	(108)
1.12 Loans repaid by other entities	113	113
1.13 Other (provide details if material)		
(a) cash backing security provided	-	-
(b) cash backing security returned	-	-
Net investing cash flows	(10)	(10)
1.14 Total operating and investing cash flows	(7,733)	(7,733)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc net of capital raising costs	7,718	7,718
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	7,718	7,718
Net increase (decrease) in cash held	(15)	(15)
1.21 Cash at beginning of quarter/year to date	7,914	7,914
1.22 Exchange rate adjustments	36	36
1.23 Cash at end of quarter	7.935	7.935

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	668
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

US\$668,219 (net of GST) has been paid to directors during the quarter for the provision of services as directors.

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	7,935	7,914
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,935	7,914

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: Claire Tolcon

Date: 9 April 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.