

13 February 2015

OAX / NSX Announcement

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

Notice of General Meeting

African Petroleum Corporation, an independent oil and gas exploration company operating ten licences in five countries offshore West Africa, hereby announces notice of a General Meeting of shareholders ("GM") to take place at 09:00 (WST) on 16 March 2015, at 32 Harrogate Street, West Leederville WA 6007, Australia.

Included in the business of the GM is the approval of the issue of up to 330,000,000 shares and 165,000,000 share options in order to facilitate the recent Private Placement raising NOK 95,106,200 (approximately US\$12.5 million) as announced on 10 February 2015, and to complete a NOK 19,021,250 (approximately US\$2.5 million) subsequent repair offering of additional shares and options on the same terms as the Private Placement (the "Repair Offering").

In accordance with the Repair Offering, the Company's shareholders holding shares through VPS as of 10 February 2015, as registered in the VPS on 12 February 2015, who were not invited to participate in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action, will be granted non-transferable allocation rights to apply for, and upon application, be allocated new shares and options in the Company. The Company has retained Pareto Securities AS to act as Manager of the Repair Offering.

The commencement of the Repair Offering is subject to approval and publication of an offering prospectus in accordance with Chapter 7 of the Norwegian Securities Trading Act. A separate announcement regarding the Repair Offering will be released by the Company in due course.

For further information, please contact:

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About African Petroleum Corporation

African Petroleum Corporation is a dynamic, independent oil and gas exploration company operating ten licences in five 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 Corporation's Narina-1 discovery in February 2012, which proved a working hydrocarbon system in the Liberian basin. With a combined net acreage position of 28,955km² through its licences in Côte d'Ivoire, Liberia, Senegal, Sierra Leone and The Gambia, the Company has matured its portfolio rapidly, acquiring more than 18,500km² of 3D seismic data and successfully drilling three wells, one of which was the first hydrocarbons discovery in the offshore Liberian deep-water basin.

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

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



**African
Petroleum**
CORP LTD

ABN 87 125 419 730

NOTICE OF GENERAL MEETING

TIME: 9:00am (WST)
DATE: 16 March 2015
PLACE: 32 Harrogate Street
West Leederville WA 6007
Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9388 0744.

1. CONTENTS PAGE

Notice of General Meeting (setting out the proposed resolutions)	5
Explanatory Statement (explaining the proposed resolutions)	11
Glossary	27
Schedule 1 – Terms and Condition of Director Options	
Schedule 2 – Terms and Condition of Options	
Proxy Form Attached	

2. TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00am (WST) on 16 March 2015 at:

32 Harrogate Street
West Leederville WA 6007
Australia

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important. The Company has 685 857 456 shares in issue. Each share carries one vote in the Company's general meeting.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- (a) by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria, 3001, Australia; or
- (b) by facsimile to Computershare Investor Services Pty Ltd on facsimile number 1800 783 447 (within Australia) and +61 3 9473 2555 (outside Australia),

so that it is received not later than 9:00am (WST) on 14 March 2015. Shareholders registered in the Norwegian Central Securities Depository (the "VPS") must follow the instructions set out in the separate proxy form attached to this notice.

Proxy Forms received later than this time will be invalid. Enquiries in respect of the proxy form should be made on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Changes to Proxy Voting

Shareholders and their proxies should be aware that pursuant to sections 250BB and 250BC of the Corporations Act:

- (a) if the proxy votes, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:

- (i) the proxy is not recorded as attending the meeting; or
- (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

3. NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 9:00am (WST) on 16 March 2015 at 32 Harrogate Street, West Leederville, Western Australia.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 9:00am (WST) on 14 March 2015. Shareholders registered in the VPS must be registered shareholder at close of business 6 March 2015.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

RESOLUTION 1 – APPROVAL TO ISSUE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of NSX Listing Rule 6.25 and for all other purposes, approval is given for the Directors to issue up to 330,000,000 Shares in the Company on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 2 – APPROVAL TO ISSUE OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of NSX Listing Rule 6.25 and for all purposes, Shareholders approve the issue of up to 165,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 3 – RE-APPOINTMENT OF DIRECTOR – ANDERS BJARNE MOE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Anders Bjarne Moe, a Director who was appointed on 16 June 2014, retires, and being eligible, is re-appointed as a Director.”

RESOLUTION 4 – APPROVAL TO ISSUE OPTIONS – ANDERS BJARNE MOE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue 500,000 Director Options to Anders Bjarne Moe (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 5 – APPROVAL TO ISSUE REPLACEMENT OPTIONS – DR STUART LAKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue 5,000,000 Director Options to Dr Stuart Lake (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (c) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (d) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 6 – APPROVAL TO ISSUE REPLACEMENT OPTIONS – CHARLES MATTHEWS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue 1,666,667 Director Options to Charles Matthews (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (e) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (f) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (e) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (f) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 7 – APPROVAL TO ISSUE REPLACEMENT OPTIONS – MARK ASHURST

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue 1,000,000 Director Options to Mark Ashurst (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (g) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (h) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (g) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (h) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 8 – APPROVAL TO ISSUE REPLACEMENT OPTIONS – GIBRIL BANGURA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue 500,000 Director Options to Gibril Bangura (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (j) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (i) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (j) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 9 – APPROVAL TO ISSUE REPLACEMENT OPTIONS – JEFFREY COUCH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue 500,000 Director Options to Jeffrey Couch (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (k) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (l) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (k) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (l) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 10 – APPROVAL TO ISSUE REPLACEMENT OPTIONS – ANTHONY WILSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue 500,000 Director Options to Anthony Wilson (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (m) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (n) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (m) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (n) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 11 – APPROVAL TO ISSUE SHARES – DR STUART LAKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue a total of 2,000,000 Shares conditional upon the satisfaction of certain milestones to Dr Stuart Lake (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (o) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (p) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (o) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (p) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

RESOLUTION 12 – APPROVAL TO ISSUE SHARES AND OPTIONS – DR STUART LAKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, approval is given for the Directors to issue up to 2,608,500 Shares and up to 1,304,250 Options to Dr Stuart Lake (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

DATED: 13 February 2015

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'A Hicks', enclosed within a simple oval scribble.

**ANGELINE HICKS
COMPANY SECRETARY**

4. EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9:00am (WST) on 16 March 2015 at 32 Harrogate Street, West Leederville, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES

1.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 330,000,000 Shares as part of a placement to existing and new investors (**Share Placement**).

NSX Listing Rule 6.25 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

By approving the issue of up to 330,000,000 Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in NSX Listing Rule 6.25 without the requirement to obtain prior Shareholder approval.

1.2 Technical Information

The following information is provided in relation to the issue of up to 330,000,000 Shares:

- (a) the maximum number of Shares to be issued is 330,000,000;
- (b) the Shares will be issued no later than six months after the date of the Meeting and it is intended that issue of the Shares will occur on two dates in two separate tranches;
- (c) the Shares will be issued at a NOK 0.35 (**Issue Price**);
- (d) the Shares will be issued to investors, none of whom will be related parties of the Company as defined by the Corporations Act and the NSX Listing Rules, except as otherwise set out in Resolution 12 of this Notice of Meeting;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the net funds raised from the issue of the Shares for general corporate purposes and working capital.

2. RESOLUTION 2 – APPROVAL TO ISSUE OPTIONS

2.1 General

The Company proposes to issue a total of up to 165,000,000 Options to existing and new investors that participate in the Share Placement on the basis of one Option for every two Shares issued (**Option Placement**).

None of the recipients are related parties of the Company, except as otherwise set out in Resolution 12 of this Notice of Meeting.

A summary of NSX Listing Rule 6.25 is set out in Section 7.1 above.

The effect of Resolution 2 will be to allow the Directors to issue the Options pursuant to the Options Placement and retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in NSX Listing Rule 6.25 without the requirement to obtain prior Shareholder approval.

2.2 Technical information

The following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 165,000,000;
- (b) the Options will be issued no later than six months after the date of the Meeting and it is intended that issue of the Options will occur on two dates in two separate tranches;
- (c) the Options will be issued for nil cash consideration as they are being issued as free attaching Options for Shares issued and subscribed for under the Share Placement;
- (d) the Options will be issued to existing and new investors that participate in the Share Placement, none of whom will be a related party of the Company, except as otherwise set out in Resolution 12 of this Notice of Meeting;
- (e) the Options will be issued on the terms set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Options.

3. RESOLUTION 3 – RE-APPOINTMENT OF DIRECTOR – ANDERS BJARNE MOE

3.1 General

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution, any Director so appointed holds office only until the next following general meeting and is then eligible for election by Shareholder but shall not be taken into

account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Anders Bjarne Moe was appointed a Director on 16 June 2014 and accordingly, Mr Anders Bjarne Moe will retire in accordance with clause 13.4 of the Constitution and being eligible, seek re-election.

A profile of Mr Anders Bjarne Moe is set out below:

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.

4. RESOLUTION 4 – ISSUE OF DIRECTOR OPTIONS – ANDERS BJARNE MOE

4.1 General

The Board has resolved, subject to Shareholder approval, to issue 500,000 Director Options exercisable at NOK 0.40 per Director Option, to Anders Bjarne Moe as part of his remuneration package for his appointment as a Non-executive Director of the Company.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The grant of the Director Options to Anders Bjarne Moe requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Mr Anders Bjarne Moe is a related party of the Company.

The grant of Director Options to Anders Bjarne Moe constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Anders Bjarne Moe will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Anders Bjarne Moe abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the grant of the Director Options to Anders Bjarne Moe. Accordingly, the Directors (with Anders Bjarne Moe abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

4.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Anders Bjarne Moe and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options to be granted to Anders Bjarne Moe is 500,000 Director Options exercisable at NOK 0.40 per Director Option;
- (c) the Director Options will be granted to Anders Bjarne Moe no later than one month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Schedule 1; and
- (f) no funds will be raised pursuant to the issue of the Director Options as they are being issued as part of Anders Bjarne Moe's remuneration as a Non-executive Director of the Company.

5. RESOLUTION 5 – ISSUE OF REPLACEMENT DIRECTOR OPTIONS – DR STUART LAKE

5.1 General

The Board has resolved, subject to Shareholder approval, to issue 5,000,000 Director Options exercisable at NOK 0.40 per Director Option, to Dr Stuart Lake as part of his remuneration package for his appointment as Chief Executive Officer and Executive Director of the Company. This Director Option award is to replace the 5,000,000 Director Options exercisable at A\$0.24 per Director Option currently held by Dr Stuart Lake, which will be cancelled.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The grant of the Director Options to Dr Stuart Lake requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Dr Stuart Lake is a related party of the Company.

The grant of Director Options to Dr Stuart Lake constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Dr Stuart Lake will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Dr Stuart Lake abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the grant of the Director Options to Dr Stuart Lake. Accordingly, the Directors (with Dr Stuart Lake abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

5.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Dr Stuart Lake and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options to be granted to Dr Stuart Lake is 5,000,000 Director Options exercisable at NOK 0.40 per Director Option;
- (c) the issue of the Director Options is conditional upon receipt by the Company of written confirmation that the existing 5,000,000 Director Options exercisable at A\$0.24 per Director Option currently held by Dr Stuart Lake have been cancelled;
- (d) the Director Options will be granted to Dr Stuart Lake no later than one month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the terms and conditions of the Director Options are set out in Schedule 1; and
- (g) no funds will be raised pursuant to the issue of the Director Options as they are being issued as part of Dr Stuart Lake's remuneration as the Chief Executive Officer and an Executive Director of the Company.

6. RESOLUTION 6 – ISSUE OF REPLACEMENT DIRECTOR OPTIONS – CHARLES MATTHEWS

6.1 General

The Board has resolved, subject to Shareholder approval, to issue 1,666,667 Director Options exercisable at NOK 0.40 per Director Option, to Charles Matthews as part of his remuneration package for his appointment as Chairman of the Company. This Director Option award is to replace the 1,666,667 Director Options exercisable at A\$0.24 per Director Option currently held by Charles Matthews, which will be cancelled.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The grant of the Director Options to Charles Matthews requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Charles Matthews is a related party of the Company.

The grant of Director Options to Charles Matthews constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Charles Matthews will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Charles Matthews abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the grant of the Director Options to Charles Matthews. Accordingly, the Directors (with Charles Matthews abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

6.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Charles Matthews and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options to be granted to Charles Matthews is 1,666,667 Director Options exercisable at NOK 0.40 per Director Option;
- (c) the issue of the Director Options is conditional upon receipt by the Company of written confirmation that the existing 1,666,667 Director Options exercisable at A\$0.24 per Director Option currently held by Charles Matthews have been cancelled;
- (d) the Director Options will be granted to Charles Matthews no later than one month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the terms and conditions of the Director Options are set out in Schedule 1; and

- (g) no funds will be raised pursuant to the issue of the Director Options as they are being issued as part of Charles Matthews' remuneration as Chairman of the Company.

7. RESOLUTION 7 – ISSUE OF REPLACEMENT DIRECTOR OPTIONS – MARK ASHURST

7.1 General

The Board has resolved, subject to Shareholder approval, to issue 1,000,000 Director Options exercisable at NOK 0.40 per Director Option, to Mark Ashurst as part of his remuneration package for his appointment as a Non-executive Director of the Company. This Director Option award is to replace the 1,000,000 Director Options exercisable at A\$0.24 per Director Option currently held by Mark Ashurst, which will be cancelled.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The grant of the Director Options to Mark Ashurst requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Mark Ashurst is a related party of the Company.

The grant of Director Options to Mark Ashurst constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Mark Ashurst will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Mark Ashurst abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the grant of the Director Options to Mark Ashurst. Accordingly, the Directors (with Mark Ashurst abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

7.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Mark Ashurst and he is a related party by virtue of being a Director;

- (b) the maximum number of Director Options to be granted to Mark Ashurst is 1,000,000 Director Options exercisable at NOK 0.40 per Director Option;
- (c) the issue of the Director Options is conditional upon receipt by the Company of written confirmation that the existing 1,000,000 Director Options exercisable at A\$0.24 per Director Option currently held by Mark Ashurst have been cancelled;
- (d) the Director Options will be granted to Mark Ashurst no later than one month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the terms and conditions of the Director Options are set out in Schedule 1; and
- (g) no funds will be raised pursuant to the issue of the Director Options as they are being issued as part of Mark Ashurst's remuneration as a Non-executive Director of the Company.

8. RESOLUTION 8 – ISSUE OF REPLACEMENT DIRECTOR OPTIONS – GIBRIL BANGURA

8.1 General

The Board has resolved, subject to Shareholder approval, to issue 500,000 Director Options exercisable at NOK 0.40 per Director Option, to Gibril Bangura as part of his remuneration package for his appointment as a Non-executive Director of the Company. This Director Option award is to replace the 500,000 Director Options exercisable at A\$0.24 per Director Option currently held by Gibril Bangura, which will be cancelled.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The grant of the Director Options to Gibril Bangura requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Gibril Bangura is a related party of the Company.

The grant of Director Options to Gibril Bangura constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Gibril Bangura will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Gibril Bangura abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the grant of the Director Options to Gibril Bangura. Accordingly, the Directors (with Gibril Bangura abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

8.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Gibril Bangura and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options to be granted to Gibril Bangura is 500,000 Director Options exercisable at NOK 0.40 per Director Option;
- (c) the issue of the Director Options is conditional upon receipt by the Company of written confirmation that the existing 500,000 Director Options exercisable at A\$0.24 per Director Option currently held by Gibril Bangura have been cancelled;
- (d) the Director Options will be granted to Gibril Bangura no later than one month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the terms and conditions of the Director Options are set out in Schedule 1; and
- (g) no funds will be raised pursuant to the issue of the Director Options as they are being issued as part of Gibril Bangura's remuneration as a Non-executive Director of the Company.

9. RESOLUTION 9 – ISSUE OF REPLACEMENT DIRECTOR OPTIONS – JEFFREY COUCH

9.1 General

The Board has resolved, subject to Shareholder approval, to issue 500,000 Director Options exercisable at NOK 0.40 per Director Option, to Jeffrey Couch as part of his remuneration package for his appointment as a Non-executive Director of the Company. This Director Option award is to replace the 500,000 Director Options exercisable at A\$0.24 per Director Option currently held by Jeffrey Couch, which will be cancelled.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The grant of the Director Options to Jeffrey Couch requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Jeffrey Couch is a related party of the Company.

The grant of Director Options to Jeffrey Couch constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Jeffrey Couch will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Jeffrey Couch abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the grant of the Director Options to Jeffrey Couch. Accordingly, the Directors (with Jeffrey Couch abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

9.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Jeffrey Couch and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options to be granted to Jeffrey Couch is 500,000 Director Options exercisable at NOK 0.40 per Director Option;
- (c) the issue of the Director Options is conditional upon receipt by the Company of written confirmation that the existing 500,000 Director Options exercisable at A\$0.24 per Director Option currently held by Jeffrey Couch have been cancelled;
- (d) the Director Options will be granted to Jeffrey Couch no later than one month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the terms and conditions of the Director Options are set out in Schedule 1; and
- (g) no funds will be raised pursuant to the issue of the Director Options as they are being issued as part of Jeffrey Couch's remuneration as a Non-executive Director of the Company.

10. RESOLUTION 10 – ISSUE OF REPLACEMENT DIRECTOR OPTIONS – ANTHONY WILSON

10.1 General

The Board has resolved, subject to Shareholder approval, to issue 500,000 Director Options exercisable at NOK 0.40 per Director Option, to Anthony Wilson as part of his remuneration package for his appointment as a Non-executive Director of the Company. This Director Option award is to replace the 500,000 Director Options exercisable at A\$0.24 per Director Option currently held by Anthony Wilson, which will be cancelled.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The grant of the Director Options to Anthony Wilson requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Anthony Wilson is a related party of the Company.

The grant of Director Options to Anthony Wilson constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Anthony Wilson will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Anthony Wilson abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the grant of the Director Options to Anthony Wilson. Accordingly, the Directors (with Anthony Wilson abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

10.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Anthony Wilson and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options to be granted to Anthony Wilson is 500,000 Director Options exercisable at NOK 0.40 per Director Option;

- (c) the issue of the Director Options is conditional upon receipt by the Company of written confirmation that the existing 500,000 Director Options exercisable at A\$0.24 per Director Option currently held by Anthony Wilson have been cancelled;
- (d) the Director Options will be granted to Anthony Wilson no later than one month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the terms and conditions of the Director Options are set out in Schedule 1; and
- (g) no funds will be raised pursuant to the issue of the Director Options as they are being issued as part of Anthony Wilson's remuneration as a Non-executive Director of the Company.

11. RESOLUTION 11 – APPROVAL TO ISSUE OF SHARES – DR STUART LAKE

11.1 General

The Board has resolved, subject to Shareholder approval, to issue a total of 2,000,000 Shares to Dr Stuart Lake as part of his remuneration package for his appointment as Chief Executive Officer with the Company, which will be issued in 2 tranches of 1,000,000 Shares upon the completion of a Significant sale or farm in of assets of the Company (or its subsidiaries), (the **Milestones**).

“Significant” means a sale or farm out of the Company’s assets, or a farm in acquiring an interest in a licence which would include but not be limited to:

- (a) any sale of assets by the Company or any Group Company where the consideration received for such sale is worth in excess of US\$25 million; and
- (b) any farm in or farm out which involves the Company or a Group Company acquiring or assigning to a third party an interest in a licence where the consideration is worth in excess of US\$25 million.

The Remuneration Committee (acting reasonably) will determine the satisfaction of the Milestones.

Notwithstanding the foregoing, if there is a “Change in Control” of the Company, all remaining Shares not issued to Dr Lake will be immediately issued to Dr Lake without the achievement of the Milestones. A “**Change in Control**” means the occurrence of any of the following events:

- (a) the purchase or acquisition of any Shares which results in any holder beneficially owning, or exercising control or direction over, an aggregate shareholding of Shares carrying 50% or more of the voting rights of the Company or the right to control the composition of its Board or the right directly or indirectly to exercise or control the exercise of 50% or more of the voting power at meetings of the Board;

- (b) the Company completes an amalgamation, arrangement, merger or other consolidation or combination of the Company with another company in which the Shareholders of the Company own less than 50% of the Shares of the combined entity; or
- (c) the liquidation, dissolution or winding-up of the Company; or
- (d) the sale, lease or other disposition of all or substantially all of the assets of the Company; or
- (e) a determination by the Board that there has been a change, whether by way of a change in the holding of the Shares of the Company or otherwise, in the ownership of the Company's securities or assets or by any other means (including, without limitation, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Company).

A change of control is not deemed to have taken place where a change of control arises by virtue of a reorganization, the effect of which is that a holding company is interposed between the Company and the existing Shareholders of the Company and the holdings of such shareholders in such holding company immediately following the reorganization corresponds to their holdings in the Company immediately before such reorganization.

If Dr Lake's employment with the Company is terminated before the issue of the 2,000,000 Shares for achievement of the Milestones, no further Shares will be issued to Dr Lake by the Company.

The Board considers it usual practice for the executive's remuneration to have a cash component and an equity component to further align the executive's interest with that of Shareholders.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (f) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (g) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The issue of the Shares to Stuart Lake requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Stuart Lake is a related party of the Company.

The issue of the Shares to Stuart Lake constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed grant of issue of the Shares to Stuart Lake will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors (with Stuart Lake abstaining) that the exception under section 211(1) of the Corporations Act (reasonable remuneration benefits) applies to the issue of the Shares to Stuart

Lake. Accordingly, the Directors (with Stuart Lake abstaining) have determined not to seek shareholder approval under section 208 of the Corporations Act.

11.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed issue of the Shares:

- (a) the related party is Stuart Lake and he is a related party by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Stuart Lake is 2,000,000 which will be issued in 2 tranches of 1,000,000 upon the achievement of a Milestone;
- (c) the Shares will be issued to Stuart Lake within 2 Business Days of achievement of a Milestone;
- (d) the Shares will be issued for nil cash consideration, accordingly no funds will be raised;
- (e) the Shares, when issued, will rank equally of existing Shares on issue; and
- (f) no funds will be raised pursuant to the issue of the Shares as they are being issued as part of Stuart Lake's remuneration as Chief Executive Officer of the Company.

12. RESOLUTION 12 – APPROVAL TO ISSUE SHARES AND OPTIONS – DR STUART LAKE

12.1 General

Pursuant to Resolution 1, the Company is seeking Shareholder approval for the issue of up to 330,000,000 Shares at an issue price of NOK 0.35. The Company proposes to issue a total of up to 165,000,000 Options to existing and new investors that participate in the Share Placement on the basis of one Option for every two Shares issued.

Dr Stuart Lake wishes to participate in the Share Placement and the Option Placement, subject to shareholder approval being obtained.

Resolution 12 seeks Shareholder approval for the issue of up to 2,608,500 Shares and up to 1,304,250 Options to Dr Stuart Lake (or his nominee) arising from the participation by Dr Stuart Lake in the Share Placement and the Option Placement (**Participation**).

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, NSX Listing Rule 6.44 also requires shareholder approval by special resolution to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in NSX's opinion, such that approval should be obtained unless an exception in NSX Listing Rule 6.44 applies.

The issue of the Shares and Options to Dr Stuart Lake requires the Company to obtain Shareholder approval under NSX Listing Rule 6.44 because, as a Director, Dr Stuart Lake is a related party of the Company.

The issue of the Shares to Dr Stuart Lake constitutes a 'financial benefit' as defined in the Corporations Act. Accordingly, the proposed issue of the Shares and Options to Dr Stuart Lake will constitute the provision of a financial benefit to a related party of the Company.

The Directors (other than Dr Stuart Lake, given his material personal interest in Resolution 12) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares and Options will be issued to Dr Stuart Lake on the same terms as Shares and Options issued to non-related party participants in the Share Placement and Option Placement and as such the giving of the financial benefit is on arm's length terms.

12.2 Shareholder Approval (Listing Rule 6.44)

Pursuant to and in accordance with the requirements of NSX Listing Rule 6.44, the following information is provided in relation to the proposed issue of Shares and Options:

- (a) the related party is Dr Stuart Lake and he is a related party by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Dr Stuart Lake is 2,608,500 Shares;
- (c) the maximum number of Options to be issued to Dr Stuart Lake is 1,304,250 Options;
- (d) the Shares and Options will be issued to Dr Stuart Lake no later than six months after the date of the Meeting and it is anticipated that the Shares and Options will be issued on one date;
- (e) the Shares will be issued at an issue price of NOK 0.35 being the same as all other Shares issued under the Share Placement;
- (f) the Options will be issued for nil cash consideration as free attaching Options for Shares issued and subscribed for under the Share Placement;
- (g) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) the Options will be issued on the terms set out in Schedule 2; and
- (i) the funds raised will be used for the same purposes as all other funds raised under the Share Placement as set out in section 1.2(f) of this Explanatory Statement.

13. ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9388 0744 if they have any queries in respect of the matters set out in these documents.

5. GLOSSARY

A\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that NSX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel, a spouse or child of the member; a child of the member's spouse; a dependent of the member or the member's spouse; anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; a company the member controls; or a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means African Petroleum Corporation Limited (ACN 125 419 730).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director Option means an option to acquire a Share on the terms set out in Schedule 1.

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

NSX means the National Stock Exchange of Australia Limited.

NSX Listing Rules means the Listing Rules of NSX.

OAX means the Oslo Axess, a regulated and licensed market under the Oslo Stock Exchange.

OAX Listing Rules means the Listing Rules of the Oslo Axess.

Option means an option to acquire a Share on the terms set out in Schedule 2.

Optionholder means a holder of an Option.

Option Placement means the placement of Options referred to in Section 2.1.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Share Placement means the placement of Shares referred to in Section 1.1.

Shareholder means a holder of a Share.

VPS means Verdipapirsentralen (Norwegian Central Securities Depository), which organises the Norwegian paperless securities registration system.

WST means Western Standard Time as observed in Perth, Western Australia.

6. SCHEDULE 1 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share.
- (b) The Director Options will vest in the holder as long as the holder is employed by the Company and one third shall vest on each anniversary from the holders start date.
- (c) The Director Options will expire at 5.00pm (WST) on that date which is 5 years from the date of issue (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Director Option will be NOK 0.40 (**Exercise Price**).
- (e) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) All Director Options will automatically lapse 90 days after the holder ceases to be employed by the Company or ceases to provide services to the Company unless the Board determines otherwise.
- (g) Subject to the Director Options vesting in accordance with (b) above, an Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;

(Exercise Notice).
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (j) The Director Options are not transferable.
- (k) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Director Options on the OAX or NSX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on the OAX within 10 Business Days after the date of allotment of those Shares.

- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act, the OAX Listing Rules and the NSX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (o) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.

7. SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5:00pm (WST) on that date which is 2 years from the date of issue (**Expiry Date**). Any Option not vested or exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be NOK 0.75 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on the OAX or NSX. However, all Shares allotted pursuant to the exercise of Options will be admitted to listing on the OAX upon issuance of such Shares in the VPS.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act, OAX Listing Rules and the NSX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.



PROXY VOTE INSTRUCTION

African Petroleum Corporation Limited (the "Company")

Proxy Solicited for General Meeting 16 March 2015

As you are not recorded in the Company Register of Members maintained by Computershare in Australia in which the Company is incorporated, any voting at the Company's General Meeting, or alternatively issue of a proxy will have to be executed via DNB Bank ASA ("DNB").

The undersigned hereby authorize DNB to constitute and appoint _____ the Chairman of the meeting, or failing the Chairman of the meeting, any individual appointed by the Chairman of the meeting, as his true and lawful agent and proxy, to represent the undersigned at the General Meeting of shareholders of the Company to be held in 32 Harrogate Street West Leederville WA 6007, at 09:00 (local time), for the purposes set forth below and in the Notice of General Meeting issued by the Company.



Please mark your votes as in this example.

Resolutions

FOR AGAINST ABSTAIN

1. Approval to issue Shares			
2. Approval to issue Options			
3. Re-appointment of Director – Anders Bjarne Moe			
4. Approval to issue Options – Anders Bjarne Moe			
5. Approval to issue replacement Options – Dr Stuart Lake			
6. Approval to issue replacement Options – Charles Matthews			
7. Approval to issue replacement Options – Mark Ashurst			
8. Approval to issue replacement Options – Gibril Bangura			
9. Approval to issue replacement Options – Jeffrey Couch			
10. Approval to issue replacement Options – Anthony Wilson			

11. Approval to issue Shares – Dr Stuart Lake			
12. Approval to issue Shares & Options – Dr Stuart Lake			

Signature(s) _____ Date: _____

Note: Please sign exactly as name appears below, joint owners should each sign. When signing as attorney, executor, administrator or guardian, please give full title as such.

Name of shareholder in block letters: _____

Please return your completed and signed proxy, to be received by DNB Bank ASA on or prior to 9 March 2015, 12:00 hours Central European Time, either by way of e-mail to e-mail address: vote@dnb.no or by ordinary mail to DNB Bank ASA, Registrars Dept., P.O. Box 1600 Sentrum, 0021 Oslo, Norway, or if delivery by hand to: DNB Bank ASA, Registrars Dept., attn.: K. G. Berg, Dronning Eufemias gate 30, 0191 Oslo, Norway. Please ensure to send both pages of the proxy.