



31 July 2014

NSX Announcement

Quarterly Reports

Please find attached the following reports relating to the quarter ended 30 June 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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Company Secretary
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**African
Petroleum**
CORP LTD

31 July 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:

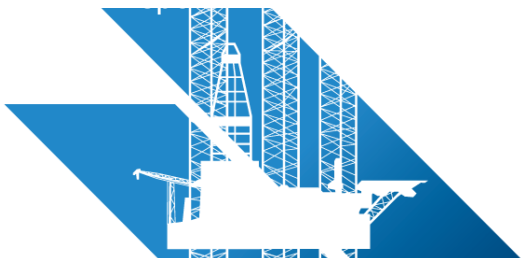
- (a) all matters that require disclosure have been disclosed by the Company in accordance with Listing Rules of the NSX; and
- (b) the market remains fully informed as to the prospects and activities of the Company.

Yours sincerely

Charles Matthews
Chairman

David King
Non-Executive Director

Stuart Lake
Chief Executive Officer



31 July 2014

HIGHLIGHTS

CORPORATE

- Approximately US\$ 16.5 million cash in bank at 30 June 2014
- In addition, approximately US\$12 million restricted cash as at 30 June 2014, being security deposits that will be released upon the achievement of certain drilling milestones in Côte d'Ivoire
- The Company successfully listed on the Oslo Axess on 28 May 2014 under the ticker symbol "APCL", raising gross funds of NOK 48.6 million (approximately US\$8.2 million)
- Mr Bjarne Moe appointed as a Non-Executive Director

OPERATIONS

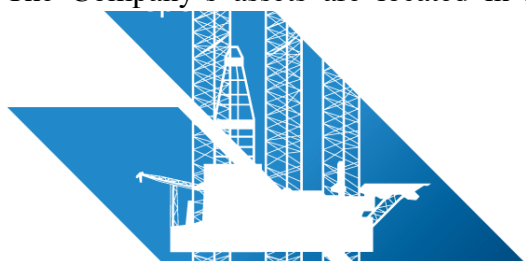
- Updated Competent Persons Report published by ERC Equipoise estimating African Petroleum Corporation's net mean unrisks prospective oil resources in excess of 5.2 billion barrels, released in April 2014
- PSC Amendments – Côte d'Ivoire Blocks CI-509 and CI-513, amendments include an adjustment of the licence periods providing for one year extensions to the first exploration periods for both licences

Dr Stuart Lake, CEO commented:

"Following a strong start to the year, African Petroleum Corporation has continued to achieve significant milestones, including; listing on the Oslo Axess, securing extensions to our Côte d'Ivoire licences and a private placement. The Company is in an excellent position to move into the next phase of delivery and growth."

Company Profile

African Petroleum Corporation is an independent oil and gas exploration company operating eight licences in four countries offshore West Africa (Côte d'Ivoire, Liberia, Senegal and Sierra Leone). 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.

African Petroleum Corporation has a significant 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 eight licences, rapidly maturing its exploration portfolio, acquiring more than 15,000km² of 3D seismic data and drilling three exploration wells, one of which was a discovery.

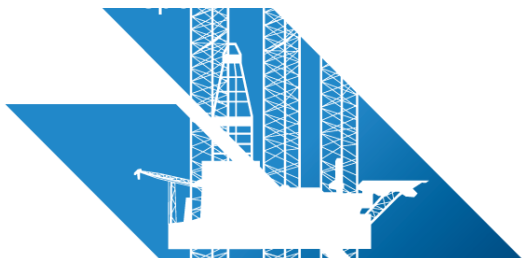
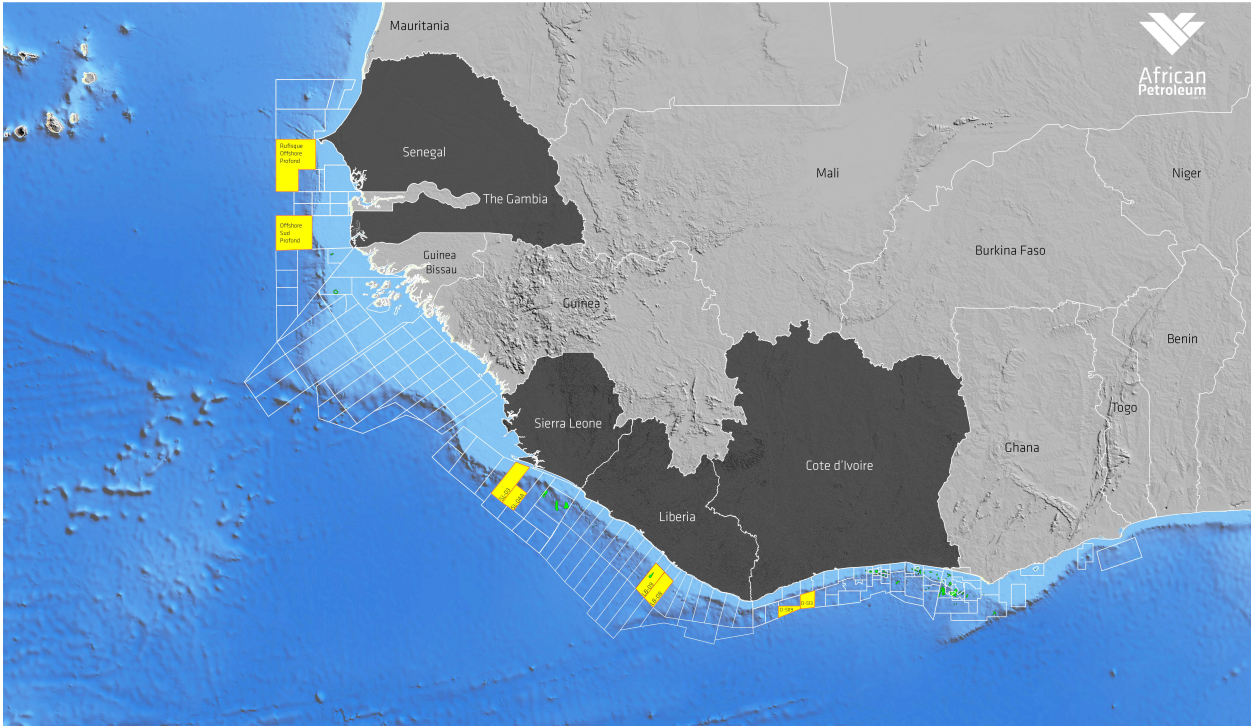
African Petroleum Corporation is among the largest net acreage holders in the West African Transform Margin, rivalling industry majors such as Anadarko Petroleum, Chevron Corporation and Lukoil. The Company has mean prospective oil resources in excess of 5.2 billion barrels*, further highlighting the scale of its presence in the region.

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



OPERATIONS

Location of African Petroleum Corporation's Licence Blocks



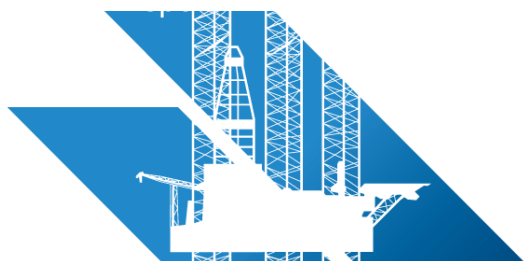
Liberian Project: Blocks LB-08 and LB-09 Licence Highlights

- Water depth: 900 – 2,800m
- 100% working interest in production sharing contracts LB-08 and LB-09 with a combined net acreage of 5,352km²
- 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 3,230MMstb
- High-resolution 3D seismic data planned to de-risk acreage further
- Announced two-year extension of Liberia licence blocks in February 2014

In Liberia, African Petroleum Corporation is the operator and holds a 100% working interest in production sharing contracts LB-08 and LB-09 with combined net acreage of 5,352km². The Company has conducted an extensive work programme on its Liberian licences. In 2010, African Petroleum Corporation 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.

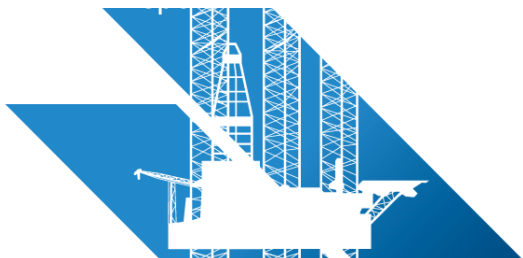
African Petroleum Corporation has successfully executed an exploration programme in LB-09, with three wells drilled: Apalis-1, Narina-1 and Bee Eater-1. In September 2011, African Petroleum Corporation completed drilling of its first exploration well, Apalis-1, on LB-09. The well encountered oil shows 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 well encountered a combined total of 32 metres of net oil pay in the primary objective Turonian and underlying Albian reservoirs with no oil water contacts observed. African Petroleum Corporation's discovery at Narina-1 was the first well 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 has 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 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 would benefit from additional improvement of the seismic image and so currently both 3D reprocessing and acquiring new high-resolution 3D seismic is being considered for LB-09 to cover two key exploration prospects (Narina West and Night Heron) near the Narina-1 well. The high-resolution 3D seismic survey, should it go ahead, will incorporate lessons learned from seismic reprocessing and will be acquired utilising the latest 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 licence area. Encouraging amplitude support for reservoir and potentially hydrocarbons exists within the current re-processed dataset. However, near surface effects (shallow slump zone “mass transport deposit”) degrades seismic data quality. Investment in both of these new 3D high-resolution datasets, should they be acquired, will better delineate and further de-risk the prospects prior to drilling. Recent rework by the Company, however, has identified several technology uplifts that can achieve potentially the same result through reprocessing the existing 3D seismic data at much lower cost. Accordingly several 3D seismic reprocessing options are being investigated first to see if the technology uplift can be achieved without the need to acquire new higher resolution 3D seismic data – both or either option are subject to the approval of NOCAL.

The Company has identified a number of key prospects in the Liberian licences with net unrisked mean prospective oil resources of 3,230 MMstb (ERC Equipoise, CPR 2014). Anadarko (operator) with partners Cepsa and Mitsubishi plan to drill 2 wells in Q2/Q3 in block 10 (adjacent to the Company’s acreage) this year. Again, the results of these wells will have some bearing on the prospectivity of African Petroleum Corporation’s acreage.



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

Licence Highlights

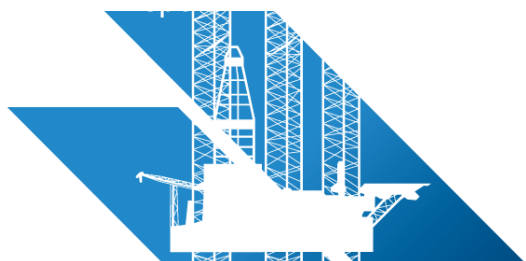
- Water depth: 900 – 3,150m
- 90% working interest in offshore licences CI-509 and CI-513 with combined net acreage of 2,284km²
- Acquired 4,200km² seismic data over Côte d'Ivoire licence blocks
- Key prospects identified with net unrisks mean prospective oil resources of 1,560 MMstb
- Significant well campaigns in neighbouring blocks; the Saphir-1xB discovery de-risks acreage and our prospect portfolio by proving oil charge (the earlier pre-drill principal risk)
- One-year licence extensions on the exploration period granted in April 2014
- Farm-Out agreement announced 14 July 2014

In Côte d'Ivoire, African Petroleum Corporation 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.

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 unrisks mean prospective oil resources of 1,560 MMstb (ERC Equipoise, CPR 2014).

African Petroleum Corporation is actively seeking strategic partners in the Côte d'Ivoire acreage. 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. In April 2014, Total announced a discovery of hydrocarbons in block CI-514, adjacent to African Petroleum Corporation's acreage with 40 metres of net oil pay and 34° API light oil. These catalyst wells provide potential to de-risk the Company's acreage.

On 22 April 2014 African Petroleum Corporation 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. This 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 recently completed 3D seismic depth processing into the optimisation of exploration well locations as several new amplitude supported prospects have now arisen from the newly processed PSDM 3D data and prior prospects mapped for the 2014 CPR are now being reassessed with the new data. The new PSDM can now be better calibrated to the recent results of Total's oil discovery in CI-514, as African Petroleum Corporation 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. The CPR will be updated with the incorporation of the new interpretation of the newly processed PSDM prior to year-end. 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.

Subsequent to quarter end, in July 2014, the Company announced a Farm-Out Agreement with Buried Hill Africa Limited ("Buried Hill") in Block CI-509, Côte d'Ivoire. This farm-out agreement, subject to certain conditions precedent including government approval, entitles Buried Hill to 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 Corporation representing 10% of past costs incurred ("Farm-out Agreement"). Under the terms of the Farm-out Agreement, African Petroleum Corporation will continue as Operator on the licence and completion of the Farm-out Agreement is subject to the satisfaction or waiving of certain conditions precedent, which, apart from one pertaining to government approval of the transfer, must be satisfied or waived no later than 1 November 2014 (unless extended in accordance with the Farm-out Agreement).

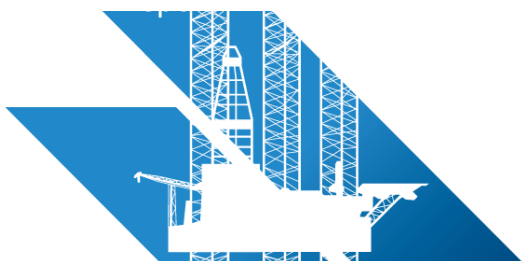


Senegal Project: Rufisque Offshore Profond and Senegal Offshore Sud Profond Licence Highlights

- Water depth: 2,000 - 3,500m
- 81% working interest in exploration blocks Rufisque Offshore Profond and Senegal Offshore Sud Profond with combined net acreage of 14,804km²
- Extensive regional database is currently being interpreted
- Third party drilling activity will aid in the evaluation of the licences

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

In May 2012, the Company completed a 3,600km² 3D seismic data acquisition over the SOSP licence block. In the ROP block an existing 3D seismic dataset (2007 vintage) covers 1800km² and was purchased from Petrosen. This base dataset will benefit from reprocessing, which is underway and the final product will be delivered in Q4 2014. Several large Cretaceous turbidite fan ‘leads’ have been identified, these will be matured to prospects when the reprocessed data has been evaluated. Oil was previously encountered by other operators just to the East in the Rufisque Dome and accordingly the petroleum system is proven in the area. Cairn Energy and Conoco Phillips have commenced 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 Corporation’s Senegal Licences.



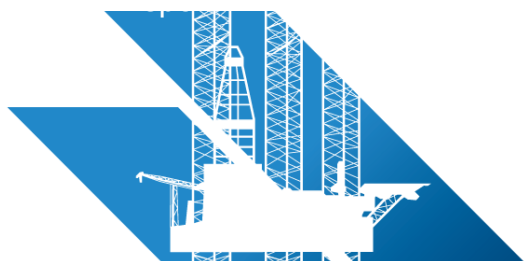
Sierra Leone Project: Blocks SL-03 and SL-4A-10 Licence Highlights

- Water depth: 2,800 – 3,800m
- 100% working interest in offshore licences SL-03 and SL-4A-10 with combined net acreage of 5,855km²
- Significant 3D and 2D seismic data acquired over the licence area
- A number of key prospects have been identified, one of which has net unrisked mean prospective oil resources of 434MMstb
- Two year extension agreed for the first exploration period in the SL-03 licence

In Sierra Leone, the Company holds a 100% operated working interest in offshore licences SL-03 and SL-4A-10. African Petroleum Corporation was awarded a 100% 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 in the initial exploration period. 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.

Since gaining operatorship of the Sierra Leone licences, African Petroleum Corporation has acquired 3D seismic data covering 2,500km² on block 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 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. On SL-4A-10, the Company 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 Company is considering to licence for further geological and geophysical work. The Company intends to acquire a 3D survey of approximately 1,500km² over SL-4A-10 during 2014 to cover the rest of the Vega lead thus fulfilling the remaining licence obligations in Sierra Leone.

Subsequent to quarter end, on 11 July 2014, the Company announced that it had signed a contract to acquire more than 1,000km² of 3D seismic data on Block SL-4A-10, offshore Sierra Leone. The seismic acquisition over this block is expected to commence in Q3 2014.



CORPORATE & OPERATIONS

Board Changes

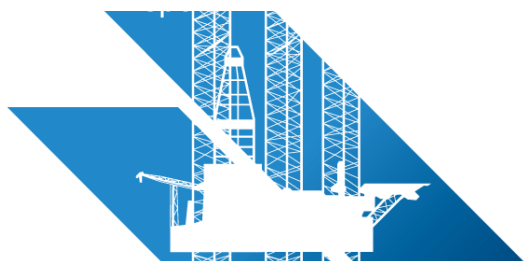
Following the approval to list on the Oslo Axess in May 2014, African Petroleum Corporation strengthened its Board further with the appointment of Mr Bjarne Moe as a Norwegian based independent director. Mr Moe has over 35 years' experience in the oil and gas industry including being the former Director 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 had several large, international companies as clients. Mr Moe was also appointed as a member of the Company's Continuous Disclosure Committee. The Company welcomes Mr Moe and the wealth of experience that he adds to the Board of Directors.

Listing Update

Following an announcement on 1 May 2014 where the Company announced it had received approval to list on the Oslo Axess, the Company successfully completed an initial public offering ("IPO") and listing of the Company's shares on the Oslo Axess on 28 May 2014 under the ticker symbol "APCL". The IPO raised gross funds of NOK 48.6 million (approximately US\$8.2 million) through the issue of 37,378,820 fully paid ordinary shares at an issue price of NOK1.30 (approximately A\$.24) per share.

PSC Amendments Côte d'Ivoire

In April 2014, African Petroleum Corporation and the Government of Côte d'Ivoire agreed amendments to the Production Sharing Contracts related to Blocks CI-509 and CI-513 ("PSC Amendments"). The PSC Amendments include an adjustment of the licence periods providing for a one year extension to the first exploration periods of both licences at the expense of the duration of future exploration periods. The adjustment allows the Company more time for drilling of the first period commitment wells in these blocks up to March 2016, in respect of CI-509, and up to December 2016 in respect of CI-513. The Company intends to use some of this additional time to integrate recently completed 3D seismic depth processing into the optimisation of exploration well locations, 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.



Quarterly Report

Name of entity

African Petroleum Corporation Limited

ABN

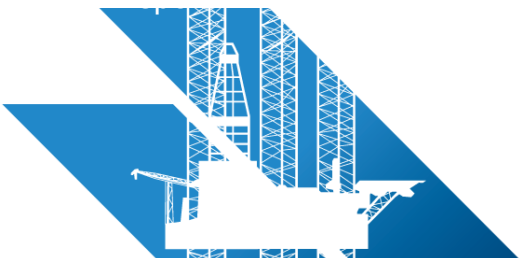
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Quarter ended ("current quarter")

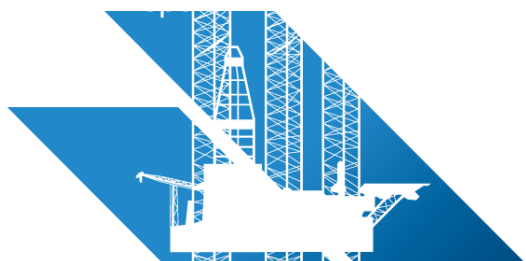
30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (6 months) \$US'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(2,968)	(4,970)
(b) advertising and marketing	(114)	(136)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(216)	(1,631)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28	31
1.5 Interest and other costs of finance paid	(24)	(58)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) exploration & evaluation	(3,158)	(6,553)
(b) business development	(1,484)	(2,158)
(c) project related travel	(425)	(652)
(d) other income	-	43
Net operating cash flows	(8,361)	(16,084)



	Current quarter \$US'000	Year to date (6 months) \$US'000
1.8 Net operating cash flows (carried forward)	(8,361)	(16,083)
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	(3)	(18)
(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	(100)	(207)
1.12 Loans repaid by other entities	53	166
1.13 Other (provide details if material)		
(a) cash backing security provided	-	-
(b) cash backing security returned	-	-
Net investing cash flows	(50)	(59)
1.14 Total operating and investing cash flows	(8,411)	(16,143)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc net of capital raising costs	16,977	24,695
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	16,977	24,695
Net increase (decrease) in cash held	8,566	8,552
1.21 Cash at beginning of quarter/year to date	7,935	7,914
1.22 Exchange rate adjustments	81	116
1.23 Cash at end of quarter	16,582	16,582



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	688
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\$687,732 (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

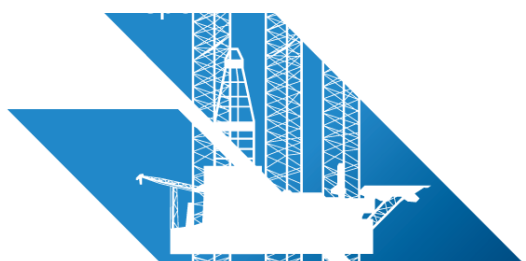
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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	16,582	7,935
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	16,582	7,935

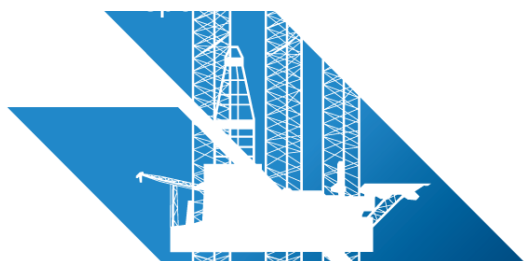
NOTE: As at the end of the current quarter, the Company has provided US\$12.0m of cash backing security in relation to the Company's exploration programs that will be released on achievement of certain drilling milestones.

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

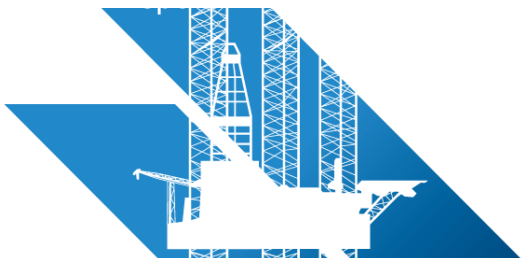
Compliance statement

- 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: 31 July 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.
4. Business development costs for the 6 months year to date of \$2,158m includes Oslo listing and IPO costs of \$2,020m

