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21 October 2015

OAX / NSX Announcement



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

Contemplated Private Placement

African Petroleum, an independent oil and gas exploration company operating ten licences in five countries offshore West Africa, intends to carry out a private placement to raise between NOK 12 million to NOK 20 million (approximately US\$1.5 million to US\$2.5 million) through the issue of new fully paid ordinary shares to certain existing and new investors (the "Private Placement"). Mirabaud Securities LLP has been appointed to act as Lead Manager for the Private Placement.

Proceeds from the Private Placement will be used to strengthen the Company's balance sheet and liquidity position, to fund the Company's ongoing working capital and for general corporate purposes.

The Private Placement will be directed at a limited number of selected investors pursuant to applicable exemptions from local prospectus requirements and other filing requirements and in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), including in the United States to qualified institutional buyers ("QIBs") as defined in, Rule 144A under the U.S. Securities Act; subject to a minimum application and allocation of an amount in NOK equivalent to EUR 100,000 per investor.

The shares to be offered in the Private Placement (the "Offer Shares") will be offered at a price to be determined during the book building process and discussions with potential investors in the Private Placement. The application period for the Private Placement commences today, 21 October 2015, at 16:30 (CET) and will close on 22 October 2015 at 08:00 (CET). The Company, together with the Lead Manager, reserves the right to close or extend the application period at any time at their sole discretion, or to cancel the Private Placement in its entirety.

The allocation of the Offer Shares will be determined at the end of the application period. The final allocation of the Offer Shares will be made by the Company's Board of Directors ("Board") and at the Board's sole discretion. The completion of the Private Placement will be conditional upon (i) the Company receiving full payment for the Offer Shares on the due date for payment; and (ii) any regulatory approvals required to issue the Offer Shares.

The Company will announce the number of shares allocated in the Private Placement through a stock exchange notice expected to be published before opening of the trading on Oslo Axess tomorrow, 22 October 2015.

Assuming successful completion of the Private Placement and fulfilment of the conditions as set out above, the Offer Shares are expected to be issued on or about 28 October 2015 and be tradable on Oslo Axess shortly thereafter.

The Board has taken account of its obligations under section 5-14 of the NSTA and the section 2.1 of the Continuing Obligations for Stock Exchange Listed Companies (the "Continuing Obligations") and

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considers the Private Placement to be in the best common interests of the Company and its shareholders to secure funding from qualifying investors at the most competitive cost, in a timescale that will allow the Company to continue to concentrate on its farm-out opportunities, to secure partners for certain of its licences, and to secure funds for payment of working capital commitment's as they fall due. Due to the current pricing of the Company's shares, the timing aspect of the transaction and the limited discount to the last trading price, the Board is currently of the view that it is not in the best interest of the Company and the shareholders to conduct a subsequent repair issue in connection with the Private Placement. It is the view of the Board that the costs related to such a repair offering would not be justified.

For further information, please contact:

Jens Pace, Chief Executive Officer
Stephen West, Finance Director
Tel: +44 20 3761 6900

Lead Manager:
Mirabaud Securities LLP
Peter Krens
Tel: +44 20 7878 3362

Media Contacts:

For UK and International media: Buchanan
Ben Romney/Helen Chan
Tel: +44 207 466 5000

For Norwegian media: First House
Geir Arne Drangeid
Tel: +47 913 10 458

About African Petroleum

African Petroleum is an independent oil and gas exploration company operating ten licences in five countries offshore West Africa. 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. With a combined net acreage position of 30,378km² through its licences in Côte d'Ivoire, Liberia, Senegal, Sierra Leone and The Gambia, the Company has matured its portfolio through the acquisition of more than 18,500km² of 3D seismic data and successfully drilling three deep-water wells, one of which was the first hydrocarbons discovery in the offshore Liberian – Sierra Leone Basin.

For more information about African Petroleum, please see www.africanpetroleum.com.au

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

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This press release contains forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although African Petroleum believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors that are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could

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