



**30 April 2013**  
**NSX Announcement**

## **Quarterly Reports**

Please find attached the following reports relating to the quarter ended 31 March 2013:

- Quarterly Disclosure Declaration;
- Quarterly Activities Report; and
- Quarterly Cash Flow.

Yours faithfully  
African Petroleum Corporation Limited

Tony Sage  
**Non-Executive Deputy Chairman**

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**African  
Petroleum**  
CORP LTD

29 April 2013

Mr Ian Craig  
Companies Manager  
National Stock Exchange of Australia Limited  
Level 3, 45 Exhibition Street  
Melbourne  
VIC 3000

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

Frank Timis  
Non-Executive Chairman

Antony Sage  
Chairman: Continuous Disclosure  
Committee

Karl Thompson  
Chief Executive Officer

African  
Petroleum

African  
Petroleum



African  
Petroleum  
CORP LTD



NSX ANNOUNCEMENT QUARTERLY REPORT  
Quarter Ended 31 March 2013

30 April 2013

## HIGHLIGHTS

### CORPORATE

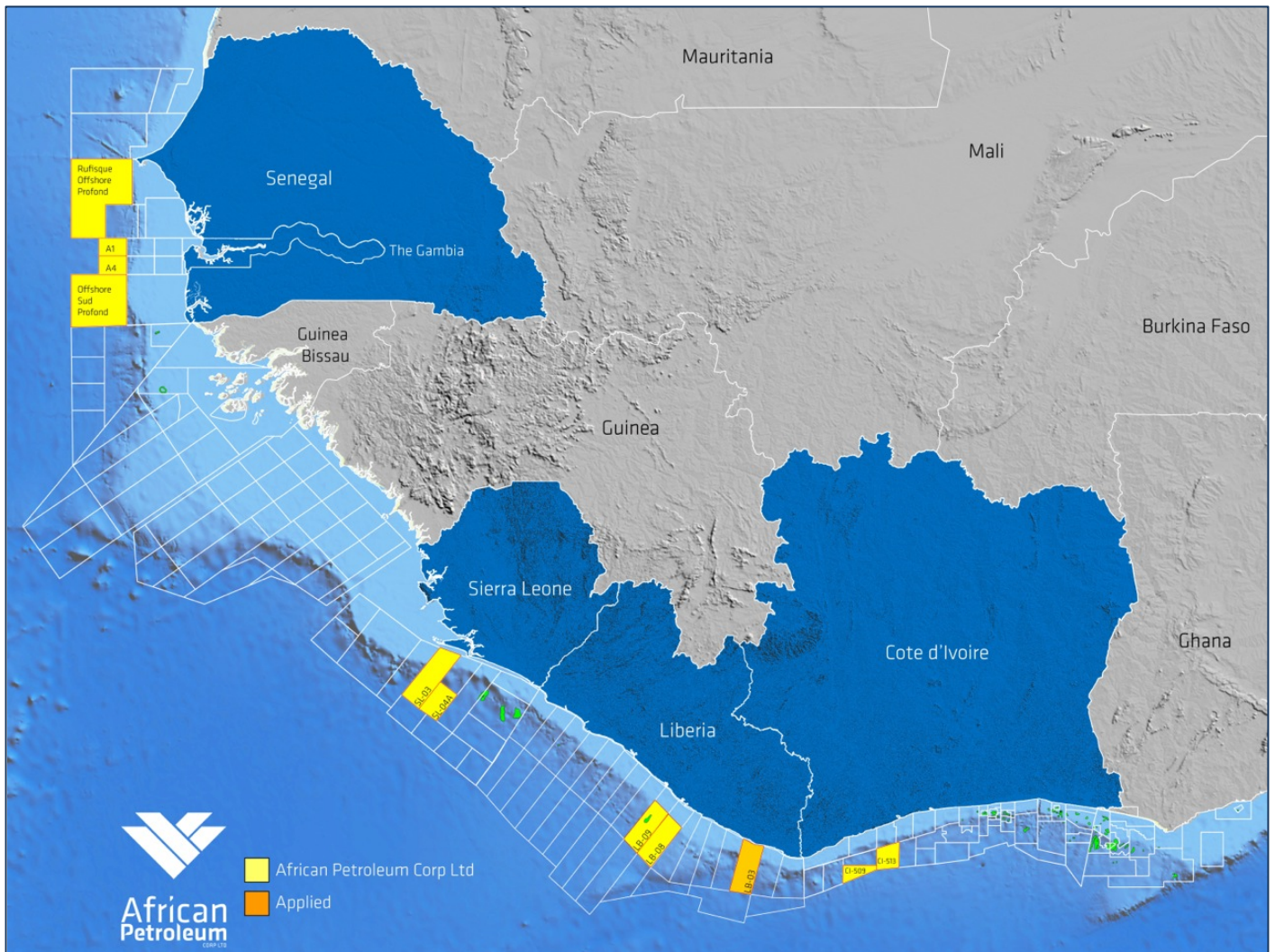
- Approximately US\$ 22.4 million cash at bank at 31 March 2013
- In addition, approximately US\$ 32.9 million restricted cash at 31 March 2013: US\$ 22.5 million being security deposits that will be released upon the achievement of certain drilling milestones in Cote d'Ivoire; and US\$ 10.4 million as security for the Ocean Rig drilling contract which has been released to cash at bank subsequent to the quarter end.

### OPERATIONS

- African Petroleum spud its third well, Bee Eater-1 on 4 January 2013 in Block LB-09, offshore Liberia
- On 20 February 2013, the Company announced a discovery at the Bee Eater-1 well
- 3D seismic processing for CI-509 and CI-513, Cote d'Ivoire almost complete
- 3D seismic data on Block Senegal Offshore Sud Profond is also nearing completion

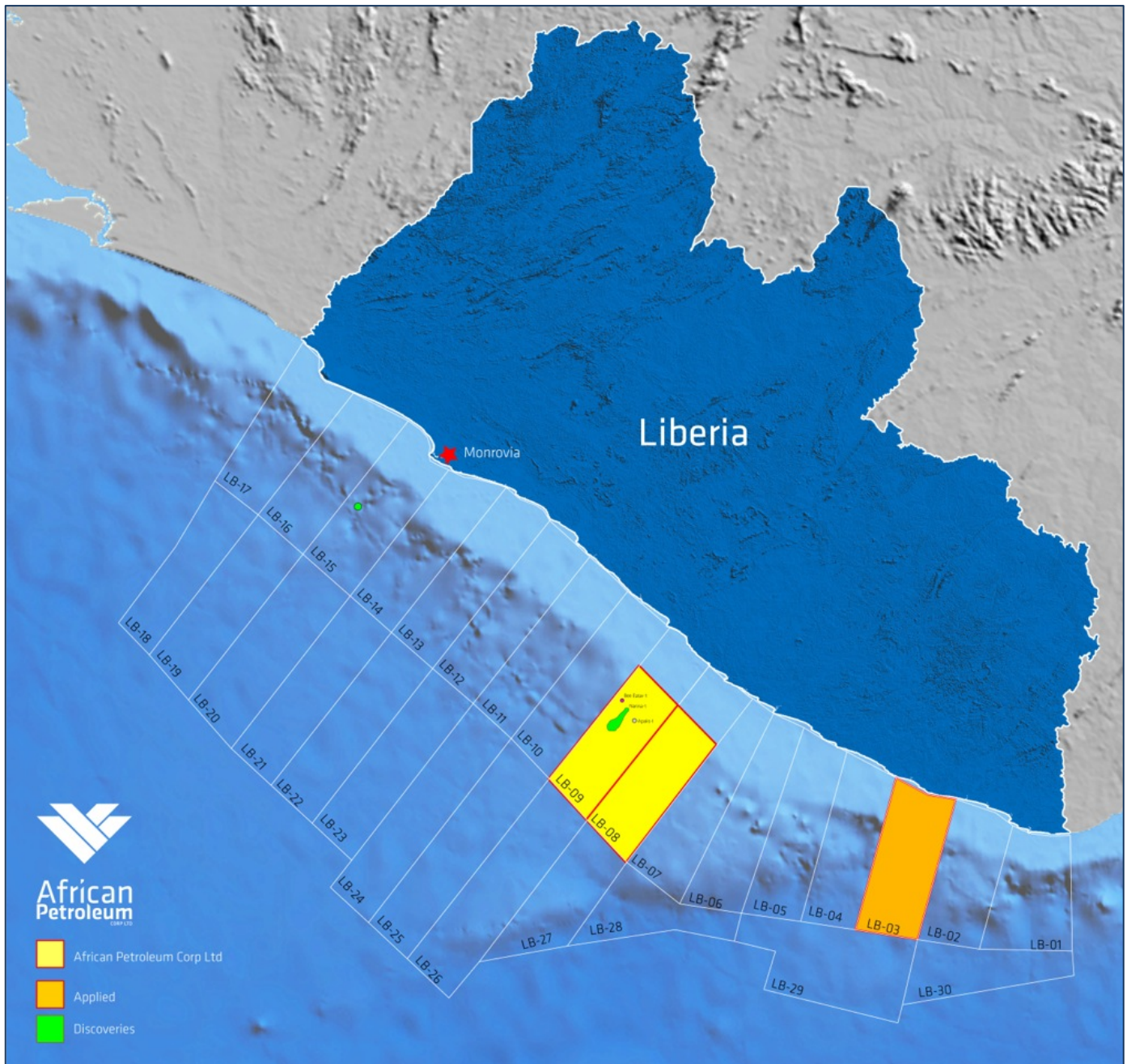
## OPERATIONS

**Figure 1: Location of African Petroleum's license blocks, provisional award and applications, and regional discoveries**





## Liberian Project: Blocks LB-08 and LB-09



**Figure 2: Location of Blocks LB-08 and LB-09, offshore Liberia**

African Petroleum holds a 100 per cent interest in Blocks LB-08 and LB-09, located offshore Liberia (“Liberian Project” or “Blocks LB-08 and LB-09”), covering a combined surface area of 5,381 sq km.

In 2010, African Petroleum completed the acquisition and interpretation of 5,100 sq km of 3D seismic survey over Blocks LB-08 and LB-09. The evaluation of the 3D seismic data identified more than 40 prospects and leads in the Upper Cretaceous section.

In September 2011, the Company announced that it had completed drilling African Petroleum’s first well (Apalis-1) on Block LB-09, offshore Liberia. Apalis-1 encountered oil shows in several geological units including the shallower

(Tertiary) and deeper (Cretaceous) and petrophysical analysis indicated the presence of hydrocarbons and source rock intervals. The geological and geophysical data confirmed the critical components of a working hydrocarbon system.

Having confirmed a working hydrocarbon system with Apalis-1, the Company spudded Narina-1, its second well on Block LB-09 in January 2012. The well was targeting a major Turonian fan system.

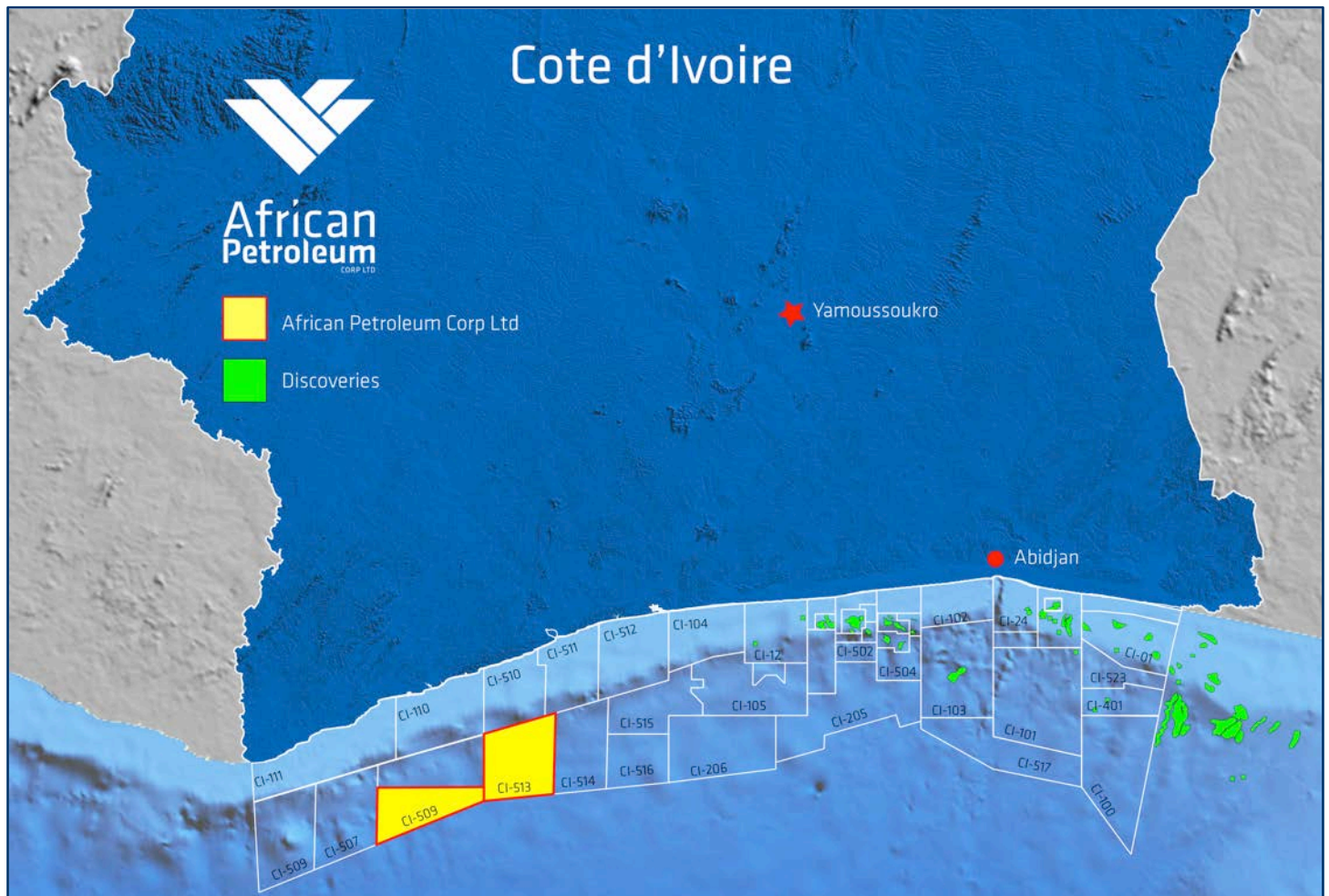
In 21 February 2012, African Petroleum announced a significant oil discovery at Narina-1. The well encountered net oil pay in the primary objective Turonian and Albian reservoirs with no oil water contacts.

The Narina discovery confirmed the prospectivity of the “Narina-Bee Eater fan system” which extends over a prospective area of 300 sq km. The Bee Eater-1 well was planned to further explore this system. In December 2012, an independent Competent Persons report by ERC Equipoise estimated total mean recoverable unrisks prospective resources of 840 MMstb for the Narina-Bee Eater fan system. ERC Equipoise estimated total mean recoverable unrisks prospective resources of 2396 MMstb in additional LB-08 and LB-09 prospects. (Source: ERC Equipoise Limited independent report “Prospective Resources for Liberia Blocks LB-08 and LB-09”, January 2013).

African Petroleum spudded its third well, Bee-Eater-1 on 4 January 2013. On 20 February 2013, the Company announced a discovery at the Bee Eater-1 well. In line with pre-drill expectations, 48 metres of oil bearing Turonian sandstone was found, however, reservoir permeabilities over the hydrocarbon bearing section of the well were lower than anticipated and further investigation is underway. The extension of the Turonian oil play from the Narina-1 discovery towards Bee Eater-1 was viewed as a significant milestone in determining the oil-bearing part of the 300 sq km Turonian fan. Bee Eater-1 was additionally designed to target the potential of two deeper prospective zones in the Cenomanian and the Albian. Oil bearing sandstone was encountered in both zones, and no oil water contacts or water bearing sands were found.

The Bee Eater-1 well has proven prospective hydrocarbon systems in the Turonian, Cenomanian and Albian. African Petroleum will incorporate the well results into the prospect portfolio for the Liberia Licence Blocks, and prepare follow on drilling locations.

## Cote d'Ivoire Project: Blocks CI-509 & CI-513



**Figure 3: Location of the Cote d'Ivoire Licence Blocks CI-509 and CI-513, offshore Cote d'Ivoire**

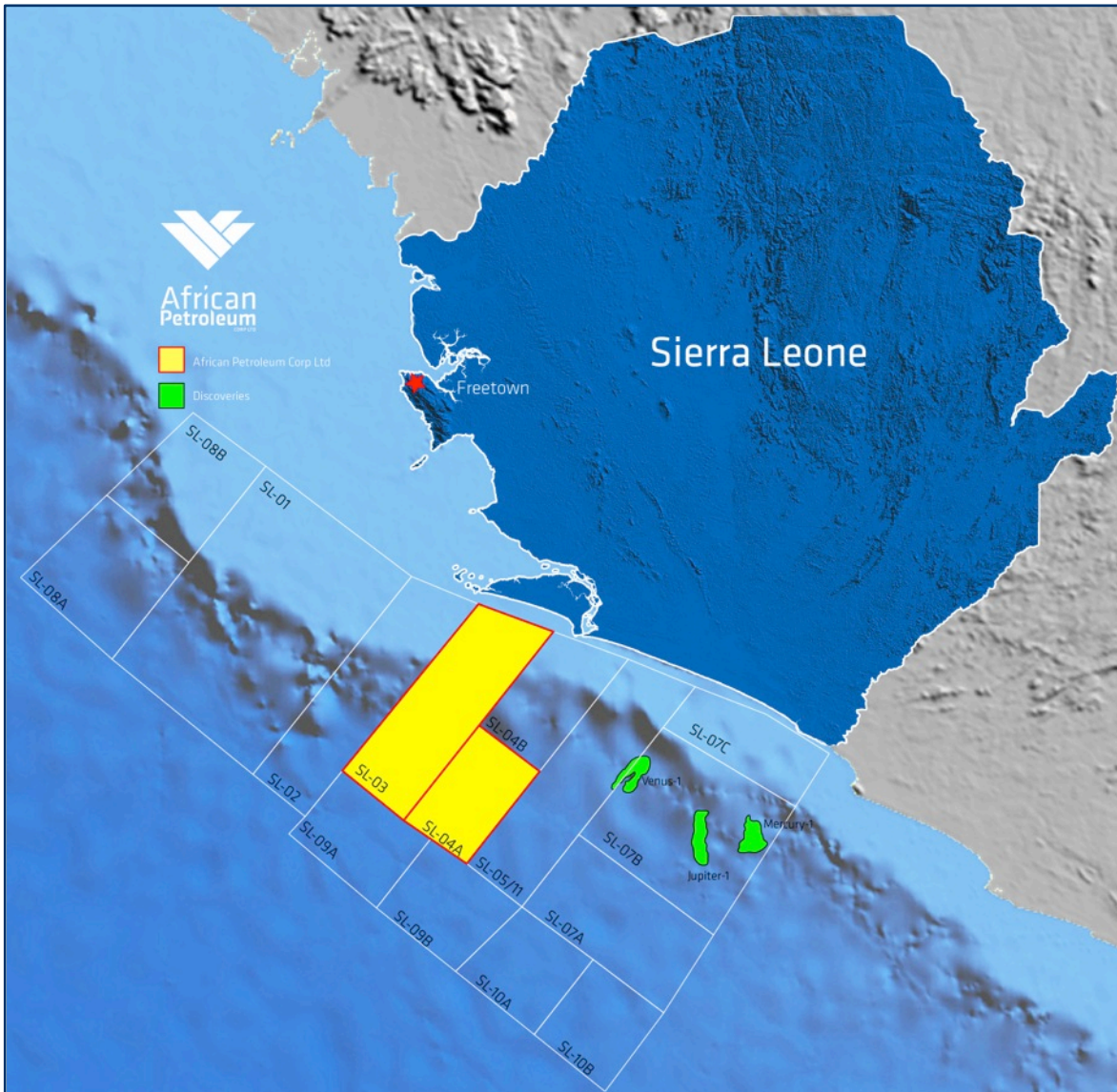
African Petroleum Cote D'Ivoire Limited holds a 90 per cent operating interest in exploration Blocks CI-509 and CI-513, offshore western Cote d'Ivoire, the remaining 10 per cent carried interest is held by Petroci (the national oil company of Cote d'Ivoire). Block CI-509 covers 1,091 sq km and Block CI-513 covers 1,440 sq km, with a combined surface area of 2,531 sq km.

African Petroleum acquired a 4,200 sq km proprietary 3D seismic survey over Blocks CI-513, CI-509 and neighbouring Block CI-508 between April and October 2012, using the "BGP Prospector". The fast-track 3D seismic data was received in November 2012 and is currently being interpreted. Final 3D seismic processing for the entire survey will be completed by May 2013. The acquisition and processing of the 3D seismic data over Block CI-508 is being completed on behalf of Vitol and partners, subject to a cost sharing agreement

The existing 2D seismic dataset and fast-track 3D seismic data shows encouraging submarine fan leads and prospects over Blocks CI-513 and CI-509 and has confirmed the presence of major turbidite fan systems. These prospects will be matured during 2013, and the Company currently plans to drill one well on each Block CI-513 and CI-509 in late 2013 or early 2014, again targeting deepwater Upper Cretaceous submarine fans.



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



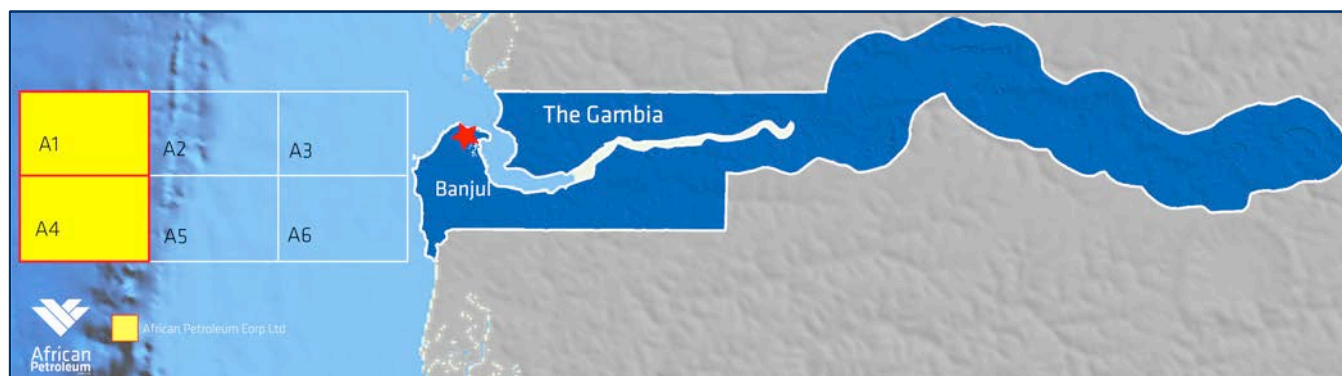
**Figure 4. Location of the Sierra Leone Licence Blocks SL-03 and SL 4A-10, offshore Sierra Leone**

African Petroleum holds a 100 per cent interest in Blocks SL-03 and SL-4A-10, offshore Sierra Leone.

The Company was awarded 100 per cent of Block SL-03 (covering 3,860 sq km) in February 2011. The acquisition of an extensive 3D seismic survey covering approximately 2,500 sq km was completed by TGS-Nopec in September 2011 and a fast-track volume was received in January 2012. The Company has completed an initial prospectivity assessment on the fast-track volume and have identified Turonian to Campanian-aged prospective channel systems, located 70-100 km west of the Jupiter, Mercury and Venus discoveries. These promising prospects are currently being matured on the final 3D data, which was received in the fourth quarter 2012. The Company expects to be ready to drill a prospect in Block SL-03 during 2014.

Block SL-4A-10, offshore Sierra Leone, covering 1,995 sq km, was awarded as part of Sierra Leone's third offshore licencing round in 2012. The Company has already identified a number of promising prospects for verification on the licenced 2D seismic data. The multi-client 3D seismic data that was acquired by TGS-Nopec over part of Block SL-4A-10 in October 2011, will shortly be licenced by the Company.

## Gambian Project: Blocks A1 and A4



**Figure 5: Location of the Gambian Licence Blocks, offshore The Gambia**

African Petroleum holds a 60 per cent operating interest over Blocks A1 and A4, covering a combined total area of 2,668 sq km offshore The Gambia. The remaining 40 per cent interest is held by Buried Hill, via a farm-in agreement.

The Company completed the acquisition of 2,500 sq km of 3D seismic data over Blocks A1 and A4 in December 2010. The processed 3D seismic data was received in June 2011 on which more than 30 exploration prospects and leads, including five different play types were identified. The four-way dip closed Alhamdullilah structure has been confirmed, which extends over an area of 24 sq km, with five mapped reservoirs and a gross thickness of 1,000 metres. There are potential mean unrisks recoverable prospective undiscovered resources of approximately 500 million barrels (Source: ERC Equipose independent review of African Petroleum, April 2011).

Other play types in Block A1 and A4 include stratigraphically-trapped fans and slope channel complexes of Turonian-Campanian age, Upper Jurassic and lower Cretaceous karstified reef build-ups and four-way closures and eroded shelf clastics onlapping the shelf edge.

Following the acquisition of the 3D seismic data, detailed mapping of the Alhamdullilah prospect has been completed, targeting a series of stacked submarine fan complexes. A well location (AH-1) has been agreed and well planning is underway. The Company plans to drill AH-1 in 2,300 metres of water depth and target multiple reservoirs within the structural closure, to a total depth of 6,300 metres. The Company is now planning to drill AH-1 during the second half of 2013, subject to confirming a farm-in partner.

## Senegal Project: Rufisque Offshore Profond and Senegal Offshore Sud Profond



**Figure 6. Location of the Senegal Licence Blocks, offshore Senegal**

African Petroleum Senegal Limited holds a 90 per cent operating interest in exploration blocks Rufisque Offshore Profond (“ROP”) and Senegal Offshore Sud Profond (“SOSP”), offshore southern and central Senegal, covering a combined surface area of 18,277 sq km, with the remaining 10 per cent carried interest being held by Petrosen, the national oil company of Senegal.

African Petroleum has licenced over 10,000 km of 2D seismic data over both of the Senegal Blocks to compile an extensive regional database. In May 2012, Dolphin Geophysical Limited completed a 3,600 sq km 3D seismic data over the SOSP block. Fast-track 3D seismic data was received in July 2012, and initial prospects and leads have been identified. The final 3D data over SOSP is due in May 2013. In addition, 1,500 sq km of 3D data over the ROP block is currently being reprocessed ready for final interpretation in the third or fourth quarter of 2013. The Company hopes to be in a position to drill a well in Senegal during 2014.

# Quarterly Report

Name of entity

African Petroleum Corporation Limited

ABN

87 125 419 730

Quarter ended ("current quarter")

31 March 2013

## Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (3 months) \$US'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(3,837)	(3,837)
(b) advertising and marketing	(58)	(58)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,261)	(1,261)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	89	89
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) exploration & evaluation	(63,348)	(63,348)
(b) business development	(92)	(92)
(c) project related travel	(1,054)	(1,054)
<b>Net operating cash flows</b>	<b>(69,561)</b>	<b>(69,561)</b>



	Current quarter \$US'000	Year to date (3 months) \$US'000
1.8 Net operating cash flows (carried forward)	<b>(69,561)</b>	<b>(69,561)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(296)	(296)
(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	(13)	(13)
1.12 Loans repaid by other entities	197	197
1.13 Other (provide details if material)		
(a) cash backing security provided	-	-
(b) cash backing security returned	39,506	39,506
<b>Net investing cash flows</b>	<b>39,394</b>	<b>39,394</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(30,167)</b>	<b>(30,167)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
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)	-	-
<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(30,167)</b>	<b>(30,167)</b>
1.21 Cash at beginning of quarter/year to date	52,599	52,599
1.22 Exchange rate adjustments	(14)	(14)
<b>1.23 Cash at end of quarter</b>	<b>22,418</b>	<b>22,418</b>

**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	1,363
1.25	Aggregate amount of loans to the parties included in item 1.11	13

## 1.26 Explanation necessary for an understanding of the transactions

US\$1,362,661 (net of GST) has been paid to directors during the quarter for the provision of services as directors.

US\$12,953 was loaned to related companies during the current quarter.

**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	22,418	46,957
4.2 Deposits at call	-	5,642
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>22,418</b>	<b>52,599</b>

**NOTE:** As at the end of the current quarter, the Company has provided US\$32.9m of cash backing security in relation to the Company's exploration programs. Of this amount, US\$10.4m is on escrow for the contracted two well programme with the Eirik Raude and US\$22.5m being security deposits that will be released on achievement of certain drilling milestones.

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to NSX.
- 2 This statement gives a true and fair view of the matters disclosed.

Print name: Claire Tolcon

Date: 30 April 2013

## 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.