29 March 2019

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

Notice of General Meeting

Reference is made to the extended stock exchange announcement released on 19 March 2019 by African Petroleum (OSE ticker: "APCL") regarding the agreement to combine with PetroNor E&P Ltd for an all-share consideration of c. 816 million shares in African Petroleum (the "Transaction").

Notice is given that the General Meeting of Shareholders to approve the Transaction will be held at 4:00pm (WST) on 24 April 2019 at the offices of Steinepreis Paganin, Level 4, 16 Milligan Street, Perth, Western Australia.

The Explanatory Statement in the attached Notice of Meeting provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered Shareholders at 4:00pm (WST) on 22 April 2019. Shareholders registered in the VPS must be registered shareholder at close of business on 16 April 2019.
Please refer to the attached Notice of Meeting for further details.

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For further information, please contact:
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About African Petroleum
African Petroleum is an independent oil and gas exploration company with licence interests in offshore West Africa (Senegal and The Gambia). The Company's assets are located in proven hydrocarbon basins in the Atlantic Margin, where several discoveries have been made in recent years.

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

ABN 87 125 419 730

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4:00PM WST

DATE: 24 April 2019

PLACE: The offices of Steinepreis Paganin
Level 4, 16 Milligan Street
Perth WA 6000
Australia

Independent **Expert's Report**: Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of section 611 item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of Resolution 1 and Resolution 3 to the non-associated Shareholders. The Independent Expert has determined the transactions subject to Resolution 1 and Resolution 3 are FAIR AND REASONABLE to the non-associated Shareholders

The business of the Meeting affects your shareholding and your vote is important.

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm WST on 22 April 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF ISSUE OF CONSIDERATION SHARES AND WARRANTS, AND SUBSEQUENT SHARES UPON EXERCISE OF WARRANTS, TO NOR ENERGY AND PETROMAL

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

"That, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue:

(a) *444,237,596 Shares in the Company to NOR Energy AS ("NOR Energy") and 371,961,246 Shares in the Company to Petromal – Sole Proprietorship LLC ("Petromal") (together, the "Consideration Shares");*

(b) *104,162,519 warrants in the Company to NOR Energy ("NOR Warrants") and 51,303,927 warrants in the Company to Petromal ("Petromal Warrants") (jointly the "Petronor Warrants"); and*

(c) *104,162,519 Shares in the Company to NOR Energy upon the exercise of the NOR Warrants and 51,303,927 Shares in the Company to Petromal upon the exercise of the Petromal Warrants, both as referred to in paragraph (b) above,*

on the terms and conditions set out in the Explanatory Statement, which will result in the voting power of NOR Energy in the capital of the Company increasing from nil to 48.65% and the voting power of Petromal in the capital of the Company increasing from nil to 37.55% following the issue of the Consideration Shares and the Petronor Warrants, on the assumption that there has not been any changes to the issued share capital of the Company at the time of exercise of the Petronor Warrants, (otherwise prohibited by section 606(1) of the Corporations Act)."

Voting Exclusion: No votes may be cast in favour of this Resolution by:

(a) the person proposing to make the acquisition and their associates; or

(b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by the Vendors or any of their associates.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the non-associated Shareholders in the Company and concluded that the transaction the subject of this resolution is FAIR AND REASONABLE to the non-associated Shareholders.

2. RESOLUTION 2 – APPROVAL OF ISSUE OF COMPANY WARRANTS AND REPLACEMENT WARRANTS TO EXISTING SHAREHOLDERS OF THE COMPANY

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

"That, subject to the passing of Resolution 1, approval is given for the Company to issue:

(a) *155,466,446 warrants allocated among existing Shareholders of the Company as at the date of the General Meeting, and for the Company's Shares registered in the VPS, as reflected in the VPS on a customary T+2 basis (the "Company Warrants"); and*

(b) *8,513,848 warrants to the existing Optionholders as at the date of the Combination Agreement entered into by, inter alia, the Company (the "Replacement Warrants"),*

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: No votes may be cast in favour of this Resolution by:

(a) any person who may participate in the proposed issue; or

(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVAL FOR THE COMPANY TO ACQUIRE RELEVANT INTEREST IN ITS OWN SHARES AS A RESULT OF ENTERING INTO LOCK-UP ARRANGEMENTS

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

"That, subject to the passing of Resolution 1, for the purpose of section 611 (item 7) of the Corporations Act and for all other purposes, approval is given for the Company to acquire a relevant interest in:

(a) 819,075,324 Shares, equal to 84.3% of the total number of Shares on issue following completion of the Transaction; and

(b) 160,271,566 Shares which may be issued upon exercise of the Petronor Warrants, Company Warrants and Replacement Warrants,

arising from the lock-up arrangements between the Company and each of NOR Energy, Petromal, Jens Pace and Stephen West, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: No votes may be cast in favour of this Resolution by:

(a) NOR Energy, Petromal, Jens Pace, Stephen West and the Company; or

(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the non-associated Shareholders in the Company and concluded that the transaction the subject of this resolution is FAIR AND REASONABLE to the non-associated Shareholders.

4. RESOLUTION 4 – ELECTION OF NOMINEE DIRECTOR (CHAIRMAN) – EYAS ALHOMOUZ

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

"That, subject to the passing of Resolution 1, for the purpose of clause 13.3 of the Constitution and for all other purposes, Eyas Alhomouz is elected as a Director (Chairman) of the Company with effect on and from closing of the Transaction."

5. RESOLUTION 5 – ELECTION OF NOMINEE DIRECTOR – KNUT SØVOLD

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

"That, subject to the passing of Resolution 1, for the purpose of clause 13.3 of the Constitution and for all other purposes, Knut Søvold is elected as a Director of the Company with effect on and from closing of the Transaction."

6. RESOLUTION 6 – ELECTION OF NOMINEE DIRECTOR – JOSEPH ISKANDER

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

"That, subject to the passing of Resolution 1, for the purpose of clause 13.3 of the Constitution and for all other purposes, Joseph Iskander is elected as a Director of the Company with effect on and from closing of the Transaction."

7. RESOLUTION 7 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, subject to completion of the Transaction, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to PetroNor E&P Limited."

DATED: 29 March 2019

BY ORDER OF THE BOARD

ANGELINE HICKS
COMPANY SECRETARY

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above. Shareholders holding shares in the Company which are registered in the Norwegian Central Securities Depository (VPS) will need to exercise their voting rights through the VPS Registrar.

VOTING BY PROXY (NON-VPS HOLDERS)

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

SHAREHOLDERS REGISTERED IN THE VPS

Each Shareholder has the right to vote for the number of Shares owned by the Shareholder and registered on an account with the Norwegian Central Securities Depository (VPS) belonging to the Shareholder at 5:00pm 16 April 2019. Shareholders registered with the VPS must follow the instructions set out in the separate Proxy Vote Instruction form attached to this notice.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – APPROVAL OF ISSUE OF SHARES AND ISSUE OF WARRANTS, AND SUBSEQUENT ISSUE OF SHARES UPON EXERCISE OF WARRANTS, TO NOR ENERGY AND PETROMAL

1.1 BACKGROUND

On 19 March 2019, the Company entered into a binding combination agreement (the "Combination Agreement") to acquire 100% of the issued share capital of PetroNor E&P Ltd (an entity incorporated in Cyprus and having registration no. HE 367916) ("PetroNor") from the holders of shares in PetroNor, being NOR Energy AS (an entity incorporated in Norway and having registration no. 989 747 444) ("NOR Energy") and Petromal – Sole Proprietorship LLC (an entity incorporated in U.A.E. and having registration no. CN-1086106) ("Petromal") (each a "Vendor" and together, the "Vendors") (the "Transaction").

A summary of the material terms of the Combination Agreement is set out in Schedule 1.

As set out in Schedule 1, completion of the Transaction is subject to satisfaction (or waiver) of a number of conditions precedent, including, without limitation, no material adverse change with respect to the Company or its business having occurred, securities exchange approval for the continuing listing of the Company and shareholder approvals as are necessary to give effect to the Transaction.

1.2 OVERVIEW OF PETRONOR

PetroNor is a privately owned, Cyprus based, West Africa focused independent E&P company. The shares of PetroNor are owned 50% by NOR Energy and 50% by Petromal. NOR Energy is ultimately owned and controlled by Gerhard Ludvigsen and Knut Søvold, who also act as the management team of PetroNor. NOR Energy is an oil company with its history from the North Sea and Africa. Petromal is an Abu Dhabi based integrated oil and gas company with operations and investments in the upstream, downstream, oil field service and EPC sectors (engineering, procurement and construction). The geographic focus of Petromal is the UAE and West Africa through direct investment or through strategic public and private partnerships.

PetroNor is an established organization in Africa, consisting of approximately twelve employees. The board of directors of PetroNor consist of Eyas Alhomouz (Chairman), Knut Søvold, Gerhard Ludvigsen and Hawary Marshad.

PetroNor currently holds a 10.5% indirect interest in PNGF Sud. In the tender for PNGF Sud, the contractor group was awarded the right to negotiate a licence agreement with the Republic of Congo and the National Petroleum Company of the Congo ("SNPC"). Subject to successful completion of the ongoing negotiations in relation to the licence agreement, PetroNor expects that it will have a 14.7% indirect interest (i.e. its pro-rata share of participants in the license negotiations) in the PNGF Bis exploration and production sharing contract (PSC). Following finalisation of the negotiation of the license terms for PNGF Bis, the Company (being the entity following completion of the Transaction) intends to enter into a PSC relating to PNGF Bis.

As at 31 December 2018, PetroNor is estimated to have cash and cash equivalents of USD 7.9 million and debt of USD 7 million. The debt carries an interest rate of 10% + 1-month USD LIBOR, has a maturity date of May 2020 and amortizes in monthly instalments.

Please refer to Schedule 2 for other key financial information for PetroNor.

1.3 PETRONOR'S OPERATIONS

PetroNor's assets are located approximately 25km off the coast of Pointe Noire in water depths of 80-100 metres. PetroNor, through its subsidiary Hemla E&P Congo S.A. ("HEPCO") participated in the 2016 tender process with the Congo Ministry of Petroleum for participation in the PNGF Sud license (brown field), and was awarded a 20% working interest (net 10.5% to PetroNor) as at 1 January 2017. Furthermore, the license partnership has, through an umbrella agreement, the right to negotiate, in good faith, the license terms of the adjacent PNGF Bis license, of which Perenco is intended to be operator.

PNGF Sud

PNGF Sud is estimated to hold net 2P reserves per 1 January 2019 of 8.5 mmbbl and 2C contingent resources of 3.4 mmbbl. The estimate is based on a competent persons report prepared by AGR Petroleum Services AS dated 30 October 2018 with volumes as at 1 January 2018, adjusted for actual production during 2018.

Initially discovered in 1979, PNGF Sud commenced production in 1987 and is currently producing c. 21,600 bbl/d gross from four oil fields, Tchibouela, Tchendo, Tchibeli and Litanzi. Following the entry of the new license group in 2017, significant operational improvements have been made, increasing gross production from c. 15,000 bbl/d in January 2017 to today's level, and reducing operating costs from 26 USD/bbl to the current level of less than 11 USD/bbl. The production increase has mainly been driven by work-overs of existing wells and been achieved by minor investments of approximately USD 30 million gross. Through further work-overs, surface and process improvements and infill drilling, gross production from PNGF Sud is expected to continue to grow in the coming years.

The PNGF Sud fields are developed with seven wellhead platforms and currently produce from more than 50 active production wells, with oil exported via the onshore Djeno terminal (Tchibouela, Tchendo and Tchibeli) and the Nkossa FPSO (Litanzi). With its long production history, substantial well count and extensive infrastructure, PNGF Sud offers well diversified and low risk production and reserves with low break-even cost.

PNGF Bis

Three exploration wells have been drilled on the licence. A discovery in pre-salt Vandji Fm was made in well LUSM-1 on Loussima in 1985. Loussima SW was discovered by well LUSOM-1 in 1987 with oil in Vandji Fm. A second well, SUEM-2, was drilled on Loussima SW in 1991 to appraise the Vandji discovery. Hydrocarbon shows were detected in one of the wells in the Albian post-salt Sendji Fm, (analogue to Tchibeli/Litanzi reservoirs in PNGF Sud). The Sendji interval was not production tested.

The depth to the Vandji reservoir is 3250 mTVDSS, to Sendji around 1940 mVDSS and the water depth in the area is 110 m.

Tests on the Loussima SW LUSOM-1 well produced 4700 bopd and the SUEM-2 well yielded 1150 bopd.

Field details

Field	Official license name	Prodn start	Produced to date	Gross 2P reserves	Gross 2C resources	Gross Current prodn	Producing wells
		year	*mmbbl*	*mmbbl*	*mmbbl*	*bbl/d*	*#*
Asset: PNGF Sud (10.5% working interest, Perenco operator)							
Tchibouela	Tchibouela II	1987	318	47.9	12.0	12,500	34
Tchibouela East	Tchibouela II	1998	14	TBA	TBA	To be resumed in 2019	TBA
Tchendo	Tchendo II	1991	69	19.2	10.8	4,700	16
Tchibeli	Tchibeli-Litanzi II	2000	27	10.9	6.7	3,000	3
Litanzi	Tchibeli-Litanzi II	2006	9	3.2	2.6	1,400	1
Asset: PNGF Bis (terms of license under negotiation, Perenco expected to be operator)							
Loussima SW	PNGF Bis	2019			28.9		
Loussima	PNGF Bis	TBA			TBA		

Volumes as at 1 January 2019 based on CPR prepared by AGR Petroleum Services AS dated 30 October 2018 adjusted for production through 2018.

1.4 ORGANISATIONAL CHANGES OF THE COMPANY

Following completion of the Transaction, the parties have agreed that Jens Pace will continue as the Chief Executive Officer, Stephen West will continue as the Chief Financial Officer and Michael Barrett will continue as Exploration Director.

Knut Søvold and Gerhard Ludvigsen, the co-founders of NOR Energy, will become Chief Operating Officer and Business Development Manager, respectively, and Claus Frimann-Dahl will be appointed Chief Technical Officer. Furthermore, the Company expects that David King will step down as Chairman (but remain a Director) and that Eyas Alhomouz will assume this role. In addition to this, the parties have agreed to nominate Knut Søvold and Joseph Iskander to join the Board of the Company, subject to completion of the Transaction and Shareholders passing Resolutions 4, 5 and 6.

Accordingly, the Company expects that post-Transaction, the Board composition will be as follows:

Director	Position	Independence
Eyas Alhomouz	*Chairman*	No
Knut Søvold	*Director*	No
Joseph Iskander	*Director*	No
David King	*Director*	Yes
Jens Pace	*Director*	No
Stephen West	*Director*	No
Bjarne Moe	*Director*	Yes
Timothy Turner	*Director*	Yes

Further details of the composition of the Board post-Transaction is set out below at Section 1.8(g).

1.5 GENERAL

Resolution 1 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act to allow the Company to:

(a) issue 444,237,596 Shares to NOR Energy (the "NOR Shares"); and

(b) issue 371,961,246 Shares to Petromal (the "Petromal Shares"),

(together, the "Consideration Shares"), in part consideration for the Transaction.

Resolution 1 also seeks Shareholder approval for the issue of 104,162,519 warrants in the Company to NOR Energy ("NOR Warrants") and 51,303,927 warrants in the Company to Petromal ("Petromal Warrants") on the terms outlined in Schedule 3 (jointly the "Petronor Warrants") and for the future issue of up to 104,162,519 Shares to NOR Energy and 51,303,927 Shares to Petromal upon the exercise of the NOR Warrants and Petromal Warrants respectively.

The issue of the Consideration Shares and the Petronor Warrants are herein collectively referred to as the "Issues".

1.6 ITEM 7 OF SECTION 611 OF THE CORPORATIONS ACT

(a) Section 606 of the Corporations Act – Statutory Prohibition
Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company or an unlisted company with more than 50 members if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%,

(the "Prohibition").

(b) Voting Power
The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the

voting shares in the company in which the person and the person's associates have a relevant interest.

(c) Associates

For the purposes of determining voting power under the Corporations Act, a person (second person) is an "associate" of the other person (first person) if:

(i) pursuant to section 12(2) of the Corporations Act, the first person is a body corporate and the second person is:

(A) a body corporate the first person controls;

(B) a body corporate that controls the first person; or

(C) a body corporate that is controlled by an entity that controls the person;

(ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or

(iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example, where a person controls or influences the board or the conduct of a company's business affairs or acts in concert with a person in relation to the entity's business affairs.

(d) Relevant Interests

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

(i) are the holder of the securities;

(ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

(iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

(i) a body corporate in which the person's voting power is above 20%;

(ii) a body corporate that the person controls.

(e) Associates of the Vendors

No associates of the Vendors currently have or will have a relevant interest in the Company.

(f) No association between Vendors

For the purposes of determining the voting power of each Vendor, the Vendors are not deemed to be associates of one another. This determination is based on the fact that neither NOR Energy or Petromal:

(i) control or influence the board or conduct of one another, nor does one Vendor have the capacity to control or influence the other; and

(ii) act in concert in relation to each other Vendor's business affairs.

1.7 REASON SECTION 611 APPROVAL IS REQUIRED

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following the issue of the Consideration Shares, NOR Energy will have a relevant interest in 444,237,596 Shares in the Company, representing 45.72% voting power in the Company (assuming no other Shares are issued) and Petromal will have a relevant interest in 371,961,246 Shares in the Company, representing 38.28% voting power in the Company (assuming no other Shares are issued).

Further, following the issue of the Petronor Warrants, NOR Energy will be entitled to exercise their NOR Warrants and be issued up to 104,162,519 additional Shares. This would increase NOR Energy's voting power to 48.65%. In addition, Petromal will be entitled to exercise their Petromal Warrants and be issued up to 51,303,927 additional Shares. This implies a total voting power of Petromal of 37.55%. In both instances, it is assumed that except for the Consideration Shares and the PetronorWarrants, no other Shares are issued and no other Options or Warrants in the Company are converted into Shares.

Accordingly, this Resolution seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the Consideration Shares to the Vendors and to enable NOR Energy and Petromal to exercise and/or convert the Petronor Warrants into Shares in accordance with their terms.

1.8 SPECIFIC INFORMATION REQUIRED BY SECTION 611 ITEM 7 OF THE CORPORATIONS ACT AND ASIC REGULATORY GUIDE 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by Stantons International annexed to this Explanatory Statement.

(a) Identity of the Acquirer and its Associates

It is proposed that each of NOR Energy and Petromal will be issued their respective portions of the Consideration Shares, and of the Petronor Warrants, in accordance with the terms of the Combination Agreement as set out in Schedule 1 of this Explanatory Statement.

(b) Relevant Interest and Voting Power

The relevant interest of each Vendor in voting shares in the capital of the Company and the voting power of each Vendor, both current, and following the issue of the Consideration Shares to each Vendor as contemplated by this Notice, are set out in the tables below.

(i) Current holdings of each Vendor:

As at the date of this Notice, the Vendors do not have any interest in the securities of the Company.

(ii) Holdings of each Vendor following the Issues:

Name	Capacity	Shares	Warrants	Options	Relevant Interest after issue of Consideration Shares and Petronor Warrants	Relevant Interest after exercise of Petronor Warrants	Relevant Interest after issue and exercise of Company Warrants and Replacement Warrants
NOR Energy	Legal and beneficial holder of Shares	444,237,596	104,162,519	Nil	45.72%	48.65%	42.48%
Petromal	Legal and beneficial holder of Shares	371,961,246	51,303,927	Nil	38.28%	37.55%	32.78%

Other than the Lock-up Undertakings, the Combination Agreement is the only agreement between the Company and each Vendor in relation to the Company.

Further details on the voting power of each Vendor are set out in the Independent Expert's Report prepared by Stantons International.

(iii) Voting Power of each Vendor

The voting power of the each Vendor (both current, and following the Issues) is set out below:

Name	Voting Power as at date of this Notice	Voting Power after the Issues	Voting Power after Issues and exercise of NOR Warrants, Company Warrants and Replacement Warrants
NOR Energy	Nil	45.72%	42.48%
Petromal	Nil	38.28%	32.78%

Further details on the voting power of each Vendor are set out in the Independent Expert's Report prepared by Stantons International.

(iv) Summary of increases

From a review of the above tables it can be seen that:

(A) the maximum relevant interest that NOR Energy will hold after completion of the issue (and after the exercise of all the Petronor Warrants and issue and exercise of the Company Warrants and Replacement Warrants) is 548,400,115 Shares and the maximum voting power that NOR Energy will hold is 42.48%. This represents a maximum increase in voting power from nil to 42.48%).

(B) the maximum relevant interest that Petromal will hold after completion of the Issue (and after the exercise of all the Petronor Warrants and issue and exercise of the Company Warrants and Replacement Warrants) is 423,265,173 Shares and the maximum voting power that Petromal will hold is 32.78%. This represents a maximum increase in voting power from nil to 32.78%).

(v) Assumptions

Note that the following assumptions have been made in calculating the above:

(A) the Company has 155,466,446 Shares on issue as at the date of this Notice of Meeting;

(B) the Company does not issue any additional Shares other than the Consideration Shares and Shares issued following the exercise of the Petronor Warrants, Company Warrants and Replacement Warrants;

(C) the Company has 3,370,638 Options on issue, none of which have been converted into Shares;

(D) no Vendor acquires any additional Shares other than those proposed to be issued pursuant to Resolution 1.

(c) Reasons for the proposed issue of Shares

As set out in Section 1.1 of this Explanatory Statement, the Consideration Shares and Petronor Warrants are being issued in part consideration for the Transaction.

(d) Date of proposed issue of securities

The Consideration Shares and Petronor Warrants will be issued by the Company on the date of closing of the Transaction, which is currently expected to occur on or about 29 April 2019.

(e) Material terms of proposed issue of Shares

As set out in section 1.1 and Schedule 1 of this Explanatory Statement, the Company is proposing to issue:

(i) a total of 816,198,842 Shares to the Vendors, representing approximately 84% of the total issued Shares which will be on issue following completion of the Transaction; and

(ii) 104,162,519 NOR Warrants to NOR Energy and 51,303,927 Petromal Warrants to Petromal, in both instances for nil cash consideration and on the terms set out in Schedule 3.

(f) **Vendors' Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that each of the Vendors, both individually and collectively:

(i) have no present intention of making any significant changes to the business of the Company;

(ii) have no present intention to inject further capital into the Company;

(iii) have no present intention to make changes regarding the future employment of the present employees of the Company;

(iv) do not intend to redeploy any fixed assets of the Company;

(v) do not intend to transfer any property between the Company and the Vendors; and

(vi) have no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Vendors at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(g) Identity, associations and qualifications of Nominee Directors

In accordance with the terms of the Combination Agreement, the Company will appoint:

(i) Eyas Alhomouz (non-executive);

(ii) Knut Søvold (executive); and

(iii) Joseph Iskander (non-executive),

as directors of the Company with effect from completion of the Transaction (Nominee Directors).

Eyas Alhomouz is currently a director of Petromal and Knut Søvold is currently a director of PetroNor. Joseph Iskander is currently the director of Private Equity of Emirates International Investment Company (EIIC), a company affiliated with Petromal.

Following completion of the Transaction, it is proposed that:

(i) Mr Alhomouz will be appointed as Chairman of the Board; and

(ii) Mr Søvold will be appointed as Chief Operating Officer of the Company.

Professional biographies for each of the Nominee Directors are set out in Section 4.3 below.

(h) Interests and Recommendations of Directors

(i) None of the current Directors have a material personal interest in the outcome of this Resolution.

(ii) The Directors consider the Transaction to be in the best interests of Shareholders and the Company in the absence of a superior proposal, and subject to the Independent Expert determining that the Transaction is reasonable. The Directors' recommendations are based on the reasons outlined in section 1.9 below.

(iii) The Directors unanimously recommend that Shareholders vote in favour of this Resolution at the General Meeting in the absence of a superior proposal,

(iv) Each Director holding shares in the Company intends to vote their Shares in favour of this Resolution.

(v) The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass this Resolution.

(i) Capital structure

Below is a table showing the Company's current capital structure and the possible capital structure on completion of the Transaction.

	Shares[1]	Options	Warrants
At the date of this Notice	155,466,446[1]	19,110,638[3]	Nil
Securities to be issued to Vendors	816,198,842[1,2]	Nil	155,466,446[4]
Warrants to be issued to Shareholders	Nil	Nil	155,466,446[5]
Warrants to be issued to Optionholders	Nil	(15,740,000) [3]	8,513,848[3]
Post-Transaction	971,665,288	3,370,638	319,446,740

Notes:

1. Fully paid ordinary shares in the capital of the Company
2. Consisting of 444,237,596 Shares to be issued to NOR Energy and 371,961,246 Shares to be issued to Petromal.
3. In connection with the Transaction and subject to the passing of Resolution 2, it is proposed that existing Optionholders holding 15,740,000 Options will have Options held by them cancelled and replaced with the Replacement Warrants. Refer to section 2.2 for further details on the Replacement Warrants to be issued in connection with the Combination Agreement.
4. Refer to Schedule 3 for further details on the Petronor Warrants to be issued to NOR Energy and Petromal in connection with the Transaction.
5. Refer to section 2.2 for further details on the Company Warrants to be issued to Shareholders in connection with the Transaction.

1.9 ADVANTAGES OF THE ISSUES

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

(a) the Directors believe that the Transaction will bring stability and downside protection to the Company, while maintaining substantial upside potential towards its existing assets. Additionally, through the improved financial strength and governmental access brought to the Company by PetroNor, the Transaction is expected to have a positive impact on the Company's ongoing arbitration and farm-down processes related to its existing assets;

(b) the Directors believe that through the Transaction, the Company will acquire diversified, low risk, long life and high quality producing assets with competitive unit costs and a well-regarded, efficient operator (Perenco). The Transaction will transform the Company from a pure-play exploration company into a full cycle E&P company with material reserves, cash flow and significant upside potential;

(c) the issue of the Consideration Shares will complete the Company's obligations under terms of the Combination Agreement (in respect of the consideration payable for the Transaction in Shares) and will not require renegotiation of the Combination Agreement;

(d) assuming completion under the Combination Agreement occurs, the Company will become the sole shareholder of PetroNor, thereby acquiring the assets described above in (b); and

(e) Stantons International has concluded that the transactions contemplated by this Resolution are FAIR AND REASONABLE to the non-associated shareholders.

1.10 DISADVANTAGES OF THE ISSUES

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

(a) the issue of the Consideration Shares to the Vendors will increase the voting power of NOR Energy in the Company from nil to 45.72% and of Petromal from nil to 38.28%, reducing the voting power of non-associated Shareholders in aggregate from 100% to 16%;

(b) the issue of Shares upon the exercise of the Petronor Warrants to NOR Energy and Petromal will, when aggregated with the increase in voting power resulting from the issue of the Consideration Shares, further increase the voting power of NOR Energy from 45.72% to 48.65% and the voting power of Petromal from 38.28% to 37.55%, reducing the voting power of non-associated Shareholders in aggregate from 16% to 13.79% (assuming no exercise of Company Warrants)%; and

(c) there is no guarantee that the Company's Shares will not fall in value as a result of the Issue.

1.11 **INDEPENDENT EXPERT'S** REPORT

The Independent Expert's Report prepared by Stantons International (a copy of which is attached as the Annexure to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 1 and Resolution 3 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transactions contemplated by this Resolution are FAIR AND REASONABLE to the non-associated Shareholders of the Company.

The Independent Expert notes that the key advantages of the proposal raised in this Resolution to the Company and existing Shareholders are as follows:

(a) ownership of assets in production will generate cash flows to support the Company's ongoing cash requirements for its legal proceedings and exploration activities, and mitigate any need to access capital markets for additional funding;

(b) a more secure financial position will provide increased strength in pursuing arbitration proceedings;

(c) creates a much larger company with a greater level of resources available to pursue oil and gas projects;

(d) maintain some upside to existing growth initiatives through the issue of the Company Warrants;

(e) exposure to project development upside with PNGF Bis;

(f) brings in new, experienced Shareholders which may be able to add significant value and/or resources;

(g) diversifies the Company's exposure to specific projects;

(h) if the Transaction is successful, the market capitalisation of the Company will likely increase, which will increase the relevant of the Company to investment and financing markets; and

(i) trading in the Shares of the Company following announcement of the Transaction on 19 March 2019 showed an increase in share price, demonstrating positive market sentiment that the Transaction is value accretive.

The key disadvantages noted by the Independent Expert are as follows:

(a) the license rights to PNGF Bis have not yet been secured and there is risk that they may not be secured on commercially acceptable terms;

(b) in some scenarios, the Transaction outcomes may not be fair;

(c) significant dilution to existing Shareholders; and

(d) new Shareholders will have a substantial ownership interest (84%) following completion of the Transaction. Existing Shareholders will retain a much smaller interest.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

1.12 PRO FORMA BALANCE SHEET

A pro forma balance sheet of the Company post completion of the Issue of the Consideration Shares and Petronor Warrants to the Vendors as at 31 December 2018 is set out in Schedule 4.

2. RESOLUTION 2 – APPROVAL OF ISSUE OF COMPANY WARRANTS AND REPLACEMENT WARRANTS TO EXISTING SHAREHOLDERS OF THE COMPANY

2.1 BACKGROUND

Completion of the Transaction is subject to and conditional on Shareholders resolving to issue the Company Warrants and the Replacement Warrants.

Accordingly, this Resolution seeks Shareholder approval to, subject to completion of the Transaction:

(a) allow the Company to issue up to 155,466,446 Company Warrants on a pro-rata basis to existing Shareholders as at the date of the General Meeting, and for the Company Shares registered in the VPS, as reflected in the VPS on a customary T+2 basis; and

(b) allow the Company to issue 8,513,848 Replacement Warrants to existing Optionholders on the terms set out in Schedule 5 hereto.

2.2 TERMS OF COMPANY WARRANTS AND REPLACEMENT WARRANTS

The Company Warrants will vest upon either (a) the reinstatement of the A1 and A4 licences in The Gambia or (b) the reinstatement of the SOSP licence in Senegal, whichever comes first, and a farm-in agreement to such licence(s) being signed and legally binding, where the Company will be fully carried for the current phase work program under the licence(s), on commercially acceptable terms approved by the Company's Board. The Company Warrants will lapse if the aforementioned vesting event has not occurred by 31 December 2019.

The Replacement Warrants shall be subject to the same conditions as the Company Warrants and lapse on the same date as the Company Warrants.

3. RESOLUTION 3 – APPROVAL TO ACQUIRE RELEVANT INTEREST ARISING FROM LOCK-UP ARRANGEMENTS

3.1 BACKGROUND

As detailed in Schedule 1, the Combination Agreement provides that each of NOR Energy, Petromal, Jens Pace and Stephen West (together the "Restricted Parties") will agree to provide written lock-up undertakings ("Lock-up Undertakings") in respect of Shares and Warrants which will be held by those persons immediately following the issues of Shares and Warrants (as applicable) contemplated by Resolutions 1, 2 and 3 ("Restricted Securities").

The number of securities which will be held by the Restricted Parties following completion of the Transaction, and the number of securities which will be subject to the terms of the Lock-up Undertakings, are set out below:

	Interests of Restricted Parties		Number of Restricted Securities		% of total interest restricted
	Shares	Warrants	Shares	Warrants	
NOR Energy	444,237,596	104,162,519	444,237,596	104,162,519	100%
Petromal	371,961,246	51,303,927	371,961,246	51,303,927	100%
Jens Pace	1,498,938	2,420,772	1,498,938	2,420,772	100%
Stephen West	1,377,544	2,384,348	1,377,544	2,384,348	100%
Total	819,075,324	160,271,566	819,075,324	160,271,566	100%

The Lock-up Undertakings provide that the Restricted Parties will be prevented from offering for sale (among other actions) any Shares or other securities convertible into Shares (such as Warrants) held by them from the date of the Combination Agreement and during the period up to and including the day falling six months after the first date of listing of the Consideration Shares on Oslo Axess.

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they have the power to dispose of, or control the exercise of a power to dispose of, the securities. In addition, section 608(9) provides that a body corporate may have a relevant interest in its own securities.

Therefore, as a result of entering into the Lock-up Undertakings with the Restricted Parties, the Company will technically be taken to have a relevant interest in the Shares issued to the Restricted Parties (as applicable). In addition, section 610 of the Corporations Act provides that a person's voting power is based on the number of voting shares that the person (or their associate) has a relevant interest in, even if the person's relevant interest in voting shares is based on control over disposal of the shares (rather than control over voting rights attached to the shares). Therefore, as a result of entering into the Lock-up Undertakings, the Company will also acquire voting power equal to the number of Shares in which it has a relevant interest (despite having no power to exercise voting rights over those Shares).

3.2 LOCK-UP UNDERTAKINGS

Under the terms of the Lock-up Undertakings, the Restricted Parties will have a holding lock placed on Shares which are held by them (as applicable) on the Company's issuer sponsored sub-register as soon as practicable after registration.

The material terms of the Lock-up Undertakings are set out below.

The Lock-up Undertakings provide that the Restricted Parties shall not, from the date of the Combination Agreement and during the period up to and including the day falling six months after the first date of listing of the Consideration Shares on Oslo Axess:

(a) sell any Restricted Securities or any instruments which are convertible or exchangeable into Shares or gives the right to acquire Shares;

(b) offer or agree to sell any Restricted Securities or any instrument which are convertible or exchangeable into Shares or gives the right to acquire Shares;

(c) establish any security interest over any Restricted Securities;

(d) enter into any transaction (including a derivative transaction) having an effect on the market in the Shares similar to an issue or sale of Shares; or

(e) publicly announce any intention of doing any of the above.

The Lock-up Undertakings shall not apply to the acceptance of a bona fide third party offer to acquire all the shares in the Company and shall not apply to any transfer of Restricted Securities or Shares, as the case may be, to an affiliate of the transferor.

3.3 SHAREHOLDER APPROVAL REQUIRED

As discussed in section 1.6 of the Explanatory Statement, section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if the acquisition would result in that person or someone else's voting power increasing from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

The effect of section 608 of the Corporations Act on the Company in entering into the Lock-up Undertakings is that the Company would acquire a relevant interest in the securities held by the Restricted Parties at the time of their issues, which would result in the Company acquiring a relevant interest in voting shares in breach of section 606.

Following completion of the Transaction, the Company will have 971,665,288 Shares on issue and 319,446,740 Warrants on issue.

As reflected in the table in section 3.1 above, the Lock-up Undertakings will result in the Company acquiring a relevant interest in 819,075,324 Shares, which will be equal to 84.3% of the total number of Shares on issue immediately following the Transaction. Accordingly, the Company will acquire a relevant interest in 84.3% of its own Shares.

This Resolution therefore seeks Shareholder approval for the acquisition by the Company of a relevant interest in 819,075,324 Shares and 160,271,566 Warrants held by the Restricted Parties, which assuming all the Warrants held by the Restricted Parties are exercised into Shares in accordance with their terms and no other Warrants are exercised into Shares, will result in the Company's interest in its own Shares increasing from 0% to 86.52%.

Subject to Shareholders approving Resolutions 1 – 7 (inclusive), the Transaction is contemplated to be completed by the end of April 2019. The material terms of the Combination Agreement are set out in Schedule 1. The approval by Shareholders of this Resolution is a condition precedent of completion pursuant to the Combination Agreement, such that, if this Resolution is not passed by Shareholders and the condition is not waived, completion will not occur.

3.4 **INDEPENDENT EXPERT'S** REPORT

The Independent Expert's Report prepared by Stantons International (a copy of which is attached as an Annexure to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 1 and Resolution 3 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transactions contemplated by this Resolution are FAIR AND REASONABLE to the non-associated Shareholders of the Company.

Shareholders should read the Independent Expert's Report in full before making a decision on how to vote on Resolution 1 and Resolution 3.

4. RESOLUTIONS 4, 5 & 6 – ELECTION OF NOMINEE DIRECTORS

4.1 GENERAL

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or 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.

4.2 NOMINEE DIRECTORS

As described in section 1.4 above, consistent with the terms of the Combination Agreement, upon closing of the Transaction, Eyas Alhomouz (Chairman), Knut Søvold and Joseph Iskander will be appointed as Directors of the Company.

Accordingly, the following information is provided in respect of the Nominee Directors.

4.3 QUALIFICATIONS OF NOMINEE DIRECTORS

Eyas Alhomouz
Mr. Alhomouz has strong experience in the oil and gas sector covering the US, North Africa, and the GCC. He began his career with Schlumberger Oilfield Service as a wireline engineer in Midland, Texas. From there he went on to work for Cromwell Energy in Denver, Colorado, in the role of international business development manager. Then, as a COO and Financial Director of Prism Seismic, he oversaw the growth of the Colorado based consulting and oil and gas software development firm and later the Transaction of the company by Sigma Cubed where, post-Transaction of Prism Seismic, he went on to serve as a director of business development, Middle East. Mr. Alhomouz's career then took him to Qatar as a General Manager of Jaidah Energy, an Omani-Qatari owned company servicing the oil and gas sector in Qatar. Mr. Alhomouz graduated from Brigham Young University in Provo, UT with a degree in Chemical Engineering and from the Colorado School of Mines, in Golden, CO with a master's degree in Mineral and Energy Economics.

Knut Søvold
Mr Søvold has 30 years of experience in the oil and gas industry, from both executive management and technical levels. His extensive experience covers fields and licenses in the North Sea, North and West Africa, Middle East, Far East, Australia, Kazakhstan and Russia, as well as management and administration through establishing and operating companies in Norway, UK, Kazakhstan and West Africa. Mr. Søvold was in the management team of the Snorre Field in the North Sea, with a production of 200,000 bopd. Mr. Søvold has been working with West African assets since 2000 and in Nigeria since 2008. Furthermore, he has also been working with gas to LNG, including novel solutions such as FLNG, gas to power, as well as regasification. Mr. Søvold holds a MSc in Petroleum from The Institute of Technology in Trondheim, Norway.

Joseph Iskander
Mr. Joseph Iskander joined Emirates International Investment Company in July of 2017 as the Director of Private Equity. He is responsible for spearheading and managing EIIC's investments. Mr. Iskander brings over 20 years of experience in the financial services industry, covering asset management, private equity, portfolio management, financial restructuring, research, banking, and audit. Before joining EIIC, Mr. Iskander was

Managing Director of Asset Management at Dubai Group and the former Head of Research at Dubai Capital Group until 2009. He joined Dubai Group as an Investment Manager in 2004 and has worked on a range of M&A transactions, advisory services, asset management, and private equity transactions with a collective value in excess of USD 8 billion. Prior to joining Dubai Group, Mr. Iskander headed the research team at Egypt's Prime Investments and was earlier an Investment Advisor at Commercial International Bank (CIB). He began his career at Deloitte & Touche (Egypt) as an Auditor. Mr. Iskander served as Non-Executive Director on the boards of EFG Hermes in Egypt, Oasis Capital Bank in Bahrain, Sun Hung Kai & Co in Hong Kong, Qalaa Holdings in Egypt, Emirates Retakaful in UAE, Marfin Laiki Bank in Cyprus and Marfin Investment Group in Greece. He holds a Degree in Accounting and Finance with high distinction from Helwan University, Egypt (1997).

Below we have set out an overview of current directorships held by the new directors of the Board:

Name	Company	Position
Knut Søvold	Sjøvollen AS (Norway)	Chairman
Knut Søvold	NOR Energy AS (Norway)	Chairman
Knut Søvold	Hemla Energy AS (Norway)	Deputy chairman
Knut Søvold	Hemla Vantage AS (Norway)	Board member
Knut Søvold	MozFLNG – Mozambique Floating LNG S.A. (Mozambique)	Board member
Knut Søvold	IFLNG AS (Norway)	Board member
Knut Søvold	Symero Limited (Cyprus)	Board member
Knut Søvold	Bream Energy Ltd (Nigeria)	Board member
Knut Søvold	Hemla-Ogoni Energy Resources Ltd (Nigeria)	Board member
Knut Søvold	Hemla Hydrocarbons (South East Asia) Pte. Ltd. (Singapore)	Board member
Knut Søvold	Hemla Energy Trading Oman (Oman)	Board member
Knut Søvold	Power to Educate AS (Norway)	Board member
Knut Søvold	Protect your Integrity AS (Norway)	Board member
Knut Søvold	Nordic LNG CRYOtainer Technology AS (Norway)	Board member
Knut Søvold	PetroNor E&P AS (Norway)	Board member
Knut Søvold	Hemla Africa Holding AS (Norway)	Board member
Knut Søvold	Hemla Africa Holding Ltd (Cyprus)	Board member
Knut Søvold	Hemla E&P Congo SA (Republic of Congo)	Board member
Knut Søvold	PetroNor E&P Ltd (Nigeria)	Board member
Knut Søvold	PetroNor E&P Ltd (Cyprus)	Board member
Knut Søvold	Mediator AS	Deputy Director
Knut Søvold	Battie Geo AS	Deputy Director
Knut Søvold	Reserves Insight AS	Director
Eyas Alhomouz	PetroNor E&P Ltd (Cyprus)	Chairman
Eyas Alhomouz	Hemla E&P Congo S.A (Congo)	Chairman

4.4 INDEPENDENCE

The Nominee Directors have no interests, positions, associations or relationships that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.
If elected, the Board considers that:

(a) Eyas Alhomouz (Chairman) will not be an independent Director, by virtue of being appointed by Petromal;

(b) Knut Søvold will not be an independent Director, by virtue of his executive role as Chief Operating Officer and being appointed by NOR; and

(c) Joseph Iskander will not be an independent Director, by virtue of being appointed by Petromal.

4.5 BOARD RECOMMENDATION

The Board supports the election of Eyas Alhomouz, Knut Søvold and Joseph Iskander as Directors and recommends that Shareholders vote in favour of Resolutions 4, 5 and 6.

5. RESOLUTION 7 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 7 seeks the approval of Shareholders for the Company to change its name to "PetroNor E&P Limited".

If this Resolution is passed, the change of name will take effect when ASIC alters the details of the Company's registration, subject to closing of the Transaction.

The proposed name has been reserved by the Company and if this Resolution is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Transaction in order to effect the change.

GLOSSARY

ASIC means the Australian Securities & Investments Commission.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Combination Agreement has the meaning give to that term in Section 1.1.

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

Company Warrants means 155,466,446 warrants to be issued to existing shareholders of the Company as at the date of the General Meeting, and for the Company Shares registered in the VPS, as reflected in the VPS on a customary T+2 basis.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting means a meeting of the members of the Company convened by the Notice.

Hepco has the meaning given to that term in 1.3.

Issue has the meaning given to that term in 1.5.

Consideration Shares means 444,237,596 Shares in the Company to be issued to NOR Energy, and 371,961,246 Shares in the Company to be issued to Petromal, as part of the Transaction.

Nominee Directors has the meaning given to that term in Section 1.8(g) of the Notice.

NOR Energy means NOR Energy AS, an entity incorporated in Norway and having registration no. 989 747 444.

NOR Warrants means 104,162,519 Warrants in the Company to be issued to NOR Energy and Petromal in accordance with the Combination Agreement.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Parties means the parties to the Combination Agreement.

Petromal means Petromal – Sole Proprietorship LLC, an entity incorporated in U.A.E. and owned by National Holding with registration no. CN-1086106.

Petromal Warrants means 51,303,927 Warrants in the Company to be issued to Petromal in accordance with the Combination Agreement.

PetroNor means PetroNor E&P Ltd, an entity incorporated in Cyprus with company registration no. HE 367 916.

PetroNor Shares means a total of 100,000 fully paid ordinary shares in the capital of PetroNor (which represents 100% of the issued capital in PetroNor) and which are currently held by NOR Energy and Petromal in respective 50% and 50% proportions.

Petronor Warrants means 155,466,446 Warrants in the Company to be issued to the Vendors in accordance with the Combination Agreement.

Proxy Form means the proxy form accompanying the Notice.

Replacement Warrants means replacement warrants to be issued to the existing holders of 15,740,000 options in the Company as at the date of the Combination Agreement in accordance with the Combination Agreement.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Transaction has the meaning given to that term in section 1.1.

Vendors means Petromal and NOR Energy, collectively.

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

VPS Registrar means DNB Bank ASA.

Warrant means a warrant issued by the Company which, upon exercise, gives the holder the right to be issued Shares.

SCHEDULE 1 – MATERIAL TERMS OF COMBINATION AGREEMENT

The material terms of the Combination Agreement are as follows:

A. Transaction

(i) Subject to the terms and conditions of the Combination Agreement, the Parties agree that NOR Energy and Petromal shall transfer all their shares in PetroNor to the Company in consideration of the issue by the Company of 816,198,842 new shares in the Company (Company Shares), which after the issue shall represent 84% of the total issued and outstanding shares of the Company.

(ii) The Company Shares shall be issued as follows:

(A) NOR Energy shall be issued 444,237,596 Company Shares; and

(B) Petromal shall be issued 371,961,246 Company Shares.

(iii) The Transaction involves an agreed allocation of values which means that the current shareholders of the Company will hold 16% of all issued and outstanding shares following completion of the Transaction. Based on the values involved, each Company Share shall be issued at a deemed issue price equal to the closing price for the Company's shares as at the last trading day immediately preceding the date of signing of the Combination Agreement, i.e. NOK 1.03 (Subscription Price).

(iv) The PetroNor Shares shall be fully paid, free of any Encumbrances and shall represent 100% of all issued and outstanding shares of PetroNor.

(v) The Company Shares shall be fully paid, free of any Encumbrances and shall, after the issue and delivery of such shares to NOR Energy and Petromal, respectively, represent 84% of all issued and outstanding shares of the Company as at the Closing Date.

B. Transaction Valuation

(i) The Transaction valuation is based on an economic valuation date of 1 January 2019.

(ii) Furthermore, NOR and Petromal shall be entitled to receive the dividend amount payable for 2018 from Petronor.

C. Conditions Precedent: the Transaction is conditional upon, amongst other conditions, the satisfaction or waiver (if permitted) of the following conditions precedent:

(i) Approval by the shareholders of the Company eligible to vote at the EGM with requisite majority (greater than 50% of shareholders voting at the EGM), including approval of the acquisition of a relevant interest in the Company by Petromal and NOR and issuance of the warrants;

(ii) A confirmation by the Oslo Stock Exchange that the listing status of the Company will be maintained following completion of the Transaction;

(iii) No material adverse effect with respect to PetroNor or its business having occurred; and

(iv) No material adverse effect with respect to the Company having occurred.

D. Director Nominations. The Parties agree that as from Closing, subject to approval at the General Meeting and consents to act as directors being received from each proposed new director, the Company Board shall consist of:

Eyas Alhomouz (Chairman), Knut Søvold, Joseph Iskander, Bjarne Moe, Jens Pace, Stephen West, David King and Timothy Turner. The Parties further agree to ensure that the Oslo Børs requirements for board composition will be met at any time.

E. Management. The Parties agree that as from Closing, the parties shall procure that the Company appoint the following people to the following positions in management of the Company unless already appointed):

(i) Jens Pace – Chief Executive Officer;

(ii) Knut Søvold – Chief Operating Officer;

(iii) Stephen West – Chief Financial Officer; and

(iv) Gerhard Ludvigsen – Business Development Manager.

F. Warrants. In connection with the Transaction, the Company has agreed to issue Petronor Warrants, Company Warrants and Replacement Warrants, the terms of which are summarised in Schedule 3.

G. Lock-up arrangement. In connection with the Transaction, each of NOR Energy and Petromal agree not to, during the period up to and including the day falling six (6) months after the first date of listing of the Company Shares on Oslo Axess:

(i) sell any Company Shares or any instrument which are convertible or exchangeable into Shares or gives the right to acquire Company Shares;

(ii) offer or agree to sell any Company Shares or any instrument which are convertible or exchangeable into Shares or gives the right to acquire Company Shares;

(iii) establish any security interest over any Company Shares;

(iv) enter into any transaction (including a derivative transaction) having an effect on the market in the Shares similar to an issue or sale of Company Shares; or

(v) publicly announce any intention of doing any of the above.

The Company shall procure that the above restrictions shall apply equally to all Shares owned by Jens Pace and Stephen West (or any investment vehicle owned by either of them) and that separate written undertakings to that effect are entered into.

The lock-up undertaking shall not apply to the acceptance of a bona fide third party offer to acquire all the shares in the Company, and to any transfer of Company Shares or Shares, as the case may be, to an Affiliate of the transferor.

The Combination Agreement otherwise contains clauses considered typical for agreements of this nature, including pre-completion covenants, representations and warranties and confidentiality provisions.

SCHEDULE 2 – KEY FINANCIAL INFORMATION OF PETRONOR

The following selected financial information has been extracted from the unaudited financial statements for PetroNor for the years ended 31 December 2017 and 31 December 2018. The historical results of PetroNor are not necessarily indicative of its results for any future period.

The annual accounts of PetroNor have been prepared in accordance with IFRS as adopted by the European Union.

PetroNor income statement

(USD million)	For the Years ended 31 December	
	2018	2017
	Unaudited	*Unaudited*
Sale of oil	101.07	
Other revenue	-	68.35
Total revenue	101.07	68.35
Cost of sales	(41.58)	(30.11)
Exploration expense	-	-
Administrative expense	(9.04)	(3.43)
Other income	0.49	-
Total Operating profit	50.94	34.81
Finance cost	(2.62)	(0.88)
Interest expense Foreign exchange gain / (loss)	(0.27)	(0.33)
Profit before income tax	48.05	33.60
Income tax	(31.12)	(22.62)
Profit for the year	16.93	10.98
Attributable to:		
Equity holders of the parent	7.77	5.76
Non-controlling interest	9.16	5.22
	16.93	10.98

PetroNor statements of financial position

(USD million)	For the years ended 31 December 2018	2017
	Unaudited	*Unaudited*
ASSETS		
Non-current assets		
Intangible assets	14.28	16.85
Tangible assets	3.86	0.46
Total non-current assets	18.14	17.31
Current assets		
Inventory	2.57	2.37
Trade & other receivables	28.21	7.04
Cash & cash equivalents	7.93	8.07
Total current assets	38.71	17.48
TOTAL ASSETS	56.85	34.79
EQUITY & LIABILITIES		
Equity		
Share capital	0.12	0.12
Statutory reserve	0.17	-
Retained earnings	13.40	4.76
Equity attributable to equity holders of the Company	13.69	5.88
Non-controlling interest	12.63	5.63
Total equity	26.32	11.51
Non-current liabilities		
Decommissioning cost liability	13.50	12.67
Loan	7.08	-
Current liabilities		
Accounts payable & accrued liabilities	9.95	10.62
Total liabilities	30.53	23.29
TOTAL EQUITY & LIABILITIES	6.85	34.79

PetroNor statements of cash flows

(USD million)	For the Years ended 31 December 2018 *Unaudited*	2017 *Unaudited*
OPERATING ACTIVITIES		
Profit for the year	16.93	10.98
Adjustments for:		
Depreciation & amortization	3.21	2.51
Unwinding of discount on decommissioning liability	0.82	0.77
Cash flow from operating activities	20.96	14.26
Working capital adjustments:		
Accounts receivable & prepayments	(21.17)	(7.04)
Inventory	(0.20)	(2.37)
Accounts payable & accrual	(0.66)	10.62
Cash from operations	(22.03)	1.21
Net cash from operating activities	(1.06)	15.47
INVESTING ACTIVITIES		
Purchase of non-current assets	(4.04)	(7.93)
Proceeds from sale of non-controlling interest	-	0.41
	-	-
Net cash used in investing activities	(4.04)	(7.52)
FINANCING ACTIVITIES		
Share capital	-	0.12
Dividend paid to non-controlling interest	(2.12)	-
Proceeds from loan	7.08	-
Net cash from financing activities	4.96	0.12
INCREASE IN CASH & CASH EQUIVALENTS	(0.14)	8.07
Cash & cash equivalents at 1 January	8.07	-
CASH & CASH EQUIVALENTS AT 31 DECEMBER	7.93	8.07

SCHEDULE 3 – TERMS OF PETRONOR WARRANTS, COMPANY WARRANTS AND REPLACEMENT WARRANTS

A. Petronor Warrants

The Petronor Warrants (Warrants) entitle the holder (Warrant Holder) to subscribe for shares in the Company (Shares) on the following terms and conditions:

a) Each Warrant gives the Warrant Holder the right to subscribe for one Share.

b) The Warrants shall vest in the holder upon (i) a signed acquisition/farm-in agreement for a gas asset in Nigeria; and (ii) a signed and legally binding gas offtake agreement relating to the gas from such asset, both agreements on commercially acceptable terms approved by the Company's Board.

c) The Warrants will expire at 5.00pm (GMT) on 31 December 2019 (Expiry Date). Any Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) The amount payable upon exercise of each Warrant will be zero (Exercise Price).

e) The Warrants held by each Warrant Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

f) A Warrant Holder may exercise their Warrants by lodging with the Company, before the Expiry Date, a written notice of exercise of Warrants specifying the number of Warrants being exercised (Exercise Notice).

g) Within 10 Business Days of receipt of the Exercise Notice, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Warrants specified in the Exercise Notice.

h) The Warrants are not transferable.

i) All Shares allotted upon the exercise of Warrants will upon allotment rank *pari passu* in all respects with other Shares.

j) The Company will not apply for quotation of the Warrants on Oslo Axess. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Warrants on Oslo Axess within 10 Business Days after the date of allotment of those Shares.

k) If at any time the issued capital of the Company is reconstructed, all rights of a Warrant Holder are to be changed in a manner consistent with the Corporations Act at the time of the reconstruction.

l) There are no participating rights or entitlements inherent in the Warrants and Warrant Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Warrants. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven Business Days after the issue is announced. This will give Warrant Holders the opportunity to exercise their Warrants prior to the date for determining entitlements to participate in any such issue.

m) A Warrant does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Warrant can be exercised.

B. Company Warrants

The Company Warrants (Warrants) entitle the holder (Warrant Holder) to subscribe for shares in the Company (Shares) on the following terms and conditions:

a) Each Warrant gives the Warrant Holder the right to subscribe for one Share.

b) The Warrants shall vest in the holder upon (i) either (a) the reinstatement of the A1 and A4 licences in The Gambia or (b) the reinstatement of the SOSP licence in Senegal, whichever comes first; and (ii) a farm-in agreement to such licence(s) being signed and legally binding, where the Company will be fully carried for the current phase work program under the licence(s), on commercially acceptable terms approved by the Company's Board.

c) The Warrants will expire at 5.00pm (GMT) on 31 December 2019 (Expiry Date). Any Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) The amount payable upon exercise of each Warrant will be zero (Exercise Price).

e) The Warrants held by each Warrant Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

f) A Warrant Holder may exercise their Warrants by lodging with the Company, before the Expiry Date a written notice of exercise of Warrants specifying the number of Warrants being exercised (Exercise Notice).

g) Within 10 Business Days of receipt of the Exercise Notice, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Warrants specified in the Exercise Notice.

h) The Warrants are not transferable.

i) All Shares allotted upon the exercise of Warrants will upon allotment rank *pari passu* in all respects with other Shares.

j) The Company will not apply for quotation of the Warrants on Oslo Axess. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Warrants on Oslo Axess within 10 Business Days after the date of allotment of those Shares.

k) If at any time the issued capital of the Company is reconstructed, all rights of a Warrant Holder are to be changed in a manner consistent with the Corporations Act at the time of the reconstruction.

l) There are no participating rights or entitlements inherent in the Warrants and Warrant Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Warrants. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven Business Days after the issue is announced. This will give Warrant Holders the opportunity to exercise their Warrants prior to the date for determining entitlements to participate in any such issue.

m) A Warrant does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Warrant can be exercised.

C. Replacement Warrants

The Replacement Warrants (Warrants) entitle the holder (Warrant Holder) to subscribe for shares in the Company (Shares) on the following terms and conditions:

a) Each Warrant gives the Warrant Holder the right to subscribe for one Share.

b) The Warrants shall vest in the holder upon (i) either (a) the reinstatement of the A1 and A4 licences in The Gambia or (b) the reinstatement of the SOSP licence in Senegal, whichever comes first; and (ii) a farm-in agreement to such licence(s) being signed and legally binding, where the Company will be fully carried for the current phase work program under the licence(s), on commercially acceptable terms approved by the Company's Board.

c) The Warrants will expire at 5.00pm (GMT) on 31 December 2019 (Expiry Date). Any Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) The amount payable upon exercise of each Warrant will be zero (Exercise Price).

e) The Warrants held by each Warrant Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

f) A Warrant Holder may exercise their Warrants by lodging with the Company, before the Expiry Date a written notice of exercise of Warrants specifying the number of Warrants being exercised (Exercise Notice).

g) Within 10 Business Days of receipt of the Exercise Notice, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Warrants specified in the Exercise Notice.

h) The Warrants are not transferable.

i) All Shares allotted upon the exercise of Warrants will upon allotment rank *pari passu* in all respects with other Shares.

j) The Company will not apply for quotation of the Warrants on Oslo Axess. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Warrants on Oslo Axess within 10 Business Days after the date of allotment of those Shares.

k) If at any time the issued capital of the Company is reconstructed, all rights of a Warrant Holder are to be changed in a manner consistent with the Corporations Act at the time of the reconstruction.

l) There are no participating rights or entitlements inherent in the Warrants and Warrant Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Warrants. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven Business Days after the issue is announced. This will give Warrant Holders the opportunity to exercise their Warrants prior to the date for determining entitlements to participate in any such issue.

m) A Warrant does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Warrant can be exercised.

SCHEDULE 4 – PRO FORMA BALANCE SHEET 31 DECEMBER 2018

USD '000	PetroNor E&P Ltd Consolidated *Unaudited*	African Petroleum Consolidated *Unaudited*	Pro forma Adjustments	Pro forma Balance Sheet *Unaudited*
Cash and cash equivalents	7,930	6,286	(2,126)	12,090
Trade and other receivables	28,210	143	-	28,353
Inventories	2,570	-	-	2,570
TOTAL CURRENT ASSETS	38,710	6,429	(2,126)	43,013
Tangible assets	3,860	7	-	3,867
Intangible assets	14,280	-	-	14,280
TOTAL NON CURRENT ASSETS	18,140	7	-	18,147
TOTAL ASSETS	56,850	6,436	(2,126)	61,160
Trade & other payables	9,950	2,758	-	12,708
TOTAL CURRENT LIABILITIES	9,950	2,758	-	12,708
Provisions	13,500	-	-	13,500
Loans payable	7,080	-	-	7,080
TOTAL NON CURRENT LIABILITIES	20,580	-	-	20,580
TOTAL LIABILITIES	30,530	2,758	-	33,288
NET ASSETS	26,320	3,678	(2,126)	27,872
EQUITY				
Issued capital	120	643,438	(625,741)	17,817
Reserves	170	22,203	(21,253)	1,120
Retained earnings / (losses)	13,400	(658,450)	642,809	(2,241)
Parent interests	13,690	7,192	(4,185)	16,696
Non-controlling interests	12,630	(3,514)	2,059	11,176
TOTAL EQUITY	26,320	3,678	(2,126)	27,872

The Company has prepared the Pro Forma Balance Sheet so as to illustrate how the acquisition of PetroNor E&P Ltd would have affected the Company had the Transaction been completed on 1 January 2018. The Transaction is proposed to complete on or about 29 April 2019.

Apart from the Transaction, no other circumstances occurring after 31 December 2018 is covered by the Pro Forma Balance Sheet. The sources of the historical financial information included in the Pro Forma Balance Sheet are:

- for the Company, extracted from the unaudited consolidated financial statements as of 31 December 2018;
- for PetroNor E&P Ltd, extracted from the unaudited consolidated financial statements as of 31 December 2018.

Although management has endeavoured to prepare the Pro Forma Balance Sheet using the best available information, the Pro Forma Balance Sheet must not be considered final or complete; and may be amended in future publications of accounts. Investors are cautioned not to place undue reliance on the Pro Forma Balance Sheet.

SCHEDULE 5 – REPLACEMENT WARRANTS

List of existing options to be replaced by the "Replacement Warrants":

Option holder	Exercise price (NOK)	Number of options held	Number of Replacement Warrants to be issued
JENS PACE			
Exercise price of NOK 1.70, expiring 15 November 2020	1,70	350,000	
Exercise price of NOK 1.70, expiring 22 December 2020	1,70	1,000,000	
Exercise price of NOK 4.00, expiring 28 April 2020	4,00	200,000	
Exercise price of NOK 7.75, expiring 31 May 2022	7,75	1,500,000	
Exercise price of NOK 1.60, expiring 31 May 2023	1,60	1,500,000	
			2,420,772
STEPHEN WEST			
Exercise price of NOK 1.70, expiring 15 November 2020	1,70	270,000	
Exercise price of NOK 1.70, expiring 22 December 2020	1,70	1,000,000	
Exercise price of NOK 4.00, expiring 28 April 2020	4,00	200,000	
Exercise price of NOK 7.75, expiring 31 May 2022	7,75	1,500,000	
Exercise price of NOK 1.60, expiring 31 May 2023	1,60	1,500,000	
Exercise price of AU$2.40, expiring 3 June 2019	15,51	100,000	
			2,384,348
MICHAEL BARRETT			
Exercise price of NOK 1.70, expiring 15 November 2020	1,70	280,000	
Exercise price of NOK 1.70, expiring 22 December 2020	1,70	500,000	
Exercise price of NOK 4.00, expiring 28 April 2020	4,00	160,000	
Exercise price of NOK 7.75, expiring 31 May 2022	7,75	1,000,000	
Exercise price of NOK 1.60, expiring 31 May 2023	1,60	1,000,000	
			1,560,757
CHRIS BUTLER			
Exercise price of NOK 1.70, expiring 15 November 2020	1,70	100,000	
Exercise price of NOK 4.00, expiring 28 April 2020	4,00	20,000	
Exercise price of NOK 7.75, expiring 31 May 2022	7,75	300,000	
Exercise price of NOK 1.60, expiring 31 May 2023	1,60	400,000	
			475,390
MAGENTA MCDOUGALL			
Exercise price of NOK 1.60, expiring 31 May 2023	1,60	200,000	
Exercise price of NOK 0.90, expiring 2 Jan 2023	0,90	50,000	
			150,545
NEDS & COSEC			
Exercise price of NOK 1.70, expiring 22 December 2020	1,70	200,000	
Exercise price of NOK 4.00, expiring 28 April 2020	4,00	50,000	
Exercise price of NOK 7.75, expiring 31 May 2022	7,75	1,050,000	
Exercise price of NOK 1.60, expiring 31 May 2023	1,60	900,000	
			1,219,313
CONSULTANTS			
Exercise price of NOK 4.00, expiring 28 April 2020	4,00	10,000	
Exercise price of NOK 1.60, expiring 31 May 2023	1,60	400,000	
			302,723
TOTAL		15,740,000	8,513,848

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27 March 2019

The Directors
African Petroleum Corporation Limited
48 Dover Street
London W1S 4FF
United Kingdom

Dear Sirs

RE: AFRICAN PETROLEUM CORPORATION LIMITED ("AP" OR "THE COMPANY") - INDEPENDENT EXPERT'S REPORT RELATING TO THE ACQUISITION OF PETRONOR AND RELATED SECURITY ISSUES

Summary of Opinion

After taking into account all of the factors noted in this report, we are of the opinion that as at the date of this report, the proposed Transaction is **fair and reasonable** to the non-associated shareholders of AP.

1. BACKGROUND

1.1 We have been requested by the directors of AP to prepare an Independent Expert's Report ("**IER**") to determine whether a proposed acquisition, and issue of securities in AP, is fair and reasonable to the shareholders of AP who are not associated with the proposed Transaction (the "**Non-Associated Shareholders**").

1.2 AP is an Australian company listed on Oslo Bors (the "**Oslo Stock Exchange**") which currently holds interests in oil assets in The Gambia and Senegal. AP is proposing to acquire 100% of the shares in Petronor E&P Ltd ("**Petronor**"), a private company incorporated in Cyprus. Petronor holds a 10.5% indirect interest in the PNGF Sud license ("**PNGF Sud**") and a right to negotiate to acquire a 14.7% indirect interest in the PNGF Bis license ("**PNGF Bis**") (collectively the "**Congo Assets**"). In consideration for acquiring Petronor, AP proposes to issue 816,198,842 shares in AP, representing an approximate 84% interest in the shares of AP post-Transaction. Furthermore:

- AP shareholders will be issued 1 performance warrant[1] per existing AP share (i.e. 155,466,446 in total), exercisable into one AP share in the event of successful reinstatement of either its The Gambia or Senegal License (which are currently both in dispute) (the "**APCL Warrants**");

- the vendors of Petronor will be issued with 155,466,446 performance warrants exercisable in the event of a signed acquisition or farm in agreement in Nigeria, and securing a legally binding offtake agreement relating to the gas from this asset (the "**Petronor Warrants**"); and

[1] Throughout this report the term "warrant" is used to describe the contingent issue of a new share in the Company, subject to conditions as applicable

- 15,740,000 existing options on AP shares currently on issue will be cancelled and replaced by 8,513,848 warrants on the same terms as the APCL Warrants (the "**Replacement Warrants**"). 3,370,638 existing options on AP shares will remain on issue with their existing holders.

Collectively the above are referred to as the "**Transaction**".

1.3 Petronor is owned by Petromal LLC ("**Petromal**") and NOR Energy AS ("**NOR Energy**"). The Transaction will result in NOR Energy holding approximately 45.7% of the voting shares in AP initially, and up to approximately 48.7% if the Petronor Warrants vest. Petromal will initially hold approximately 38.3% of the voting shares in the Company and up to approximately 37.6% if the Petronor Warrants vest. Refer to Section 3.2 for details of the capital structure implications as a result of the Transaction. NOR Energy and Petromal are not considered to be associates of each other as defined in the Corporations Act ("**TCA**").

1.4 We have been advised that apart from the Transaction, there are no further transactions being contemplated between AP, NOR Energy and Petromal.

1.5 Under Section 606 of TCA, unless certain exemptions apply, a person must not acquire a relevant interest in issued voting shares in a company if, as a result of the transaction, that person's or someone else's voting power in the company increases:

(a) from 20% or below to more than 20%; or

(b) from a starting point that is above 20% and below 90%.

Under Section 611 (Item 7) of TCA, section 606 does not apply in relation to any acquisition of shares approved by resolution passed at a general meeting, by shareholders who are not associated with the transaction. For such a meeting, an independent expert is required to report on the fairness and reasonableness of the transaction.

AP intends to seek shareholder approval at a general meeting for the proposed Transaction. The restructure transaction will be referred to in the Notice of Meeting ('**Notice**") and Explanatory Statement ("**ES**") attached to the Notice to be forwarded to shareholders in or around April 2019.

As described in the Notice, our IER is concerned with the transactions contemplated in Resolutions 1 and 3 as outlined in the Notice.

1.6 A further component of the Transaction is that NOR Energy, Petromal and AP's key management (Messrs Jens Pace and Stephen West) will agreed to undertakings which restrict the disposal of their holdings in the Company (the "**Lock Up Undertakings**"). As a result of the Lock Up Undertakings, the Company will be deemed to have a relevant interest in the shares held by the parties to which the Lock Up Undertakings apply. Further details are provided in the explanatory notes for Resolution 3 of the Notice issued by the Company and the attached ES.

1.7 Apart from this background introduction, this report includes the following:

- An introduction
- Summary opinion
- Implications of the Transaction
- Summary of AP
- Summary of Petronor
- Basis of valuation
- Value of AP shares
- Value of Petronor
- Value of options and warrants

- Value and fairness of the Transaction
- Reasonableness of the Transaction
- Conclusion as to fairness and reasonableness
- Shareholder's decisions
- Sources of information
- Appendices A and B (the independent valuation report of ResourceInvest Resource Management as noted below) and our Financial Services Guide.

2. SUMMARY OPINION

2.1 In determining the fairness and reasonableness of the Transaction to the Non-Associated Shareholders of AP, we have had regard to the guidelines set out by ASIC in its *Regulatory Guide 111: Content of Expert Reports* ("**RG 111**").

Our primary methodology to arrive at a conclusion on fairness is based on a comparison of:

(a) the fair market value of a AP share pre-Transaction on a control basis; versus

(b) the fair market value of a AP share post-Transaction on a minority basis,

taking into account the associated dilution resulting from the issue of new securities under the terms of the Transaction.

In assessing the fairness of the Transaction, we also considered a comparison of the value of the consideration being paid and the value that may be attributed to the assets being acquired, from the perspective of the Non-Associated Shareholders.

Our opinion on the reasonableness of the Transaction is based on an examination of various qualitative factors to determine whether there is justification for the Transaction beyond a purely quantitative assessment. It should be noted that if a transaction is considered "fair", it is also considered to be "reasonable".

2.2 **After taking into account all of the factors noted in this report, we are of the opinion that the proposed Transaction (including the items covered in Resolutions 1 and 3 of the Notice) is fair and reasonable to the Non-Associated Shareholders of AP as at the date of this report.**

Our opinion should not be construed to represent a recommendation as to whether or not AP shareholders should approve the Transaction. Shareholders who are uncertain as to the impact of approving the Transaction should seek separate advice from their financial and/or taxation adviser.

2.3 The opinion expressed above must be read in conjunction with the more detailed analysis and comments made in this report, including the independent technical valuation report (the "**ResourceInvest Report**") prepared by ResourceInvest Pty Ltd ("**ResourceInvest**") dated 27 March 2019, attached as Appendix B of this report.

3. IMPLICATIONS OF THE PROPOSED TRANSACTION

3.1 As at 27 March 2019, the equity capital structure of AP was as follows:

Security	Number
Fully paid ordinary shares	155,466,446
Unlisted options, exercisable at A$3.00, expiring on 22/4/19	17,501
Unlisted options, exercisable at A$2.40, expiring on 3/6/19	150,000
Unlisted options, exercisable at A$3.00, expiring on 5/6/19	20,000
Unlisted options, exercisable at A$3.00, expiring on 15/12/19	16,667
Unlisted options, exercisable at NOK4.00, expiring on 28/4/20	1,627,000
Unlisted options, exercisable at NOK1.70, expiring on 15/11/20	1,690,000
Unlisted options, exercisable at NOK1.70, expiring on 22/12/20	2,900,000
Unlisted options, exercisable at NOK2.50, expiring on 11/1/22	213,400
Unlisted options, exercisable at NOK7.75, expiring on 31/5/22	6,526,070
Unlisted options, exercisable at NOK1.60, expiring on 31/5/23	5,900,000
Unlisted options, exercisable at NOK0.90, expiring on 2/1/23	50,000
Total securities on issue	**174,577,084**

3.2 Should the Transaction proceed, it will have the following effect on AP's capital structure:

	Ordinary shares	%	All securities	%
Existing securities on issue	155,466,446		174,577,084	
Cancellation of existing options			(15,740,000)	
Balance	**155,466,446**	**16.0%**	**158,837,084**	**12.3%**
Ordinary shares issued to NOR Energy	444,237,596	45.7%	444,237,596	34.3%
Ordinary shares issued to Petromal	371,961,246	38.3%	371,961,246	28.7%
Petronor Warrants issued to NOR Energy			104,162,519	8.0%
Petronor Warrants issued to Petromal			51,303,927	4.0%
APCL Warrants issued			155,466,446	12.0%
Replacement Warrants issued			8,513,848	0.7%
Post transaction	**971,665,288**	**100.0%**	**1,294,482,666**	**100.0%**

4. PROFILE OF AP

4.1 Principal Activities

AP is an oil and gas exploration and development group focused in the offshore West Africa region. The Company holds four hydrocarbon exploration licences, comprising two licences in each of The Gambia and Senegal with a combined gross acreage of 18,468 km^2. AP has three dimensional seismic data available for all four licences.

AP is currently in dispute with the government of The Gambia regarding the status of its licences. In October 2017, AP lodged Requests for Arbitration ("**RFA**") documents with the International Centre for Settlement of Investment Disputes ("**ICSID**") in order to protect its license interests in The Gambia. The tribunal for the case was constituted on 26 March 2018 with the first session held on 27 June 2018. The Group filed its memorial on admissibility, jurisdiction and the merits of its case on 28 February 2019.

AP is also currently in dispute with the government of Senegal regarding the status of its production sharing contracts ("**PSCs**"). In January 2018, AP lodged RFA documents with ICSID in order to protect its interests in the PSCs in Senegal. The tribunal for the case was constituted on 23 January 2019 with the first session held on 19 March 2019.

AP is seeking to resolve the disputes with the governments of The Gambia and Senegal through arbitration processes. In the event that AP is successful in resolving the licence disputes, it will be actively exploring farm-out or alternative financing arrangements in order to complete the expected minimum work commitments under the various licences if they are re-instated.

Following re-instatement of the licences, should the Group not be able to secure financing through farm-out agreements in time or obtain extensions on the drilling commitments under the relevant licences when necessary, the licences will be at risk of being revoked.

4.2 Directors of AP

The directors of AP are:

- David King (Non-Executive Chairman)
- Jens Pace (Chief Executive Officer)
- Stephen West (Chief Financial Officer)
- Bjarne Moe
- Timothy Turner

4.3 Top Shareholders

As at 7 March 2019, the top 20 shareholders of AP were as follows:

Rank	Name	Number held	%
1	Nordnet Bank AB	15,425,169	9.9%
2	Avanza Bank AB	8,355,243	5.4%
3	Nordnet Livsforsikring AS	6,603,643	4.2%
4	Telinet Energi AS	5,053,784	3.3%
5	Danske Bank AS	3,649,124	2.3%
6	Gekko AS	2,656,789	1.7%
7	Steinar Grønland	2,372,000	1.5%
8	Citibank, N.A.	2,282,310	1.5%
9	Nordea Bank ABP	2,244,399	1.4%
10	Ole Andreas Baksaas	2,191,709	1.4%
11	Ubs Switzerland AG	2,141,305	1.4%
12	Swedbank AB	2,114,158	1.4%
13	Erik Bjønness	2,100,000	1.4%
14	Six Sis AG	1,714,575	1.1%
15	Minh Hoang Pham	1,590,000	1.0%
16	Netfonds Livsforsikring AS	1,493,025	1.0%
17	Mr George Jens Soby Pace	1,465,604	0.9%
18	Creshaven Investments Pty Ltd	1,377,544	0.9%
19	Ketil Toska	1,200,000	0.8%
20	Michael Barrett	1,151,667	0.7%
	Total	**67,182,048**	**43.2%**
	Other shareholders	88,284,398	56.8%
	Total Ordinary Shares on Issue	**155,466,446**	**100.0%**

4.4 Financial Position

Set out below is AP's statement of financial position as at 30 June 2018.

	30 June 2018 Unaudited US$000
Assets	
Current Assets	
Cash and cash equivalents	9,423
Trade and other receivables	107
Restricted cash	903
Prepayments	176
Total Current Assets	**10,609**
Non-Current Assets	
Inventories	1,007
Property plant and equipment	2
Exploration and evaluation expenditure	9,407
Total Non-Current Assets	**10,416**
Total Assets	**21,025**
Liabilities	
Current Liabilities	
Trade payables	3,630
Other payables	9,238
Total Current Liabilities	**12,868**
Total Liabilities	**12,868**
Net Assets	**8,157**
Equity	
Issued capital	643,438
Reserves	21,840
Accumulated losses	(653,655)
Total equity attributable to shareholders of parent company	**11,623**
Non-controlling interests	(3,466)
Total Equity	**8,157**

4.5 Financial Performance

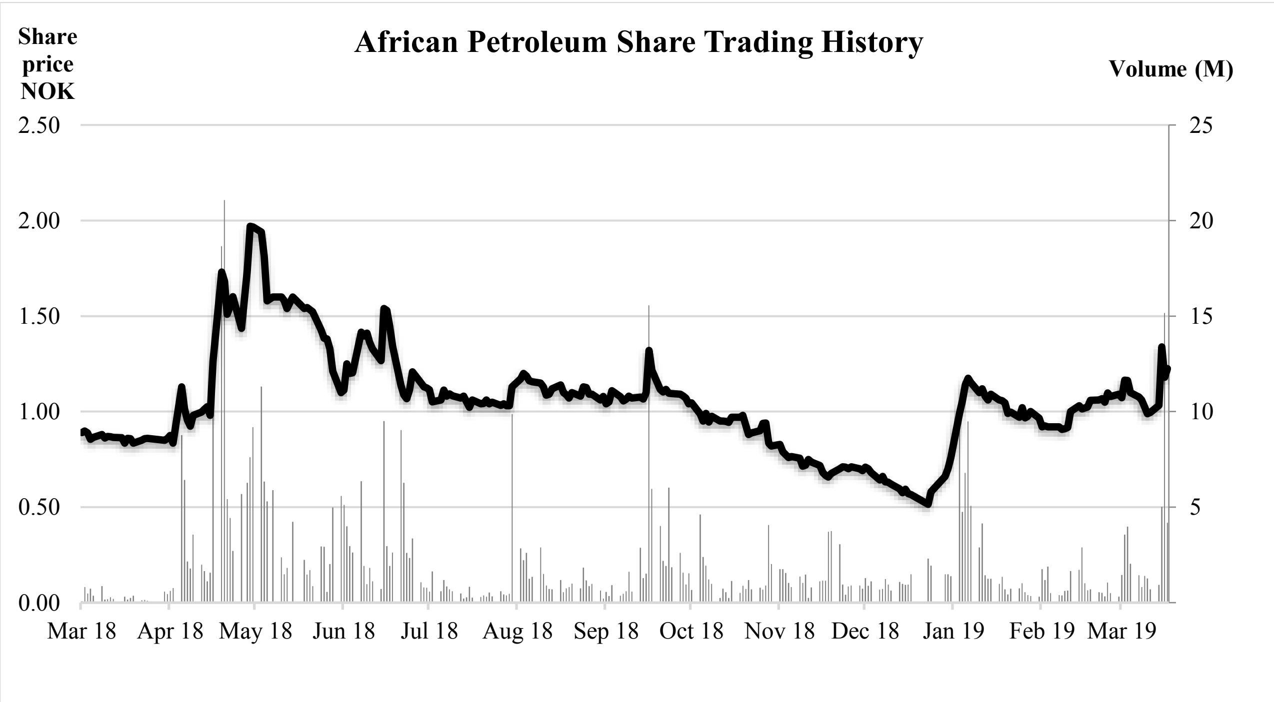
A summarised statement of comprehensive income for AP for the 6 months ended 30 June 2018 and the year ended 31 December 2017 is set out below.

	6 mths to June 2018 Unaudited US$000	12 mths to Dec 2017 Audited US$000
Continuing operations		
Revenue	-	229
Exploration and evaluation expenditure expensed	(457)	(9,856)
Impairment of exploration and evaluation expenditure		(18,368)
Consulting expense	(1,188)	(1,424)
Compliance and regulatory expenses	(101)	(243)
Administrative expenses	(235)	(572)
Employee benefits	(1,528)	(4,387)
Travel expenses	(48)	(477)
Depreciation expense	(1)	(3)
Unrealised gain/(loss) on fair value of financial liabilities	-	78
Foreign exchange gain/(loss)	(31)	5
Loss from continuing operations before income tax	**(3,589)**	**(35,020)**
Income tax expense	-	-
Loss from continuing operations after tax	**(3,589)**	**(35,020)**
Other comprehensive gains/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange profit/(loss) on translation of functional currency to presentation currency	2	(34)
Other comprehensive profit/(loss) for the period, net of tax	**2**	**(34)**
Total comprehensive loss for the period	**(3,587)**	**(35,053)**
Loss attributable to:		
Non-controlling interests	(20)	(399)
Owners of the parent	(3,569)	(34,620)
	(3,589)	**(35,020)**
Total comprehensive loss attributable to:		
Non-controlling interests	(20)	(399)
Owners of the parent	(3,567)	(34,654)
	(3,587)	**(35,053)**

4.6 Share Trading History – AP

4.6.1 Set out below is a summary of the traded share prices of AP on the Oslo Stock Exchange from 1 March 2018 to 21 March 2019.

Month	High	Low	Last	VWAP	Volume traded	No. of trades	Volume/weighted average shares on issue
Mar-18	0.910	0.800	0.860	0.864	6,344,241	817	4.1%
Apr-18	1.970	0.820	1.435	1.379	102,060,354	12,163	65.6%
May-18	2.200	1.300	1.329	1.759	76,472,737	9,801	49.2%
Jun-18	1.650	1.000	1.208	1.261	78,695,293	8,082	50.6%
Jul-18	1.218	1.000	1.040	1.083	13,671,768	1,681	8.8%
Aug-18	1.265	1.020	1.090	1.144	37,554,353	4,195	24.2%
Sep-18	1.360	1.036	1.094	1.182	49,445,719	5,227	31.8%
Oct-18	1.135	0.800	0.940	0.989	27,691,064	2,932	17.8%
Nov-18	0.910	0.600	0.710	0.742	34,910,199	3,031	22.5%
Dec-18	0.732	0.504	0.580	0.611	18,790,560	1,936	12.1%
Jan-19	1.296	0.563	0.975	1.063	57,920,954	6,286	37.3%
Feb-19	1.120	0.880	1.097	0.981	19,036,461	2,742	12.2%
Mar-19	1.480	0.971	1.140	1.204	46,720,280	4,915	30.1%
Total	**2.200**	**0.504**	**1.140**	**1.225**	**569,313,983**	**63,808**	**366.2%**



4.6.2 Generally, traded prices on stock markets are considered to provide a reasonable indicator of what a share is worth, however in order for a quoted market price to be a reliable indicator of a company's value, the company's shares must trade in a liquid and fully informed market.

Liquidity in AP shares is considered high. A "deep" market is considered to be where the amount of shares traded on a weekly basis exceeds 1% of the company's total shares. AP's shares have demonstrated significant liquidity, consistently above this benchmark level. We also note that AP's shares are reasonably widely held with the top 20 shareholders holding approximately 43.2% of AP shares as at 7 March 2019.

Accordingly, we consider that trading in AP shares is sufficiently liquid, demonstrating evidence of a deep market, and that the traded price history of AP shares is a reliable method for the purpose of assessing the value of AP shares.

4.6.3 The Transaction was announced on 19 March 2019. We have considered traded prices prior to the announcement of the Transaction in order to measure the pre-Transaction value of AP shares. We note that prior to the announcement:

- the last price at which AP shares were traded was NOK1.032 (equivalent to approximately US$0.120)
- the 1 month volume weighted average price ("**VWAP**") was NOK1.088 (~US$0.126)
- the 3 month VWAP was NOK1.016 (~US$0.118)
- the range of trading in the 3 months prior was between NOK0.504 (~US$0.058) and NOK1.296 (~US$0.151)

4.6.3 Based on the analysis of trading in AP shares presented above we have assessed an appropriate range of values for an AP share to be between NOK0.90 (~US$0.105) and NOK1.10 (~US$0.128), with a preferred value of NOK1.03 (~US$0.120).

5. PROFILE OF PETRONOR

5.1 Principal Activities

Petronor was established as a privately owned, Africa focused exploration and production company by Petromal and NOR Energy. Petromal is the oil and gas arm of National Holding L.L.C., one of Abu Dhabi's leading investment groups with interests in industrial, investment, property, general trading and the oil & gas industry. NOR Energy is an oil company founded by individuals with experience in the North Sea and Africa.

Petronor's assets are located approximately 25km off the coast of Pointe Noire, Congo in water depths of 80 to 100 metres.

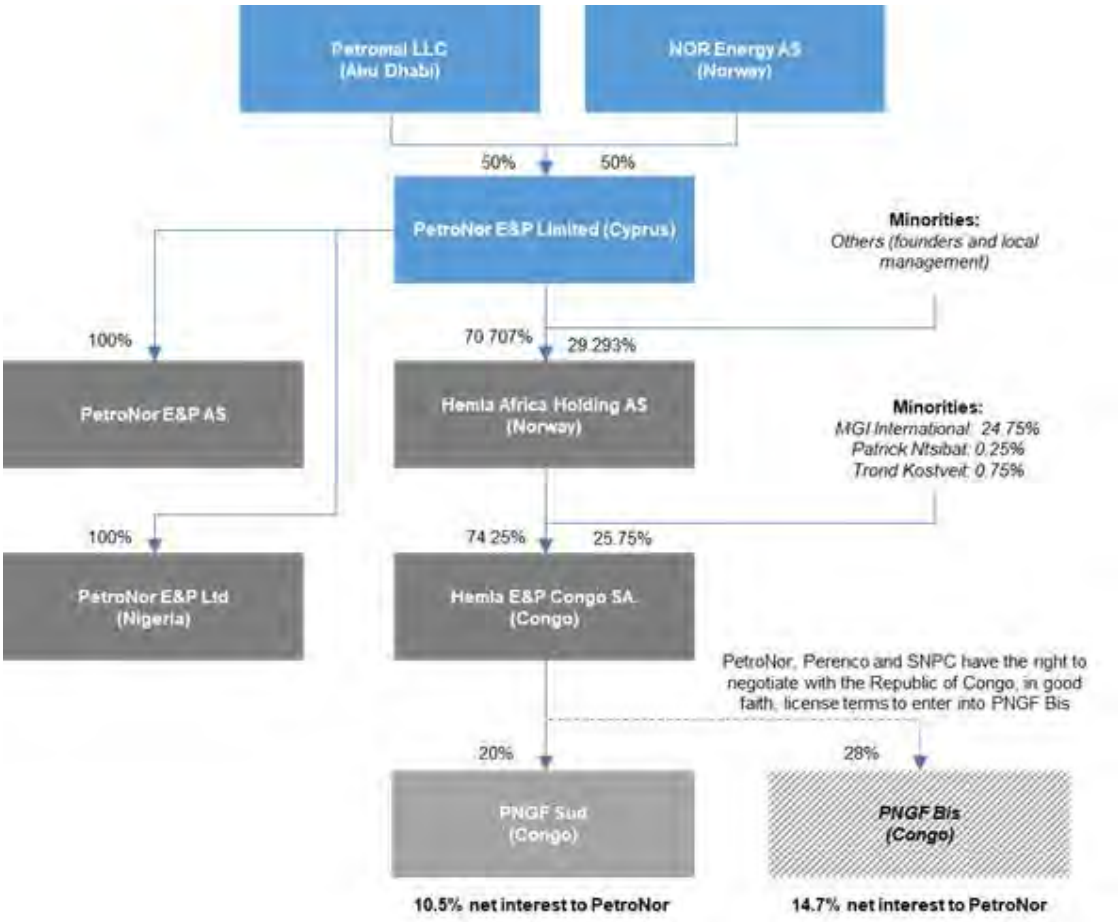
Petronor acquired its interest in the PNGF Sud licence through a 2016 tender process with the Congo Ministry of Petroleum which included an umbrella agreement for the right to negotiate, in good faith, the licence terms of the adjacent PNGF Bis licence.

Petronor holds a 10.5% indirect interest in PNGF Sud and, subject to successful completion of the ongoing negotiations, is expected to have a 14.7% indirect interest in PNGF Bis. The operator of PNGF Sud is Perenco, and also expected to the operator of PNGF Bis.

Initially discovered in 1979, PNGF Sud commenced production in 1987 and is currently producing approximately 21,600 barrels per day (gross) from four oil fields, Tchibouela, Tchendo, Tchibeli and Litanzi. PNGF Sud is estimated to hold net 2P reserves of 8.5 mmbbl and 2C contingent resources of 3.4 mmbbl.

5.2 Corporate Structure

Petronor's existing corporate structure is as follows. Note that Hemla E&P Congo SA is referred to throughout this report as "**HEPCO**".



5.3 Financial Position

Set out below is Petronor's unaudited statement of financial position as at 31 December 2018. We note the Transaction agreement terms include provision for:

- A transaction balance date adjustment mechanism whereby a net debt benchmark for Petronor of US$3.5million is agreed, and any difference between this benchmark and the actual balance sheet as at 31 December 2018 of over US$500,000 will result in a post transaction adjustment to consideration by way of a cash payment by either party. Based on the unaudited balance sheet we have been provided, no adjustment is expected.

- A dividend payment, relating to the year ended 31 December 2018 but to be made after 31 December 2018 of US$11 million will be paid by HEPCO. US$5.77 million will be paid to NOR Energy and Petromal and US$5.23 million will be paid to other minority holders.

The adjusted balance sheet below shows the effect of these transaction mechanisms and therefore represents the Petronor balance sheet that will be acquired by AP.

	31 Dec 2018 Unaudited US$	Transaction adjustment US$	Dividend adjustment US$	Adjusted US$
Assets				
Current Assets				
Cash and cash equivalents	7,926,073	-		7,926,073
Trade and other receivables	15,281,162		(11,000,000)	4,281,162
Inventory	2,570,135			2,570,135
Related party loan	7,000,000			7,000,000
Total Current Assets	**32,777,370**	**-**	**(11,000,000)**	**21,777,370**
Non-Current Assets				
Tangible fixed assets	3,862,229			3,862,229
Intangible assets	16,293,766			16,293,766
Total Non-Current Assets	**20,155,995**	**-**	**-**	**20,155,995**
Total Assets	**52,933,365**	**-**	**(11,000,000)**	**41,933,365**
Liabilities				
Current Liabilities				
Trade and other payables	9,425,728			9,425,728
Borrowings	7,083,333			7,083,333
Total Current Liabilities	**16,509,061**	**-**	**-**	**16,509,061**
Non-Current Liabilities				
Provision for decommissioning liability	13,283,324			13,283,324
Total Non-Current Liabilities	**13,283,324**	**-**	**-**	**13,283,324**
Total Liabilities	**29,792,385**	**-**	**-**	**29,792,385**
Net Assets	**23,140,980**		**(11,000,000)**	**12,140,980**
Equity				
Issued capital	120,000	-		120,000
Reserves	168,000			168,000
Retained earnings	10,750,826		(5,770,000)	4,980,826
Total equity attributable to shareholders of parent company	**11,038,826**	**-**	**(5,770,000)**	**5,268,826**
Non-controlling interests	12,102,154		(5,230,000)	6,872,154
Total Equity	**23,140,980**	**-**	**(11,000,000)**	**12,140,980**

5.4 Financial Performance

A summarised statement of comprehensive income for Petronor for the 12 months ended 31 December 2018 is set out below.

	12 mths to Dec 2018 Unaudited US$
Continuing operations	
Revenue	103,205,653
Cost of goods sold	(75,084,274)
Personnel expenses	(4,205,843)
Management fees	(3,017,560)
General and administrative expenses	(1,011,895)
Tax expenses	(174,005)
Other operating expenses	(5,616,487)
Depreciation & amortisation	(1,836,377)
Financing costs	(190,396)
Net interest expense	(1,699,171)
Foreign exchange gain/(loss)	(109,439)
Profit from continuing operations before income tax	**10,260,206**
Income tax expense	-
Profit from continuing operations after tax	**10,260,206**
Total comprehensive loss for the period	**10,260,206**
Profit attributable to:	
Non-controlling interests	4,903,572
Owners of the parent	5,356,634
	10,260,206

6. VALUATION METHODOLOGY

6.1 Criteria for Assessment of Fairness and Reasonableness

6.1.1 In forming our opinion on the Transaction we have considered the following definitions of "fair" and "reasonable".

- In arriving at our conclusion on fairness, we considered whether the Transaction is "fair" by comparing:

  (b) the fair market value of an AP share pre-Transaction on a control basis; versus

  (b) the fair market value of an AP share post-Transaction on a minority basis,

  taking into account the associated dilution resulting from the issue of new securities under the terms of the Transaction.

- A transaction is "reasonable" if it is fair, or where it is "not fair", it may still be "reasonable" after considering other significant factors which support the approval of the transaction.

6.2 Valuation Methodology

In assessing the value of both AP and Petronor, we have considered a range of valuation methods in accordance with RG 111. The valuation methodologies we have considered in determining a fair value of AP shares and Petronor are noted below.

6.2.1 Capitalisation of Future Maintainable Earnings ("FME")

This method places a value on a business by estimating the likely FME, capitalised at an appropriate rate which reflects the business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data. The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady historical and forecast earnings, regular capital expenditure requirements and a non-finite expected life. The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortisation ("**EBITDA**"). The capitalisation rate or "earnings multiple" is adjusted to reflect the risk and growth profile of the FME.

6.2.2 Discounted Future Cash Flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments with equivalent risks. A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate. DCF valuations are particularly applicable to businesses or projects with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

6.2.3 Net Asset Value

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets
- Liquidation of assets
- Net assets on a going concern

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders assuming the entity is wound up in an orderly manner, after payment of all liabilities including realisation costs and taxation charges that arise. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method (herein defined as "**Net Assets**"), estimates the market values of the net assets of an entity, but does not take into account any realisation costs. Net assets on a going concern basis is usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life.

All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net Assets basis. This is particularly so for resource focused companies where investments are in finite life producing assets or prospective exploration areas.

Asset based methods ignore the possibility that an entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity's assets are liquid or for asset holding companies.

6.2.4 Quoted Market or Trading Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market, or trading, price of listed securities. Where there is a ready market for securities through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the company. The use of traded prices is more relevant where a security displays regular trading with sufficient liquidity, representative of an efficient market in that security.

6.2.5 Alternative Transaction

Where any recent genuine offers have been received for the shares being valued it is appropriate to consider those offers in determining the value of the shares. In considering any alternative offers it is necessary to assess the extent to which the alternative offers are truly comparable (i.e. other terms and conditions of each offer need to be considered) and to make adjustments accordingly.

7. VALUATION OF AP SHARES

7.1 For the reasons outlined in Section 4.6.2, we consider the liquidity of AP shares is sufficient to demonstrate an efficient, deep market exists in AP shares. Accordingly, we believe that a quoted market methodology is appropriate to value AP shares. In Section 4.6 we have discussed the recent trading history of AP shares on the Oslo Stock Exchange.

7.2 We note that AP shares are traded on the Oslo Stock Exchange in Norwegian krone, and that the exchange rate of a Norwegian krone to the US dollar as at 25 March 2019 was approximately 0.1167. We have applied this exchange rate for all calculations in the preparation of our report.

7.3 Traded prices of AP shares represent the value of a minority interest in the Company. Generally, historical evidence of premiums offered on takeovers for small cap resource companies are in the range of 20% to 40%[2] (although outcomes outside of this range are not uncommon). Control premiums vary according to the following factors:

- Perceived quality of management
- Size of the target
- Industry of the target
- Degree of control obtained by the acquirer
- Nature and magnitude of business opportunities not being exploited
- Potential to increase value of the target
- Competitive tension between potential acquirers
- Position of incumbent shareholders

[2] *"Control Premium Study 2017", RSM*

We note in relation to the Transaction that:

- NOR Energy and Petromal will hold up to approximately 48.7% and 38.3% of the voting shares in the Company respectively. These holdings will separately represent a significant degree of control over the Company, though neither party will have majority control; and

- the existing management of AP will remain in the same roles post Transaction.

Given the above factors, we have assessed that a control premium in the order of 20% is appropriate to be applied to the minority interest value of AP shares.

7.4 We have assessed the value of an AP share on a control basis to be as follows:

	Low	Preferred	High
Value per AP share (minority interest) (NOK)	0.9000	1.0300	1.1000
Exchange rate	0.1167	0.1167	0.1167
Value per AP share (minority interest) (US$)	0.1051	0.1202	0.1284
Control premium	20%	20%	20%
Value per AP share (control value) (US$)	**0.1261**	**0.1443**	**0.1541**

Using traded share prices as a primary methodology, we have assessed the value of an AP share, on a control basis, may range from US$0.1261 to US$0.1541, with a preferred fair value of US$0.1443.

7.5 We note the above value per AP share corresponds to an equity value for all shares in AP (on a control basis) as follows.

	Low	Preferred	High
Value per AP share (control basis) (US$)	0.1261	0.1443	0.1541
Number of shares on issue	155,466,446	155,466,446	155,466,446
Value of AP (control basis) (US$)	**19,599,406**	**22,430,431**	**23,954,830**

7.6 Under the Transaction terms, AP will issue 816,198,842 new AP shares to the vendors of Petronor. Accordingly, the value of this consideration is as follows:

	Low	Preferred	High
Value per AP (control basis) (US$)	0.1261	0.1443	0.1541
Number of shares to be issued	816,198,842	816,198,842	816,198,842
Value of AP shares to be issued (US$)	**102,896,882**	**117,759,765**	**125,762,856**

We note that the shares issued to NOR Energy and Petromal will be subject to the Lock Up Undertakings, which places restrictions on the transferability of these shares. We have not applied a discount to recognise the transfer restrictions on these shares (as this primarily affects the value of these shares to the holder of them as opposed to the Non-Associated Shareholders), however have considered this in more detail in Section 11.4.

8. VALUATION OF PETRONOR

8.1 Valuation Method Adopted for Petronor

The preferred valuation method used to value the shares of Petronor is the Net Asset method. In order to determine the Net Asset value of Petronor, we have instructed an independent technical expert, ResourceInvest Resource Management, specialising in the valuation of oil and gas assets, to provide a range of values for the Congo Assets. The ResourceInvest Report dated 27 March 2019 is appended to this report as Appendix B.

We have not considered the FME and DCF methods as appropriate to value the shares of Petronor, however we do note that ResourceInvest Resource Management used a DCF approach to value the Congo Assets which we have then used to arrive a Net Asset value for the whole of the Petronor company.

To our knowledge, as at the date of this report no offers have been made for Petronor, thus the use of an offer based methodology is not relevant for the purpose of this report.

8.2 Adjusted Net Asset Based Value of Petronor

Set out below is Petronor's adjusted consolidated net assets, representing realisable values, as at 31 December 2018 based on Petronor being a going concern. The low, preferred and high valuation figures reflect adjustments to the value of Petronor's oil and gas project assets in accordance with the technical valuations of Petronor's projects as described later in this Section 8. Furthermore, intangible assets (largely comprising patents, licenses and approvals relating to the projects) and the provision of decommissioning liability (and the associated non-controlling interest component) have been adjusted to reflect that the value of these items is inherent in the project values ascribed by ResourceInvest.

	Ref	31 Dec 2018 Adjusted US$	Low US$	Preferred US$	High US$
Assets					
Current Assets					
Cash and cash equivalents		7,926,073	7,926,073	7,926,073	7,926,073
Trade and other receivables		4,281,162	4,281,162	4,281,162	4,281,162
Inventory		2,570,135	2,570,135	2,570,135	2,570,135
Related party loan		7,000,000	7,000,000	7,000,000	7,000,000
Total Current Assets		**21,777,370**	**21,777,370**	**21,777,370**	**21,777,370**
Non-Current Assets					
Tangible fixed assets		3,862,229	3,862,229	3,862,229	3,862,229
Intangible assets/projects value	8.2.1	16,293,766	163,543,021	211,943,069	244,419,292
Total Non-Current Assets		**20,155,995**	**167,405,250**	**215,805,298**	**248,281,521**
Total Assets		**41,933,365**	**189,182,620**	**237,582,668**	**270,058,891**
Liabilities					
Current Liabilities					
Trade and other payables		9,425,728	9,425,728	9,425,728	9,425,728
Borrowings		7,083,333	7,083,333	7,083,333	7,083,333
Total Current Liabilities		**16,509,061**	**16,509,061**	**16,509,061**	**16,509,061**
Non-Current Liabilities					
Provision for decommissioning liability		13,283,324	-	-	-
Total Non-Current Liabilities		**13,283,324**	**-**	**-**	**-**
Total Liabilities		**29,792,385**	**16,509,061**	**16,509,061**	**16,509,061**
Net Asset Value (Consolidated)		**12,140,980**	**172,673,559**	**221,073,607**	**253,549,830**
Non-controlling interests		6,872,154	76,253,059	99,243,108	114,669,331
Net Asset Value (Economic Ownership)		**5,268,826**	**96,420,500**	**121,830,500**	**138,880,500**

Accordingly, on a Net Asset basis using technical values for Petronor's Congo Asset interests in accordance with the ResourceInvest Report, a 100% interest in Petronor may be worth between US$96.4m and US$138.9m with a preferred value of US$121.8m.

In relation to the balance sheet above we note the following:

- The related party loan of US$7,000,000 relates to a loan made to MGI International (which is a minority shareholder in HEPCO) for the purpose of funding an investment in a power plant development. AP management have advised they expect the full amount of this loan to be recovered.
- Tangible fixed assets relate primarily to capital expenditures which have already been incurred on PGNF Sud and which are not incorporated into ResourceInvest's valuation of the Congo Assets.
- The book value of intangible assets predominantly comprises patents, licenses, approvals and other accounting items related to the Congo Asset projects. These are assumed items incorporated into ResourceInvest's valuation of the Congo Assets and therefore have been replaced with ResourceInvest's project values.

- Petronor has recognised a provision for decommissioning costs. We have adjusted to remove this amount as it is incorporated in the DCF based value of the Congo Assets determined by ResourceInvest.

- Our calculations of the consolidated and non-controlling interest values of the Congo Asset project values are set out below. The consolidated interest reflects the full value of the project holdings held at the HEPCO level of the corporate structure (refer Section 5.2), i.e. a 20% and 28% holdings in PGNF Sud and PNGF Bis respectively.

Consolidated interest	% economic ownership	Low US$	Preferred US$	High US$
PNGF Sud	20%	140,476,331	180,076,371	206,590,683
PNGF Bis	28%	23,066,690	31,866,699	37,828,609
Total		**163,543,021**	**211,943,069**	**244,419,292**

Petronor economic interest	% economic ownership	Low US$	Preferred US$	High US$
PNGF Sud	10.5%	73,750,000	94,540,000	108,460,000
PNGF Bis	14.7%	12,110,000	16,730,000	19,860,000
Total		**85,860,000**	**111,270,000**	**128,320,000**

Non-controlling interests	% economic ownership	Low US$	Preferred US$	High US$
PNGF Sud	9.5%	66,726,331	85,536,371	98,130,683
PNGF Bis	13.3%	10,956,690	15,136,699	17,968,609
Total		**77,683,021**	**100,673,069**	**116,099,292**

- Our adjustments to the value of non-controlling interests are as follows:

Non-controlling interest adjustments	Low US$	Preferred US$	High US$
Adjust for market value of Congo Assets	77,683,021	100,673,069	116,099,292
Negative adjustment for intangible assets	(7,739,547)	(7,739,547)	(7,739,547)
Positive adjustment for decommissioning provision	6,309,586	6,309,586	6,309,586
Total adjustment	**76,253,059**	**99,243,108**	**114,669,331**

8.2.1 Technical Valuation of Petronor's Congo Assets

The value of Petronor's hydrocarbon assets has been adjusted to reflect the values described in the ResourceInvest Report.

ResourceInvest used a DCF analysis to value the Congo Assets using an economic model provided by Petronor and applying their own technical judgements. Four different scenarios on production volumes were considered by ResourceInvest to determine a risk adjusted value of each of the assets. The ResourceInvest Report is attached as Appendix B to this report.

ResourceInvest has assessed that the fair market values of Petronor's hydrocarbon interests are as follows:

Project	% economic ownership	Low US$	Preferred US$	High US$
PNGF Sud	10.4%	73,750,000	94,540,000	108,460,000
PNGF Bis	14.7%	12,110,000	16,730,000	19,860,000
Total		**85,860,000**	**111,270,000**	**128,320,000**

8.2.2 We have used and relied on the ResourceInvest Report in assessing the fair value of Petronor's Congo Asset interests and have satisfied ourselves that:

- ResourceInvest is a suitable geological consulting firm with relevant experience in assessing the merits of oil and gas projects and preparing oil and gas asset valuations (also the principal author of the report, Peter Cameron, is suitably qualified and experienced);
- ResourceInvest and Peter Cameron are independent from AP and Petronor; and
- ResourceInvest and Peter Cameron have employed sound and recognised methodologies in the preparation of the ResourceInvest Report on Petronor's oil and gas interests.

9. VALUATION OF OPTIONS AND WARRANTS

9.1 We note the Transaction includes the following components:

- Existing AP shareholders will be issued 155,466,446 APCL Warrants;
- the vendors of Petronor will be issued with 155,466,446 Petronor Warrants; and
- 15,740,000 existing options on AP shares currently on issue will be cancelled and replaced with 8,513,848 Replacement Warrants on the same terms as the APCL Warrants. 3,370,638 existing options on AP shares will remain.

The existing options represent a claim on the current value of AP, and therefore cancellation of these represents an equivalent value gain for the ordinary shareholders of AP.

9.2 Valuation of Existing AP Options

We have used a Black Scholes valuation model to value the various tranches of options over AP shares that currently exist, and specifically to value the options which will be cancelled. The results are presented in the table below.

Security	Number	No. Remaining	No. To Be Cancelled	Value per option US$	Value of options being cancelled US$
Unlisted options, exercisable at A$3.00, expiring on 22/4/19	17,501	17,501	-	0.0000	-
Unlisted options, exercisable at A$2.40, expiring on 3/6/19	150,000	50,000	100,000	0.0000	-
Unlisted options, exercisable at A$3.00, expiring on 5/6/19	20,000	20,000	-	0.0000	-
Unlisted options, exercisable at A$3.00, expiring on 15/12/19	16,667	16,667	-	0.0000	-
Unlisted options, exercisable at NOK4.00, expiring on 28/4/20	1,627,000	987,000	640,000	0.0099	6,365
Unlisted options, exercisable at NOK1.70, expiring on 15/11/20	1,690,000	190,000	1,500,000	0.0423	63,517
Unlisted options, exercisable at NOK1.70, expiring on 22/12/20	2,900,000	700,000	2,200,000	0.0441	97,051
Unlisted options, exercisable at NOK2.50, expiring on 11/1/22	213,400	213,400	-	0.0489	-
Unlisted options, exercisable at NOK7.75, expiring on 31/5/22	6,526,070	1,176,070	5,350,000	0.0273	145,932
Unlisted options, exercisable at NOK1.60, expiring on 31/5/23	5,900,000	-	5,900,000	0.0752	443,619
Unlisted options, exercisable at NOK0.90, expiring on 2/1/23	50,000	-	50,000	0.0420	2,102
Total	**19,110,638**	**3,370,638**	**15,740,000**		**758,587**

9.3 Valuation of APCL Warrants

The APCL Warrants will be issued on the following terms:

- The warrants will vest upon either:

  (a) reinstatement of licences in The Gambia; or

  (b) reinstatement of the licence in Senegal, whichever comes first,

  and

  a farm-in agreement to such licence(s) being signed and legally binding, where the Company will be fully carried for the current phase work program under the licence(s), on commercially acceptable terms approved by the board of the Company.

- The exercise price shall be nil.

- The APCL Warrants will lapse without compensation to the holder(s) if a vesting event has not occurred by 31 December 2019.

As the exercise price is nil, the value of each APCL Warrant can be assessed as the equivalent of an AP share, multiplied by the probability that the vesting condition will be met. Based on guidance from AP management on the likelihood of the vesting condition being met, we have assessed the value of the APCL Warrants to be as follows:

	Low	Preferred	High
Value of warrant if vesting condition met (US$)	0.1051	0.1202	0.1284
Probability of vesting condition being met	50%	50%	50%
Value per warrant issued (US$)	0.0525	0.0601	0.0642
Number of warrants issued	155,466,446	155,466,446	155,466,446
Value of warrants received (US$)	**8,166,419**	**9,346,013**	**9,981,179**

9.4 Valuation of Petronor Warrants

The Petronor Warrants will be issued on the following terms:

- The warrants will vest upon:

  (a) a signed acquisition or farm-in agreement for a gas asset in Nigeria; and

  (b) a signed and legally binding gas offtake agreement being secured, relating to the gas from such asset,

  with both agreements on commercially acceptable terms approved by the board of the Company.

- The exercise price shall be nil.

- The Petronor Warrants will lapse without compensation to the holder(s) if the vesting event has not occurred by 31 December 2019.

Based on guidance from AP management on the likelihood of the vesting condition being met we have assessed the value of the Petronor Warrants to be as follows:

	Low	Preferred	High
Value of warrant if vesting condition met (US$)	0.1051	0.1202	0.1284
Probability of vesting condition being met	30%	30%	30%
Value per warrant issued (US$)	0.0315	0.0361	0.0385
Number of warrants issued	155,466,446	155,466,446	155,466,446
Value of warrants received (US$)	**4,899,852**	**5,607,608**	**5,988,707**

9.5 Valuation of Replacement Warrants

These warrants are to be issued on the same terms as the APCL Warrants. Accordingly, the assessed value of these warrants are as follows:

	Low	Preferred	High
Value per warrant issued (US$)	0.0525	0.0601	0.0642
Number of warrants issued	8,723,023	8,723,023	8,723,023
Value of warrants received (US$)	**458,207**	**524,393**	**560,031**

10. VALUE AND FAIRNESS OF TRANSACTION

10.1 Value of Consideration Compared to Value of Assets Acquired

The value of the total consideration being "received" by Non-Associated Shareholders, compared to the total value of the consideration "paid" is shown below.

	Ref	Low US$	Preferred US$	High US$
Value Received				
Value of Petronor	8.2	96,420,500	121,830,500	138,880,500
New APCL Warrants	9.3	8,166,419	9,346,013	9,981,179
Cancellation of options	9.2	758,587	758,587	758,587
Total		**105,345,506**	**131,935,100**	**149,620,265**
Value Paid				
New AP Shares Issued	7.6	102,896,882	117,759,765	125,762,856
New Petronor Warrants	9.4	4,899,852	5,607,608	5,988,707
New Replacement Warrants	9.5	458,207	524,393	560,031
Total		**108,254,941**	**123,891,766**	**132,311,594**

The above table indicates that the value of the total consideration being received by AP ordinary shareholders is greater than the value of the total consideration being paid at our assessed preferred and high values, and slightly lower at the low end of our assessed range of values.

10.2 Value of AP Pre and Post Transaction

10.2.1 Methodology

In arriving at our conclusion on fairness, we set out below our comparison of:

(a) the fair market value of a AP share pre-transaction on a control basis; versus

(b) the fair market value of a AP share post-transaction on a minority basis, taking into account the associated dilution resulting from the issue of new ordinary shares and warrants pursuant to the terms of the Transaction.

10.2.2 Scenarios Assessed

In conducting this assessment we have considered various scenarios including:

- an undiluted basis, whereby none of the warrants are exercised;
- a fully diluted basis, whereby it is assumed that all warrants are exercised;
- a partially diluted basis, whereby the APCL Warrants and Replacement Warrants are exercised but the Petronor Warrants are not; and
- a partially diluted basis, whereby the Petronor Warrants are exercised but the APCL Warrants are not.

In each of these scenarios we have assumed that the remaining options on issue will not be exercised as the large majority of these options are significantly out of the money or are immaterial.

10.2.3 Control Premium and Minority Interest Discount

Given the Transaction will result in NOR Energy and Petromal obtaining a significant degree of control in the Company, above a 20% voting interest, we are required to assess the pre-Transaction value of an AP share on a control basis. As described in Section 7, we have assessed that a control premium of 20% is appropriate.

To reflect the value of an AP share post the Transaction, to a minority shareholder, a minority interest discount of 16.67% (the inverse of a 20% control premium) is applied to the assessed post-Transaction value of an AP share on a control basis. The inverse is used to arrive at the fair value of a share to a minority shareholder. A 20% premium applied to the minority value per share then equals the value to a controlling shareholder. This is standard practice and is used by all independent valuers.

10.2.4 APCL Warrants

Our report is directed to the Non-Associated Shareholders, who will receive an additional share for each current share they hold in the event that the APCL Warrants vest. Accordingly our analysis below is based on the value attributable to each **current** share held by Non-Associated Shareholders (i.e. one current share will be entitled to two post Transaction shares if the APCL Warrant vesting condition is met).

10.2.5 Value Impact if Vesting Conditions Met

In the event that any of the vesting conditions of the warrants are met, it is highly likely to have a materially positive impact on the value of the Company. However, given the uncertainty as to what will be achieved by these future events, we are not able to quantify the valuation impact of such events. For the purpose of our analysis we have assumed that the value impact of a vesting condition being met is equivalent to at least the value of the shares which are issued as a result of the vesting condition being met, using the current (pre-Transaction) value per share (on a minority interest basis).

10.2.6 Undiluted Scenario

The table below compares the pre-Transaction to the post-Transaction value per AP share assuming that no warrants vest.

	Ref	Low	Preferred	High
Pre-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
No of shares	3.2	155,466,446	155,466,446	155,466,446
Value per share (control basis) (US$)		**0.1261**	**0.1443**	**0.1541**
Post-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
Value of Petronor (US$)	8.2	96,420,500	121,830,500	138,880,500
Value of enlarged Company (US$)		116,019,906	144,260,931	162,835,329
No of shares	3.2	971,665,288	971,665,288	971,665,288
Value per share (control basis) (US$)		**0.1194**	**0.1485**	**0.1676**
Minority discount %	10.2.3	16.7%	16.7%	16.7%
Value per share (minority interest basis) (US$)		**0.0995**	**0.1237**	**0.1397**

10.2.7 Diluted Scenario – All Warrants Vest

The table below compares the pre-Transaction to the post-Transaction value per AP share assuming that all of the APCL Warrants, Petronor Warrants and Replacement Warrants vest.

	Ref	Low	Preferred	High
Pre-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
No of shares	3.2	155,466,446	155,466,446	155,466,446
Value per share (control basis) (US$)		**0.1261**	**0.1443**	**0.1541**
Post-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
Value of Petronor (US$)	8.2	96,420,500	121,830,500	138,880,500
Assumed value uplift from vesting condition being met (US$)		33,560,116	38,407,688	41,017,920
Value of enlarged Company (US$)		149,580,022	182,668,619	203,853,249
No of shares	3.2	1,291,112,028	1,291,112,028	1,291,112,028
Value per share (control basis) (US$)		**0.1159**	**0.1415**	**0.1579**
Minority discount %	10.2.3	16.7%	16.7%	16.7%
Value per share (minority interest basis) (US$)		**0.0965**	**0.1179**	**0.1316**
Value per existing AP share (US$)	10.2.4	**0.1931**	**0.2358**	**0.2631**

10.2.7 Diluted Scenario – Only APCL and Replacement Warrants Vest

The table below compares the pre-Transaction to the post-Transaction value per AP share assuming the APCL Warrants and Replacement Warrants vest, but not the Petronor Warrants.

	Ref	Low	Preferred	High
Pre-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
No of shares	3.2	155,466,446	155,466,446	155,466,446
Value per share (control basis) (US$)		**0.1261**	**0.1443**	**0.1541**
Post-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
Value of Petronor (US$)	8.2	96,420,500	121,830,500	138,880,500
Assumed value uplift from vesting condition being met (US$)		17,227,278	19,715,662	21,055,562
Value of enlarged Company (US$)		133,247,183	163,976,593	183,890,891
No of shares	3.2	1,135,645,582	1,135,645,582	1,135,645,582
Value per share (control basis) (US$)		**0.1173**	**0.1444**	**0.1619**
Minority discount %	10.2.3	16.7%	16.7%	16.7%
Value per share (minority interest basis) (US$)		**0.0978**	**0.1203**	**0.1349**
Value per existing AP share (US$)	10.2.4	**0.1956**	**0.2407**	**0.2699**

10.2.8 Diluted Scenario – Only Petronor Warrants Vest

The table below compares the pre-Transaction to the post-Transaction value per AP share assuming that only the Petronor Warrants vest.

Diluted - Petronor Warrants vest only	Ref	Low	Preferred	High
Pre-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
No of shares	3.2	155,466,446	155,466,446	155,466,446
Value per share (control basis) (US$)		**0.1261**	**0.1443**	**0.1541**
Post-transaction				
Value of AP pre transaction (US$)	7.5	19,599,406	22,430,431	23,954,830
Value of Petronor (US$)	8.2	96,420,500	121,830,500	138,880,500
Assumed value uplift from vesting condition being met (US$)		16,332,838	18,692,026	19,962,358
Value of enlarged Company (US$)		132,352,744	162,952,957	182,797,687
No of shares	3.2	1,127,131,734	1,127,131,734	1,127,131,734
Value per share (control basis) (US$)		**0.1174**	**0.1446**	**0.1622**
Minority discount %	10.2.3	16.7%	16.7%	16.7%
Value per share (minority interest basis) (US$)		**0.0979**	**0.1205**	**0.1351**

10.2.9 Summary

The table below shows a summary of the above scenario analysis based on our assessed preferred values.

	Value per existing AP share		
Scenario	Pre-transaction US$	Post transaction US$	Value change US$
Undiluted	0.1443	0.1237	(0.0206)
All warrants vest	0.1443	0.2358	0.0915
APCL + Replacement Warrants vest only	0.1443	0.2407	0.0964
Petronor Warrants vest only	0.1443	0.1205	(0.0238)

This analysis demonstrates that the pre and post Transaction values per existing share held by Non-Associated Shareholders may increase or decrease depending on which of the warrants vest. Accordingly, our opinion on fairness is based on a balanced assessment of different scenarios. We note that:

- In the event that the APCL Warrants vest (of which management believe there is a 50% likelihood), there is significantly more upside to the Non-Associated Shareholders, compared to potential downside where the APCL Warrants do not vest. This also highlights the sensitivity of the outcomes for Non-Associated Shareholders to the vesting condition of the APCL Warrants.

- AP management have advised their view is that it is more likely that the APCL Warrants and Replacement Warrants will vest than the Petronor Warrants.

- A comparison of the value received by the Non-Associated Shareholders to the value paid, as described in Section 10.1, also shows a favourable outcome at our preferred values and at the high end of our value range.

10.2 Fairness Opinion

On balance, we consider that the range of possible outcomes is skewed towards a positive impact on the value of the shares held by the Non-Associated Shareholders of AP.

Accordingly, we consider the Transaction, including the items described in Resolutions 1 and 3 of the Notice, to be fair to the Non-Associated Shareholders of AP as at the date of this report.

11. REASONABLENESS OF THE TRANSACTION TO AP SHAREHOLDERS

11.1 Under RG 111, a transaction is "reasonable" if it is "fair". Notwithstanding, we have also considered, inter-alia the following factors:

- AP's financial position
- AP's possible future commitments if it is successful in its arbitration proceedings
- Risks and capital requirements associated with developing the existing projects of AP

We set out below some of the advantages and disadvantages pertaining to the proposed Transaction as they apply to the Non-Associated Shareholders of AP.

11.2 Advantages

- Ownership of assets in production will generate cash flows to support AP's ongoing cash requirements for its legal proceedings and exploration activities, and mitigate any need to access capital markets for additional funding.

- A more secure financial position will provide increased strength in pursuing arbitration proceedings.

- Creates a much larger company with a greater level of resources available to pursue capital intensive oil and gas projects.

- Non-Associated Shareholders maintain some upside to existing growth initiatives through the issue of the APCL Warrants.

- Exposure to project development upside with PNGF Bis.

- Brings in new, experienced shareholders which may be able to add significant value and/or resources.

- Diversifies AP's exposure to specific projects.

- If the Transaction is successful, the market capitalisation of AP will likely significantly increase, which will increase the relevance of AP to investment and financing markets.

- Trading in the shares of AP following announcement of the Transaction on 19 March 2019 showed an increase in share price, demonstrating positive market sentiment, consistent with the Transaction being value accretive to AP shareholders.

11.3 Disadvantages

- The license rights to PNGF Bis have not yet been secured and there is risk that they may not be secured on commercially acceptable terms.

- In some scenarios, the transaction outcomes may not be fair.

- Significant dilution of existing shareholders (refer Section 3.2).

- New shareholders will have a substantial ownership interest (approximately 84%) of the Company and a high level of control. Existing shareholders will retain a much smaller interest in the enlarged company

Further comment on risks, advantages and disadvantages of the Transaction are noted in Sections 1.9 and 1.10 of the ES attached to the Notice.

11.4 Other factors

The Lock-up Undertakings provide that the restricted parties will be prevented from offering for sale (among other actions) any shares or other securities convertible into shares (such as warrants) from the date of the Combination Agreement, until six months after the first date of listing of the consideration shares (in the case of NOR Energy and Petromal) on the Oslo Stock Exchange.

The Lock-up Undertakings shall not apply to the acceptance of a bona fide third party offer to acquire all the shares in the Company and shall not apply to any transfer of restricted securities or shares, as the case may be, to an affiliate of the transferor.

These Lock Up restrictions appear reasonable and in favour of Non-Associated Shareholders as it mitigates the risk of large shareholders and management selling shares (for a time as noted above) that may have an effect of reducing the share price of an AP share post-Transaction.

11.5 Conclusion as to the Reasonableness of the Transaction

As the Transaction (including both items at Resolutions 1 and 3 of the Notice) has been assessed as fair, it is also assessed as reasonable.

12. CONCLUSION AS TO FAIRNESS AND REASONABLENESS OF THE TRANSACTION

We have considered the terms of the Transaction (including both items at Resolutions 1 and 3 of the Notice) as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Non-Associated Shareholders of AP at the date of this report.

13. SHAREHOLDERS DECISION

13.1 Stantons International Securities Pty Ltd ("**SIS**") has been engaged to prepare an IER setting out whether, in its opinion, the Transaction (as covered by Resolutions 1 and 3 in the Notice) is fair and reasonable and state reasons for that opinion. SIS has not been engaged to provide a recommendation to shareholders as to whether to approve the Transaction, and we also make no recommendations on any of the other resolutions outlined in the Notice.

13.2 The decision whether to approve the Transaction or not is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the Transaction proposal (and all other resolutions), shareholders should consult their own professional adviser.

13.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in AP. This is an investment decision upon which SIS does not offer an opinion and is independent of the decision to approve the Transaction or not (and all other resolutions). Shareholders should consult their own professional adviser in this regard.

14. SOURCES OF INFORMATION

14.1 In making our assessment as to whether the Transaction is fair and reasonable to the Non-Associated Shareholders of AP we have reviewed relevant published information and other unpublished information on the Company which is relevant to the current circumstances. In addition, we have held discussions with the management of AP about the present and future operations of AP and Petronor. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of AP.

14.2 Information we have received includes, but is not limited to the following items.

- Discussions with representatives of AP, including views from management on the likelihood that each of the performance warrant vesting conditions will be met and also in relation to the nature and value of certain balance sheet items
- Details of historical market trading of AP shares as recorded on the Oslo Stock Exchange to 27 March 2019

- AP's shareholder register as at 7 March 2019
- Annual report of AP for the year ended 31 December 2017
- Half year reports of AP for the half year ended 30 June 2018
- Petronor's unaudited accounts for the year ended 31 December 2018
- Announcements made by AP for the period from 1 January 2017 to 27 March 2019
- The ResourceInvest Report on the Congo Assets prepared by ResourceInvest and discussions with Peter Cameron
- The Combination Agreement relating to the Transaction
- Presentation and information memorandum materials provide by the Company in relation to the Transaction

14.3 Our report includes Appendices A, our declarations and Financial Services Guide and Appendix B being the ResourceInvest Report.

Yours faithfully
STANTONS INTERNATIONAL SECURTIES PTY LTD
(Trading as Stantons International Securities)

Samir (Sam) Tirodka - ACA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd trading as Stantons International Securities dated 27 March 2019, relating to the proposed Transaction.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. There are no relationships with AP other than Stanton International Securities acting as an independent expert for the purposes of this report. Stantons International Audit and Consulting Pty Ltd ("SIAC") (the parent entity of Stantons International Securities) and Stantons International Securities undertook an independence assessment and considered that there are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is expected to be $40,000 exclusive of GST plus out of pocket expenses. The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities nor Mr Samir Tirodkar have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the making of this report.

Stantons International Securities does not hold any securities in AP or Petronor. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr Samir Tirodkar have consented to the inclusion of this report in the form and context in which it is included.

QUALIFICATIONS

We advise Stantons International Securities Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act relating to advice and reporting on mergers, takeovers and acquisitions involving securities. A number of the directors of SIAC are the directors and authorised representatives of Stantons International Securities Pty Ltd. Stantons International Securities Pty Ltd and SIAC (trading as Stantons International) have extensive experience in providing advice pertaining to mergers, acquisitions and strategic and financial planning for both listed and unlisted businesses.

Mr Samir Tirodkar, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of the directors of AP in order to assist shareholders of AP to assess the merits of the Transaction to which this report relates. This report has been prepared for the benefit of AP shareholders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons International Securities opinion as to the longer-term values of AP, its subsidiaries and/or assets. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of AP or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons International Securities with care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd, its directors, employees or consultants) for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by AP and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), AP has agreed:

(a) to make no claim by it or its officers against Stantons International Securities (and SIAC) to recover any loss or damage which AP may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by AP; and

(b) to indemnify Stantons International Securities against any claim arising (wholly or in part) from AP, or any of its officers, providing Stantons International Securities with any false or misleading information or in the failure of AP or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A final draft of this report was presented to AP directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

Stantons International Securities

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FINANCIAL SERVICES GUIDE
Dated 27 March 2019

1. STANTONS INTERNATIONAL SECURITIES PTY LTD (TRADING AS STANTONS INTERNATIONAL SECURITIES)

Stantons International Securities (ABN 42 128 908 289 and AFSL Licence No 448697) (**"SIS"** or **"we"** or **"us"** or **"ours"** as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide **("FSG")**. This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, Licence No: 448697;**
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

[1] Throughout this report the term "warrant" is used to describe the contingent issue of a new share in the Company, subject to conditions as applicable

4. General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("**FOSL**"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 3001

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out at section 9.1 of this FSG or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

APPENDIX B

RESOURCEINVEST TECHNICAL VALUATION REPORT (RESOURCEINVEST VALUATION REPORT) ON PETRONOR'S HYDROCARBON ASSETS DATED 27 MARCH 2019

resourceinvest

27 March 2019

Mr Samir Tirodkar
Director
Stantons International Securities Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005

Dear Sir,

INDEPENDENT VALUATION FOR AFRICAN PETROLEUM LIMITED

BACKGROUND

We understand that the directors of African Petroleum Limited ("AP" or "the Company") have engaged Stantons International Securities Pty Ltd ("SIS") to prepare an independent expert's report ("IER") to determine the fairness and reasonableness relating to the proposed acquisition of oil and gas assets and an associated issue of shares in AP.

AP is an Australian company listed on the Oslo Stock Exchange and currently holds interests in oil assets in Gambia and Senegal. AP is proposing to acquire 100% of the shares in Petronor E&P Ltd ("Petronor"), a private company incorporated in Cyprus. PetroNor holds a 10.5% indirect interest in the PNGF Sud licence ("PNGF Sud") and a right to enter into a 14.7% indirect interest in the PNGF Bis licence ("PNGF Bis") (collectively the "Congo Assets"). In consideration for acquiring Petronor, AP proposes to issue 816 million shares in AP, representing a 84% interest in AP post transaction. Furthermore:

- AP shareholders will be issued 1 performance warrant per existing AP share, exercisable in the event of a successful farm down of the Gambia or Senegal assets; and
- the vendors of Petronor will be issued 155.5 million performance warrants exercisable in the event of securing an offtake agreement.

Collectively the above are referred to as the "Transaction".

PetroNor is owned 50% by Petromal LLC ("Petromal") and 50% by NOR Energy AS ("NOR Energy") and following the transaction, both Petromal and NOR Energy will each hold an interest in AP exceeding 20% of the shares in AP.

As part of their assignment, SIS will be required to include a valuation of the Congo Assets (fair market value) as part of an overall valuation of Petronor. SIS has requested ResourceInvest Pty Ltd ("ResourceInvest") to act as a specialist and prepare an independent fair market valuation report on the Conga assets for attachment to their IER.

Declarations

Codes

This Report has been prepared in accordance with the VALMIN Code, 2015, which is a Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. The VALMIN Code provides guidance on matters that may be subject to the Australian Corporations Act 2001, the associated Corporations Regulations, other provisions of Australian law, the published policies and guidance of ASIC and the Listing Rules of the ASX.

Qualification

This Report is prepared by Mr Peter Cameron, a Director of ResourceInvest who graduated with a BSc (Hons) from the University of Tasmania in 1971. He is a Fellow of the Australasian Institute of Mining and Metallurgy, and a member of the Petroleum Exploration Society of Australia, the American Association of Petroleum Geologists, and a member of the Society of Petroleum Engineers. He has held technical (geophysical), managerial and analytical roles in government, the oil & gas, and securities industries over a period of thirty five years and thus has the appropriate qualifications to be considered 'Competent' in the Petroleum Industry under the meaning of the term in the VALMIN Code.

Reserves and Resources

References in this report to Reserves and Resources have been classified in accordance with SPE-PRMS.

Information in this report which relates to Petroleum Reserves, Contingent Resources, and Initially-In-place Resources is based on, and fairly and accurately reflects in the form and context in which it appears, information and supporting documentation prepared by, or under the supervision of AGR Petroleum Services AS.

AGR, as independent Qualified Petroleum Reserves and Resources Evaluators for Petronor, hereby confirms that the references to AGR and the hydrocarbon reserve and resources information in this report which relates to the PNGF Sud and Bis fields is based on, and fairly and accurately reflects in the form and context in which it appears, information and supporting documentation prepared by AGR.

AGR consents to the inclusion of the references to AGR and the inclusion of the hydrocarbon reserves information in this report dated October 30, 2018 which relates to the PNGF Sud and Bis fields in the form and context in which it appears.

The authors of the report are Petroleum Engineers and Geoscientists with 25+ years of international and sufficient experience relevant to the evaluation and estimation of Petroleum Reserves, Contingent Resources and Prospective Resources to qualify as a Qualified Reserves and Resources Evaluator according to PRMS-SPE.

AGR consents to using this information in the form and context in which it appears.

Independence & Previous Work

Neither ResourceInvest, nor any director or employee has, or has had, any shareholding, or related interest in AP or Petronor, or any of their subsidiary companies. Furthermore, neither ResourceInvest, nor any director or employee has, or has had, any interest or contingent interest in the assets of AP or Petronor.

ResourceInvest has prepared this report at the request of SIS and will be paid a normal consulting fee for this service. Payment of the fee is in no way contingent upon the outcome of the report.

ResourceInvest believes that the report is a true, full and accurate account of the basis for determining the market value of the oil and gas assets under review, and includes all relevant information and assumptions. Except to the extent indicated in the report, all information and explanations requested and required to prepare the report were available and used subject to satisfactory verification to the extent set out in the report.

The information contained in this report was obtained from sources we believe to be reliable but ResourceInvest, its directors, employees and consultants do not represent, warrant or guarantee that this information is complete or accurate and no liability is accepted for any errors or omissions.

VALUATION

SIS has sought a Market Value of the Congo assets. Market Value is the estimated amount for which an asset or liability should exchange, on the valuation date, between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Our valuation is for:

- PNGF Sud (10.5%), and
- PNGF Bis (14.7%),

Collectively the Congo Assets.

We have provided a Low, a High and a Preferred Values in the report and our Preferred Value of the Congo assets at the date of this report is US$111.27 million.

Signed

Peter Cameron
Director
ResourceInvest Pty Ltd

Valuation of the PNGF Sud and the PNGF Bis licences offshore the Congo

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1 Methodology

The valuation undertaken here is to be attached to the SIS Independent Expert's Report ("IER") to determine the fairness and reasonableness relating to the proposed acquisition of oil and gas assets and an associated issue of shares in African Petroleum.

Value under the VALMIN Code (2015) is defined as the **Market Value** of a Mineral or Petroleum Asset or Security. It is the amount of money (or the cash equivalent of some other consideration) determined by a Specialist in accordance with the provisions of the VALMIN Code (2015) for which the Mineral or Petroleum Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an arm's length transaction, after appropriate marketing, with each party acting knowledgeably, prudently and without compulsion. It may comprise a **Technical Value** adjusted for factors such as market or strategic considerations.

The VALMIN Code (2015) outlines three widely accepted Valuation Approaches:

1. Market-based
2. Income-based
3. Cost-based

A **Market-based approach** is based primarily on the notion of substitution. In this approach the asset being valued is compared with the transaction value of similar assets under similar time and circumstance in an open market. Methods may include comparable sales transactions, joint venture terms or farm-in agreement term analysis.

A simple purchase of an interest is a direct indication of value. A farmout usually requires that a farminee pays a 'premium' to the farmor in order to earn an interest in the permit. Thus to earn a 50% interest, a farminee may pay 100% of the cost of a particular work programme. In this case the additional 50% of the programme cost paid represents the 'premium' paid by the farminee. This can be used alone as a value indicator but we believe it appropriate to additionally consider the cost of the actual work programme being promoted. We believe that the sum of the premium, and part or all of the actual cost of the programme, provides a useful valuation method. We may not give full weight (100%) to the actual programme cost if that programme cost is still to be expended.

An **Income-based approach** is based on the notion of cashflow generation. In this approach the anticipated benefits of the potential income or cash flow of an asset are analysed. Valuation methods here are primarily based on discounted cashflow (DCF) or earnings multiples, but may include Expected Monetary Value (EMV), Monte Carlo analysis and Option pricing.

A **Cost-based approach** is based on the notion of cost contribution to value. In this approach the costs incurred on the asset are the basis of analysis, and may include sunk costs or current replacement costs.

The commitment (either in monetary or work terms) a company or joint venture makes to the Government can be considered as a metric for a cost-based approach. It represents the minimum a company would pay to realise the potential value of the permit given their assessment of the risk of exploration.

Care must be exercised, as money spent on a permit during the term of that permit may downgrade or enhance the prospectivity, and hence value, of that permit. Also, commitments can vary depending on market conditions at the time of application, and monetary commitments can quickly become unrealistic. If the permit is in good standing, however, and in our opinion the work commitment is technically justified, this method can provide the only reliable valuation metric available.

While each Valuation is time and circumstance specific, a general guide to the applicability of each Valuation Approach is outlined with respect to the stage of exploration or development of the asset in Table 1.

Table 1. Possible valuation approaches according to development status.

Valuation Approach	Exploration Projects	Pre-development projects	Development projects	Production projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015)

In this valuation we have used the Income-based approach to value the Congo assets, and provided a market based analysis for comparative purposes.

Discounted Cash Flow model

Specifically, we have used a discounted cash flow analysis to value the Congo assets based on an economic model provided by Petronor. The PNGF Sud assets are in production, and have production forecasts based on a number of development scenarios. While the PNGF Bis asset is not in production, there have been discoveries made and engineering studies undertaken to allow a meaningful conceptual cash flow model to be generated.

We have modified the model where we think appropriate to allow us to make our own input price assumptions, adjust timing assumptions and undertake sensitivity analysis. We have judiciously used a risked DCF analysis of this model in arriving at a range of values for the Congo assets.

Discount Factor

It is common practice throughout the oil and gas industry to use a discount factor of 10% for NPV calculations on producing assets in benign environments. The Congo has a stable history of oil production undertaken by major global producers, and we have used a discount factor of 10.0% for net present value (NPV) calculations.

We have not undertaken a WACC analysis for AP or Petronor, nor do we consider it necessary to do so.

Currency

All references to Dollars in this report refer to US Dollars, unless otherwise specified.

2 Summary

The Congo assets are detailed in Table 2.

ResourceInvest has reviewed tenure documentation and correspondence, joint venture documentation and correspondence, and is satisfied that the tenure and status of the permits are as stated. ResourceInvest does not, however, represent, warrant or guarantee that this is so.

Table 2. Summary of Congo assets.

Permit	Country	Regional Description	Interest
PNGF Sud	Congo	Offshore	10.5%
PNGF Bis	Congo	Offshore	Right to acquire 14.7%

A summary of our valuation is given in Table 3.

Table 3. Valuation of Congo assets (US$ million).

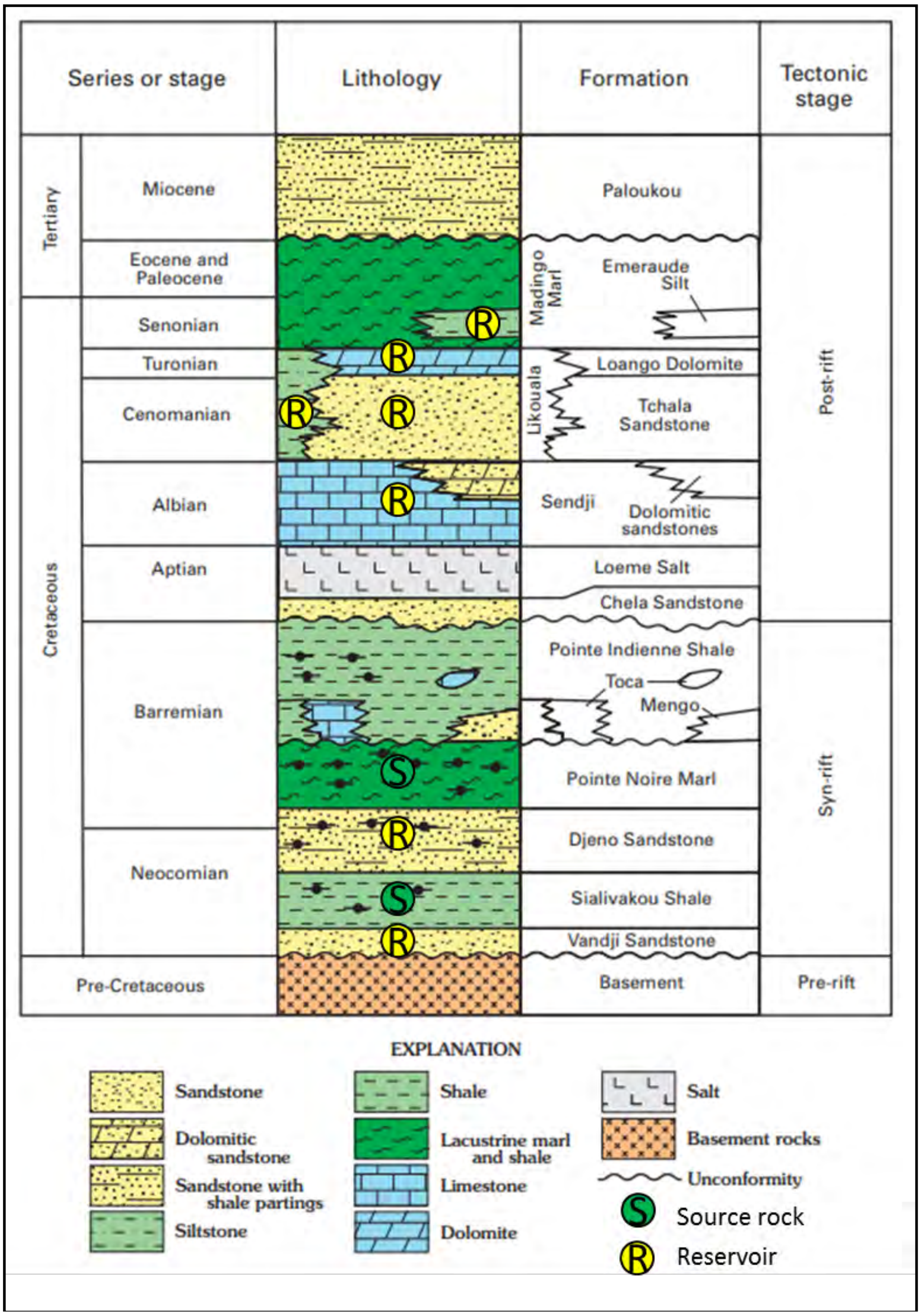
	Interest	Low	Preferred	High
PNGF Sud	10.5%	73.75	94.54	108.46
PNGF Bis	14.7%	12.11	16.73	19.86
Total		**85.86**	**111.27**	**128.32**

3 The Congo Assets

3.1 Overview

The Congo Basin is part of the large Aptian salt basin of equatorial west Africa which extends from Cameroon in the north to Namibia in the south. This basin formed during the breakup of North America, Africa, and South America at the culmination of the Late Jurassic to Early Cretaceous rifting of an extensive Palaeozoic basin. The Aptian salt basin has undergone a typical, but complex, history that can be divided into pre-rift; syn-rift and post-rift stages. Figure 1 shows a generalised stratigraphic column of the Congo Basin, showing ages, lithology and potential reservoir and source rocks, and tectonic stages.

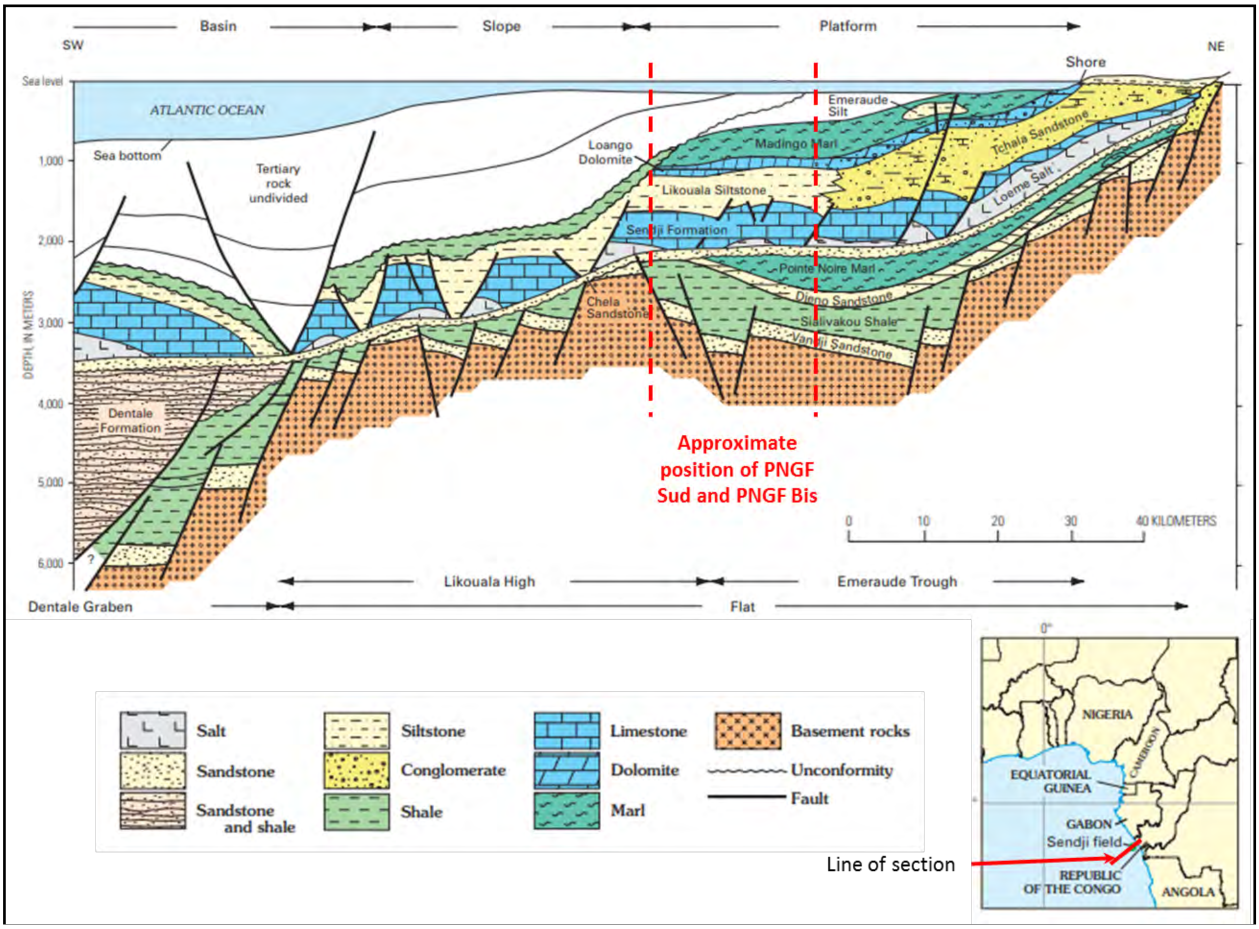
Figure 1. Generalised stratigraphic column Congo Basin.



Source: USGS, 2006

Figure 2 is a schematic cross-section of the northern Congo Basin showing pre-salt and post-salt rock units and the approximate location of the PNGF Sud and Bis licences. Salt was deposited during the late Aptian throughout the equatorial west Africa basins and offshore Congo is represented by the Loeme Salt, which can be at least 1,000 m thick. The thick salt in the basin is important as it acts as a decollement zone for many of the post-salt growth fault structures in the basin.

Figure 2. Schematic cross-section Offshore Congo Basin.



Source: USGS, 2006

Congo (Brazzaville) is among the top five oil producers in Sub-Saharan Africa, producing between 300 and 400 thousand barrels of oil per day. The first significant discovery was in 1972, and oil production comes almost entirely from offshore. Foreign oil company participation is through a Production Sharing Agreement (PSA) with the State prior to the start of their activities. Typically, PSAs are signed with all petroleum companies composing the Contractor group under the PSA, which group also includes the State-owned national petroleum company (SNPC).

Under a PSA, the portion of Cost Oil which may be allocated to the reimbursement of the petroleum costs incurred by the contracting parties is limited to a percentage of the total annual hydrocarbon production. The actual percentage is called the Cost Stop. Profit Oil, which is allocated to the State and the contractor entities in the proportion provided for in the PSA, corresponds to the total annual hydrocarbons production, decreased by Cost Oil and the Royalty. Exact fiscal terms of such contracts are negotiated for each licence.

The PNGF Sud fiscal regime is summarised in

Table 4, and example Netback per barrel at different oil prices is shown in

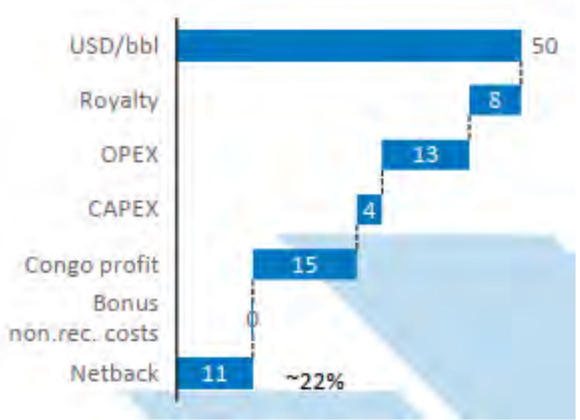
Figure 3.

Table 4. PNGF Sud - Summary of fiscal terms.

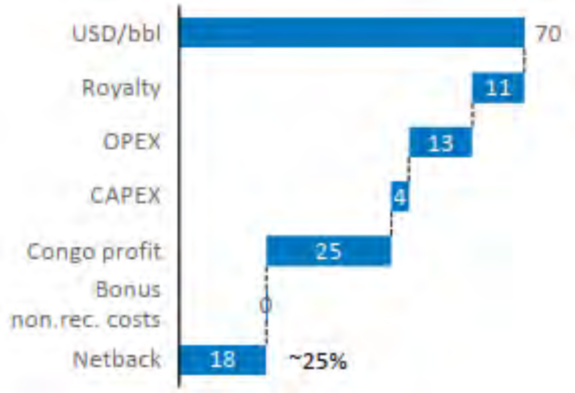
Government take		**Comment**
Royalty	15%	
Cost Stop	50% - 55%	
Profit Oil to Contractor	50% - 30%	depends on cumulative oil produced from individual fields
Super profit oil to Contactor	34% / 30%	share of the value of produced hydrocarbons calculated with differential of the actual achieved oil price and the ceiling prices
Ceiling price (US$/bbl)	90	2017-2023
	40	3rd contract period

Figure 3. Contractor Netback per barrel.

Average netback @ US$50/bbl



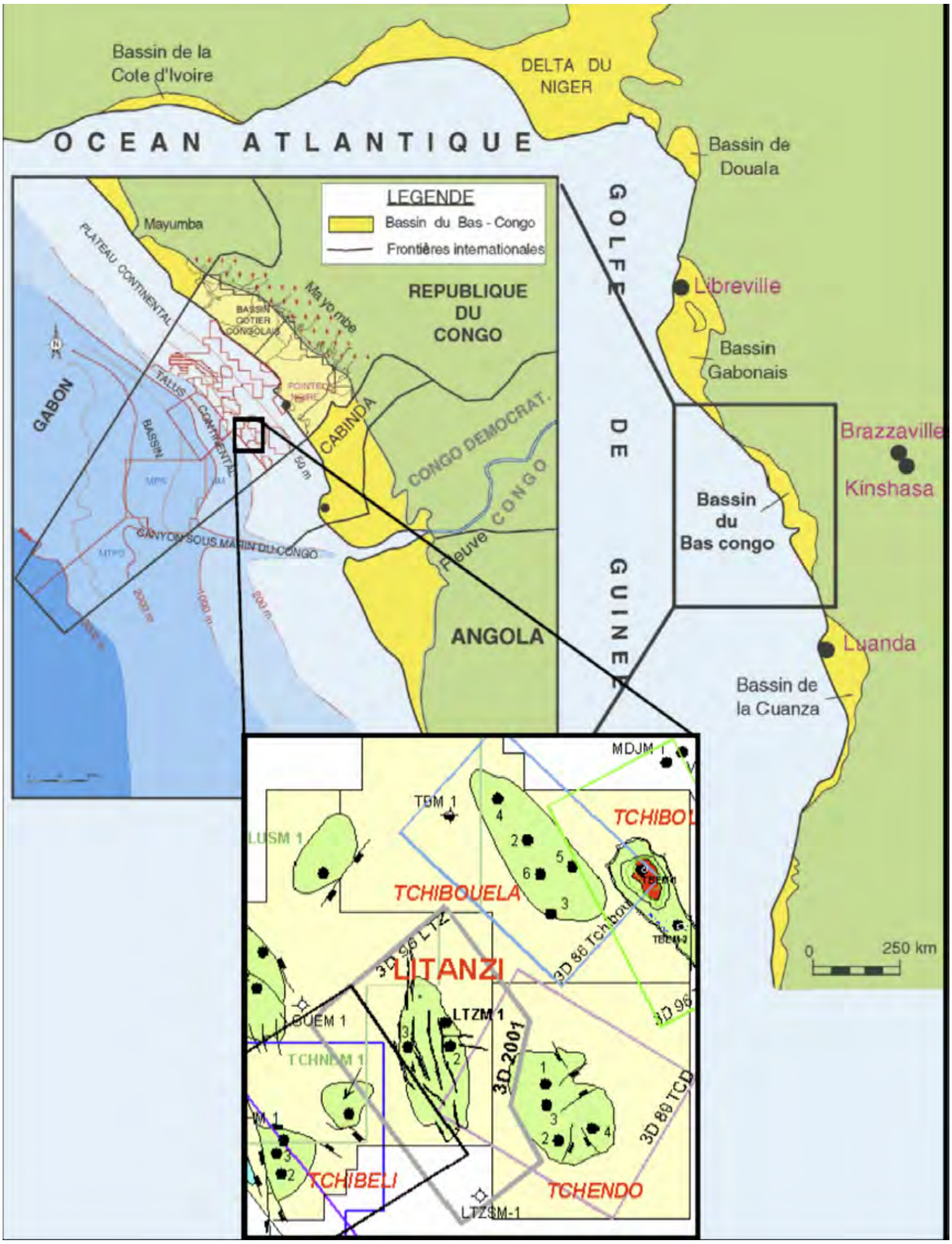
Average netback @ US$70/bbl



3.2 PNGF Sud

The PNGF Sud licence is located 25 km off the coast of Pointe Noire and includes the 4 producing fields Tchibouela, Tchendo, Tchibeli, Litanzi and one shut-in field - Tchibouela East (Figure 4 and Figure 5) which were discovered from 1979 to 1990. Production commenced in 1987 and are currently flowing at ~21,000 boepd on a gross basis. The field is a shallow water development comprising seven steel jackets as drilling or processing centres. Oil from Tchibouela/Tchendo/Litazi is exported via the onshore Djeno terminal, and oil from Tchibeli is exported via the NKOSSA FPSO.

Figure 4. Offshore Congo location of PNGF Sud and PNGF Bis.



The PNGF Sud block was taken over by a new licence group in January 2017, comprising:

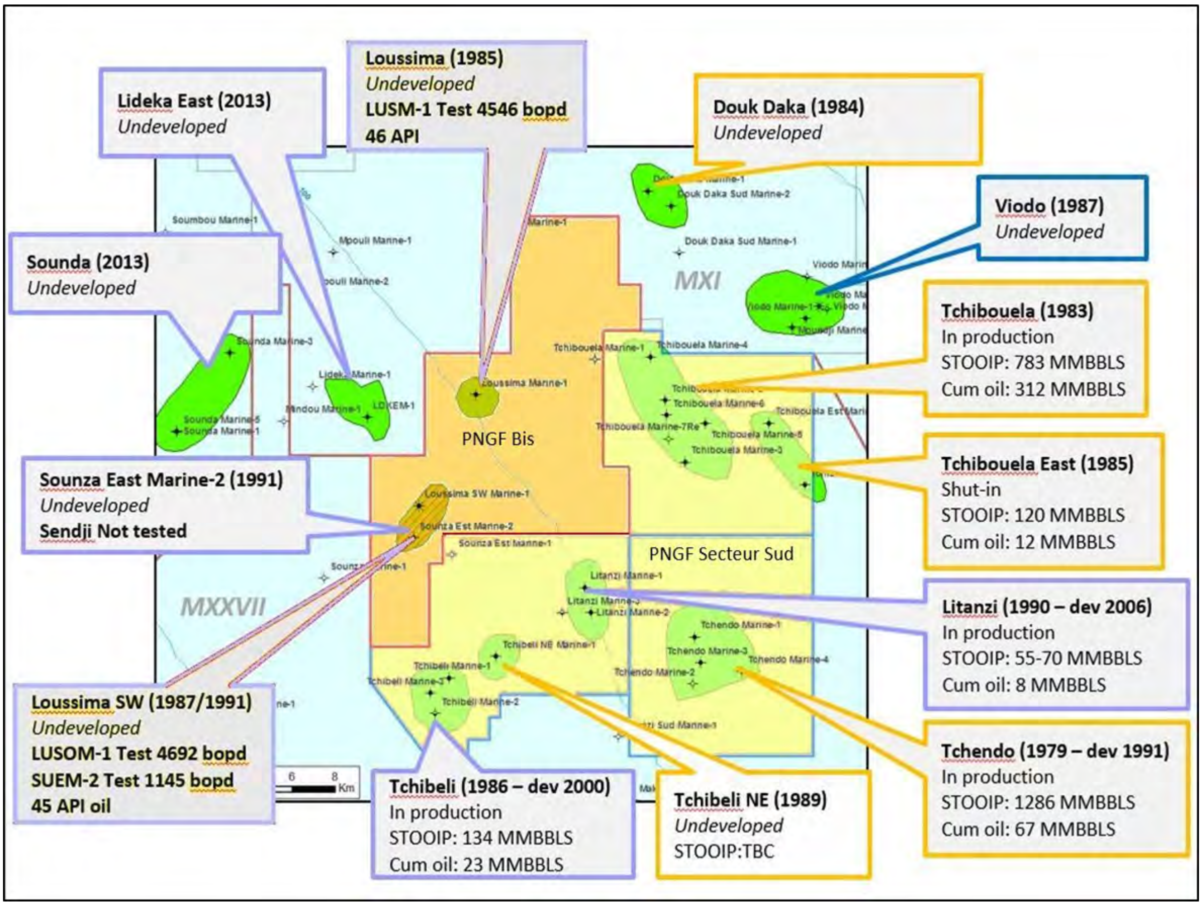
- SNPC 15%
- Continent Congo SA 10%
- Africa Oil & Gas Corporation 10%
- Petro Congo 5%
- Perenco (Operator) 40%
- HEMLA E&P Congo SA 20%

HEMLA E&P Congo is owned 52.5% by Petronor, giving Petronor a net 10.5% interest in the block. This 10.5% interest is the subject interest in PNGF Sud.

Following the acquisition there have been significant operational improvements:

- Production has grown from ~15,000 bopd to ~ 22,000 boepd
- Operating costs have been reduced, and
- Perenco plans to further increase production by workover and infill drilling.

Figure 5. PNGF Sud and PNGF Bis, field and well locations.



3.2.1 Fields and Reservoirs

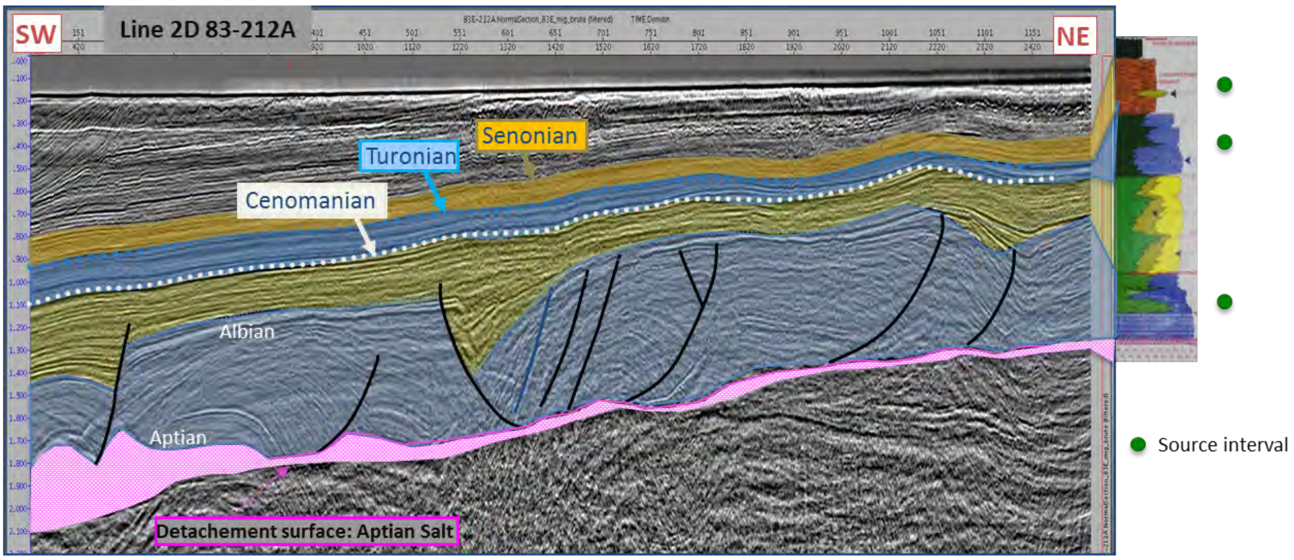
The fields produce from a variety of post-salt reservoirs ranging in age from Albian to Senonian, and varying depositional environments. Depths vary from 350 to 1900 metres as shown in Table 5 and

Figure 6. In Tchibouela and Tchendo the major reservoirs are the Cenomanian Sendji Formation, and the Turonian Loango Formation. The younger Senonian Emeraude Siltstone in Tchibouela is a tight reservoir holding a gas accumulation and a thin oil zone. It has not produced oil. In Tchendo the Senonian does produce oil but the reservoir is similarly of low permeability.

Table 5. PNGF Sud Fields.

	Producing Formation	Reservoir Depth m	STOOIP mmbbls	Porosity %	Permeability mD
Tchibouela & Tchibouela East (shut-in)	**Senonian**	350	1500 MSm3 gas	20	1-50
	Turonian	500	269	20-23	400-2000
	Cenomanian	600	665	26	>2000
Tchendo	**Senonian**	450	842	23	1-50
	Turonian	600	155	24	10-1000
	Cenomanian	750	31	26	>2500
Tchibeli	**Albian**	1900	134	19	150
Litanzi	**Albian**	1800	70	19	150

Figure 6. Typical section in PNGF Sud



3.2.2 Reserves and Resources

The proposed workovers and infill drilling in these fields have allowed Petronor to estimate additional resource potential in PNGF Sud. Petronor carry 2P reserves much in line with the Operator Perenco's. Petronor has estimated 2C resources based on workovers alone and including infill drilling. Additional infill drilling provides a 3C resource estimate.

An independent study by AGR Petroleum Services in October 2018 commissioned by Petronor, evaluated 1P, 2P, 3P reserves, as well as 1C, 2C and 3C contingent resources. Their reporting was in accordance to the SPE-PRMS with effective date 1 January 2018, and assumes production continues to the end of 2041. Their results are given in Table 6 (oil and gas), and in Table 7 (oil only). We note that the AGR 2P Reserve estimate slightly exceeds the Petronor estimate; the 2C incremental estimate is slightly lower; and the 3C incremental estimate exceeds that of Petronor.

Table 6. AGR Reserves and Contingent Resources (Oil plus gas).

Units - mmboe				**Infill Drilling**		
	1P	**2P**	**3P**	**1C**	**2C**	**3C**
Tchibouela	44.11	56.3	67.4	6.6	12.9	22.2
Tchendo	11.29	22.14	26.64	6.0	11.5	19.0
Tchibeli	8.86	12.33	15.27	4.1	7.1	12.0
Litanzi	2.54	4.10	5.56	1.5	3.0	5.6
Total	**66.8**	**94.8**	**114.8**	**18.2**	**34.5**	**58.8**

Table 7. AGR Reserves and Contingent Resources (Oil only).

Units - mmbbls				**Infill Drilling**		
	1P	**2P**	**3P**	**1C**	**2C**	**3C**
Tchibouela	41.13	52.49	62.83	6.2	12.0	20.7
Tchendo	10.63	20.84	25.08	5.6	10.8	17.8
Tchibeli	8.44	11.76	14.56	4.0	6.7	11.4
Litanzi	2.27	3.66	4.97	1.4	2.6	5.0
Total	**62.47**	**88.75**	**107.44**	**17.2**	**32.1**	**54.9**

In the valuation section below we compare these estimates to the forecast production volumes form our evaluation model. Our forecast production volumes do not exceed the reserve or resource estimates of the AGR oil only case.

3.3 PNGF Bis

The PNGF Bis licence is located to the northwest of PNGF Sud (Figure 5), and has no production but two wells have flowed oil on test. The PNGF Bis block was taken over by a new licence group in 2017, comprising:

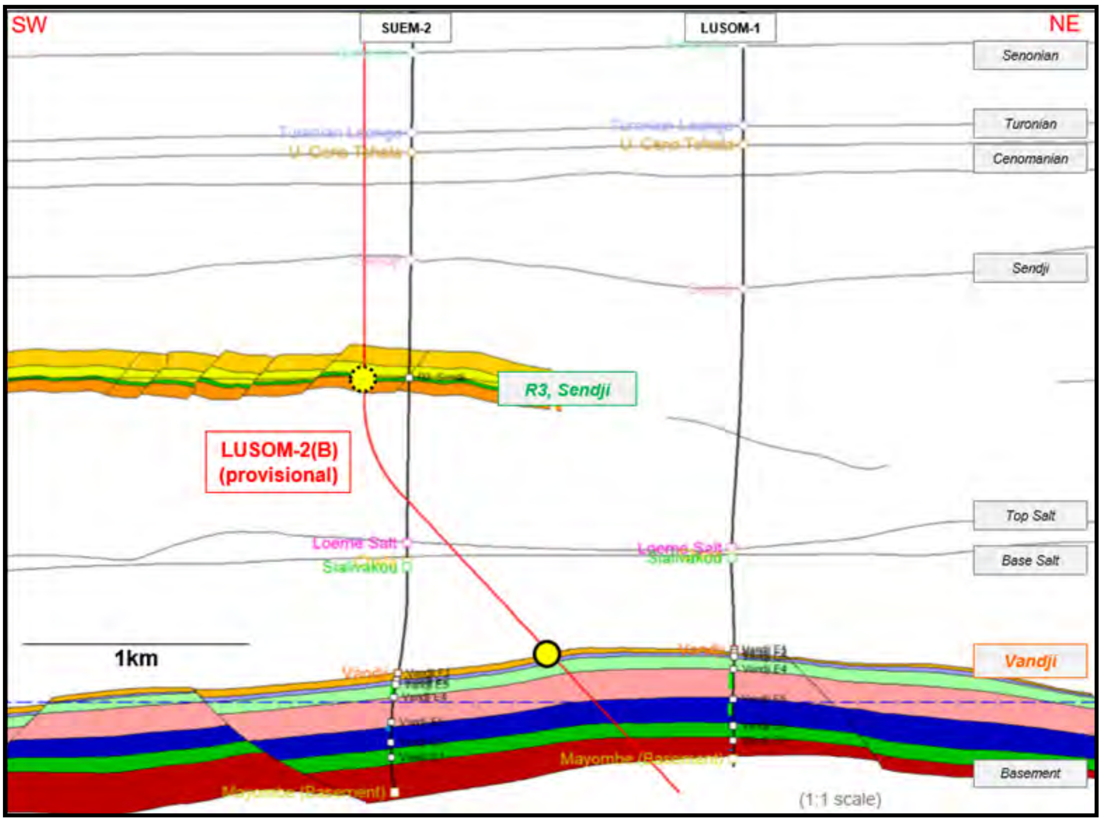
- SNPC 15%
- Perenco (Operator) 57%
- HEMLA E&P Congo SA (right to enter) 28%

HEMLA E&P Congo is owned 52.5% by Petronor, giving Petronor a right a net 14.7% interest in the block. This 14.7% option interest is the subject interest in PNGF Bis.

Three exploration wells have been drilled in the licence – LUSM-1 (1985), LUSOM-1 (1987), and SUEM-2 (1991). LUSM-1 and SUEM-2 were both drilled on the Loussima SW structure (Figure 5), and flowed 45 degree API oil at 4,692 bopd and 1,145 bopd respectively, from the pre-salt Neocomian Vandji Formation. Hydrocarbon shows have also been detected in the Albian post-salt Senji Formation.

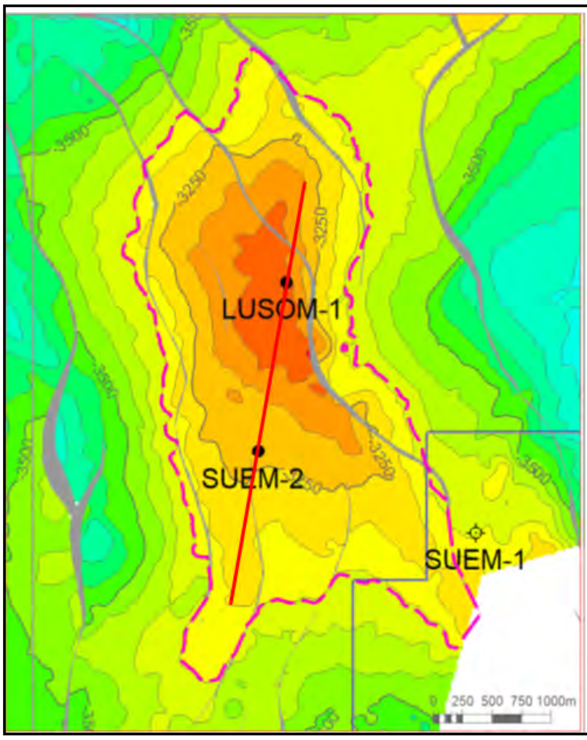
The Operator has proposed an extended production test of a new well (LUSOM-2), with oil exported via an 11 kilometre catenary pipeline to Tchibouela. FID is planned for the first half of 2019. LUSOM-2 will target the secondary Sendji reservoir and then deviate to the primary Vandji reservoir (Figure 7).

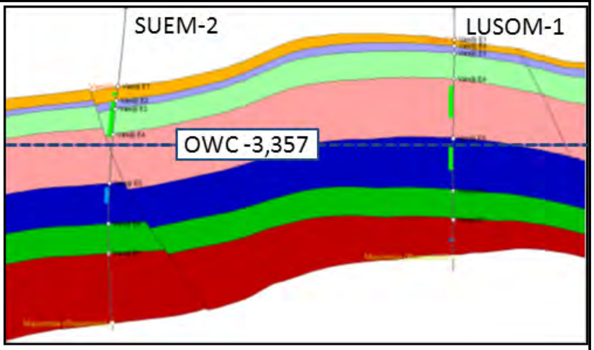
Figure 7. Schematic well profile for proposed LUSOM-2.



A Vandji depth map with a single oil water contact at 3,357m is shown in Figure 8 with in-place volume estimate of 90 mmbbl oil in-place (STOOIP), and a cross section indicating seven sub-zones identified in LUSOM-1 and SUEM-2. An upside case, with a lower ooil water contact into zone E5 could provide an additional 10 mmbbl STOOIP.

Figure 8. Vandji depth map Loussima SW.





Zone	GRV (1E6m3)	NTG	Phi	So	Bo	STOOIP (mmstb)
E1	243	0.10	0.09	0.65	1.42	6
E2	143	0.20	0.09	0.65	1.42	7
E3	341	0.30	0.11	0.65	1.42	32
E4	268	0.50	0.11	0.65	1.42	42
E5	7	0.50	0.12	0.65	1.42	1
E6	-	-	-	-	-	-
E7	-	-	-	-	-	-
					TOTAL	*90*

The Operator has also indicated potential in the shallower Sendji reservoir of between 3.2 and 10.6 mmbbl STOOIP, with volume variation depending on oil column thickness and fault sealing.

AGR have reviewed the Operator's STOOIP estimates and have verified Contingent Resources for the Vandji reservoir only. They provide a seven year extended production test, and a full field development scenario (Table 8).

Table 8. PNGF Bis Contingent Resources (Vandji reservoir).

	Oil (mmbbl)		
	1C	**2C**	**3C**
Test well, 7 years production	0.4	1.9	3.8
Full field development	22	27	32

3.4 Valuation

An economic model constructed by Petronor (*EAG31_rev_2018_v5.xls*) was provided to ResourceInvest, and has been audited with respect to input price assumptions, production profiles, and capital and operating costs.

The model combines individual profiles and costs from Tchibouela, Tchendo, Tchibeli/Litanzi, PNGF Bis and allows four different reserve/resource cases to be evaluated.

For PNGF Sud the four cases are:

Case A – assumes the decline of 2P reserves without further capital

Case B – assumes the inclusion of 2P reserves after workovers

Case C – assumes the inclusion of 2C resources with infill drilling

Case D – assumes the inclusion of 3C resources with further infill drilling

For PNGF Bis, the four cases are:

Case A – assumes 2 mmbbl from production testing of the LOSUM-2 well is exported to Tchibouela

Case B – assumes an additional 3.2 mmbbl from production testing of the LOSUM-2 well is exported to Tchibouela

Case C – assumes the development of 2C resources

Case D – assume the development of 3C resources

The model is built on quarterly increments from the 1st quarter 2017.

Included in the operating cost of each field is a provision for the eventual abandonment cost of all facilities.

3.4.1 Production forecast compared with Reserves/Resources

We compare stated Reserves and Resources from AGR (Table 7) to Production forecast in the model from 1 January 2018 to the end of 2035. AGR 2P reserves assumed that workovers would continue as previously undertaken, so we compare Case A + Case B, to the AGR 2P estimate. The comparison is shown in Table 9.

For PNGF Sud production volumes in each Case are less than the estimated Reserve / Contingent Resource volume.

For PNGF Bis the production volumes in all Cases exceed the corresponding Contingent Resources. We believe that this is a result of AGR not including any resource from the Sendji reservoir. The Petronor production forecast is more optimistic for the initial test production phase, and to a lesser extent in Cases C and D. We believe production is forecast from the Sendji reservoir.

As indicated below, we apply a significant discount to the PNGF Bis value to account for the uncertainty of these volumes.

Table 9. Production volumes from economic model at Base oil price.

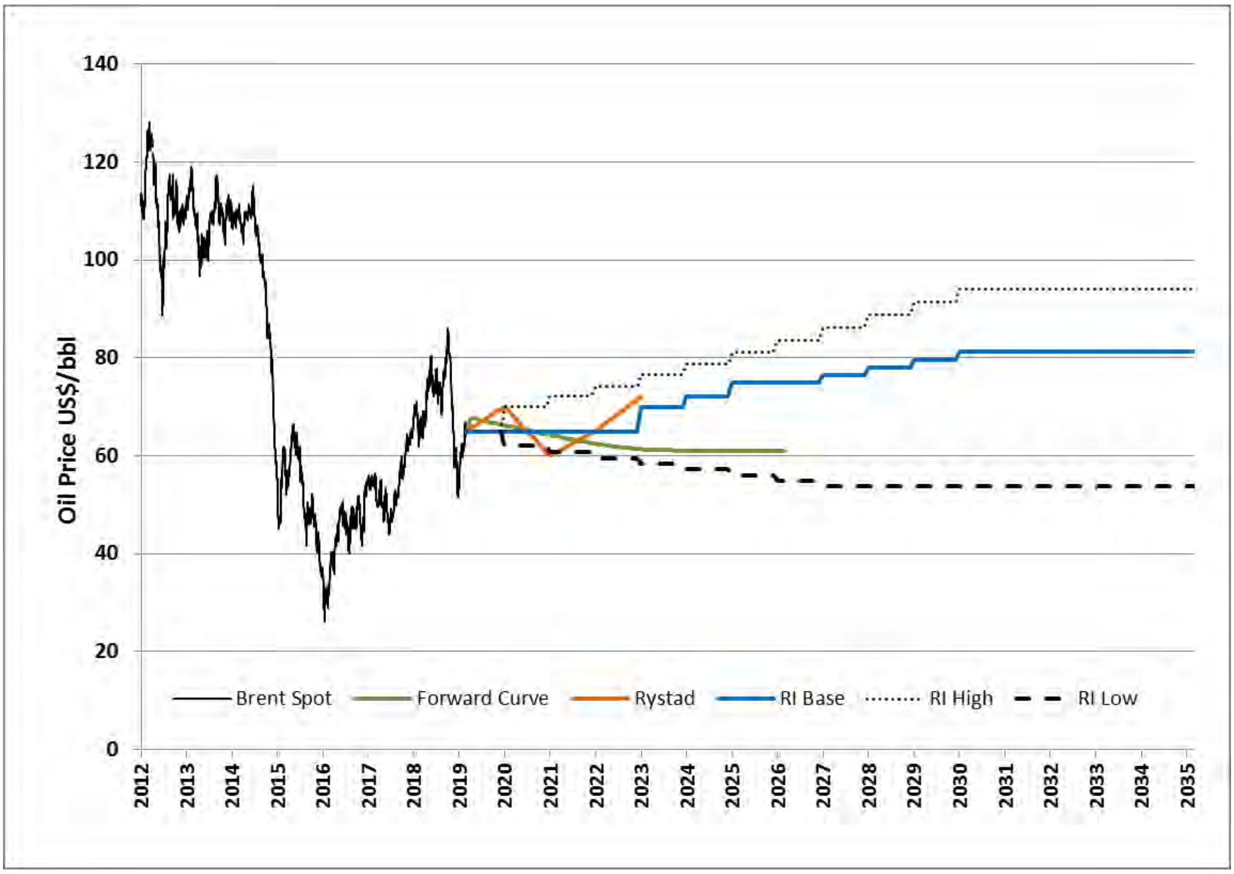
	AGR stated Oil Reserves / Contingent Resources @ 1/1/18			Production volumes from 1/1/18		
	2P	2P+2C Infill	2P+3C	Case A + Case B	Case C	Case D
Tchibouela	52.5	64.5	73.2	46.4	58.6	64.0
Tchendo	20.8	31.6	38.6	20.4	31.9	36.2
Tchibeli + Litanzi	15.4	24.7	31.8	17.2	22.8	25.4
Total	**88.7**	**120.8**	**143.6**	**84.0**	**113.3**	**125.6**
Bis	2C (test)	2C (developed)	3C (developed)	**Case A + Case B**	**Case C**	**Case D**
	1.9	27	32	5.2	30.0	41.5

3.4.2 Input Brent oil price assumptions

We input our own Brent oil price forecasts. We have considered the Brent Futures price at 19 March 2019 and recent forecasts by reputable international consultancy Rystad Energy. Our base case forecast (RI Base) is shown in Figure 9 with our high and low forecasts as well as the futures curve and the Rystad forecast.

We have modified the economic model to allow the choice of our price scenarios. The model input oil prices are discounted by US$1.50 /bbl to reflect historical lifting differentials from PNGF Sud.

Figure 9. Brent oil price assumptions.



3.4.3 Unrisked NPV Valuation

We calculate the NPV at 1/1/2019 using a discount factor of 10% (ie a quarterly discount factor of 2.41%). We calculate the NPV for Case A + Case B, Case C and Case D and calculate the incremental value added by Case C and Case D. Table 10 shows these values at our Low, Base, and High oil price cases for a 100% interest.

Table 10. Unrisked NPVs for PNGF Sud and PNGF Bis (100%)

				Incremental	
Low Oil Price	**Case A + Case B**	**Case C**	**Case D**	**C – A/B**	**D - C**
PNGF Sud	596.52	146.55	61.45	743.07	804.51
PNGF Bis	28.28	198.34	124.45	226.62	351.07
Total	**624.80**	**344.89**	**185.90**	**969.69**	**1,155.58**
Base Oil Price					
PNGF Sud	747.95	951.65	1,041.34	203.70	89.69
PNGF Bis	40.15	322.16	476.87	282.01	154.71
Total	**788.10**	**1,273.81**	**1,518.21**	**485.71**	**244.40**
High Oil Price					
PNGF Sud	853.00	1,092.28	1,196.29	239.29	104.01
PNGF Bis	51.58	385.11	557.95	333.53	172.84
Total	**904.58**	**1,477.39**	**1,754.24**	**572.82**	**276.85**

Table 11 shows the unrisked values net to African Petroleum under the terms of the acquisition.

Table 11. Net African Petroleum unrisked NPVs for PNGF Sud (10.5%) and PNGF Bis (14.7%).

				Incremental	
Low Oil Price	**Case A + Case B**	**Case C**	**Case D**	**C – A/B**	**D - C**
PNGF Sud	62.63	78.02	84.47	15.39	6.45
PNGF Bis	4.16	33.31	51.61	29.15	18.29
Total	**66.79**	**111.33**	**136.08**	**44.54**	**24.74**
Base Oil Price					
PNGF Sud	78.53	99.92	109.34	21.39	9.42
PNGF Bis	5.90	47.36	70.10	41.45	22.74
Total	**84.43**	**147.28**	**179.44**	**62.84**	**32.16**
High Oil Price					
PNGF Sud	89.57	114.69	125.61	25.13	10.92
PNGF Bis	7.58	56.61	82.02	49.03	25.41
Total	**97.15**	**171.30**	**207.63**	**74.16**	**36.33**

3.4.4 Market Valuation

We apply Risk Factors to the calculated NPVs to arrive at a Market Value. We apply different Risk Factors to different Cases depending on the level of confidence we have in the Reserves or Contingent Resources, and their chance of development.

Our Risk Factors (RF) are applied to the calculated NPV to provide a discounted NPV:

RF X NPV = Discounted NPV, that is, the Discount applied = (100% - RF).

Our assessed risk factors are shown in Table 12, and the risked values in Table 13.

Table 12. Risk Factors.

	Case A + Case B	Incremental C - A/B	Incremental D - C
PNGF Sud	95%	80%	30%
PNGF Bis	50%	25%	15%

Table 13. Risked net NPVs.

	Case A + Case B	Incremental C - A/B	Incremental D - C	Total
Low Oil Price				
PNGF Sud	59.50	12.31	1.94	73.75
PNGF Bis	2.08	7.29	2.74	12.11
Total	**61.58**	**19.60**	**4.68**	**85.86**
Base Oil Price				
PNGF Sud	74.61	17.11	2.83	94.54
PNGF Bis	2.95	10.36	3.41	16.73
Total	**77.56**	**27.47**	**6.24**	**111.27**
High Oil Price				
PNGF Sud	85.09	20.10	3.28	108.46
PNGF Bis	3.79	12.26	3.81	19.86
Total	**88.88**	**32.36**	**7.09**	**128.32**

We use the risked NPV values as our Low, Preferred and High Market Value as given in Table 14. Our preferred value is US$111.27 million.

Table 14. Market Value of Congo Assets.

	Low US$m	Preferred US$m	High US$m
PNGF Sud	73.75	94.54	108.46
PNGF Bis	12.11	16.73	19.86
Total	**85.86**	**111.27**	**128.32**

3.4.5 Value per unit of production.

Using forecast volumes for our three production cases, we estimate per unit value in each case. These are effectively unit value per 2P reserves; 2C and 3C resources. They are given in Table 15.

Table 15. Values per unit of production.

	Case A + Case B '2P'	Incremental C - A/B '2C'	Incremental D – C '3C'	Total
Net Production (mmbbl)	9.1	5.7	2.5	17.2
Low oil price U$/bbl	6.79	3.46	1.87	4.98
Base oil price U$/bbl	8.55	4.85	2.49	6.45
High oil price U$/bbl	9.79	5.71	2.83	7.44

These per unit values allow comparison with other West African transactions.

3.4.6 Other West African Transactions.

We consider seven other West Africa oil acquisitions which have occurred since 2014, and compared their implied US$ / 2P reserve ratio with our valuation. Where available we also consider US$ / 2C resource and US$ / total resource ratios. These are summarised in Table 16 and Table 17.

The 2P implied values are plotted in Figure 10, together with the oil price from 2014 to 2019, and our derived (US$/2P-bbl) preferred, high, and low values. On this basis our 2P values conform to recent transactions. The other transactions are under different Production Sharing Contract terms in different jurisdictions, and therefore may not be directly comparable to the Congo asset value.

We also include in Table 17 the Congo asset metrics for US$/2P, US$/2C and US$/total resources. Although there are limited samples to compare, the Congo asset values are not dissimilar.

Table 16. West African transactions.

#	Date	Buyer	Seller	Asset
1	Oct-2018	Maurel & Prom	Japan Oil Co / Mitsubishi	Blocks 3/05, 3/05A offshore Angola
2	Jul-2018	Assala Energy	Total SA	Gabon Rabi-Kounga oilfield, onshore Gabon
3	Oct-2017	Kosmos / Trident / Management	Hess Corp	Ceiba / Okume oilfields, offshore Equatorial Guinea
4	Dec-2016	BW Energy	Harvest Natural Resources	Dussafu PSC Gabon
5	Jan-2016	Global Energy	MX Oil	OML113 offshore Nigeria (Aje oilfield)
6	Jan-2016	Midwestern Oil & Gas	Mart Resources	Umusadege, OML18, offshore Nigeria
7	May-2014	Sonangol EP	Statoil ASA	Block 15/06, offshore Nigeria

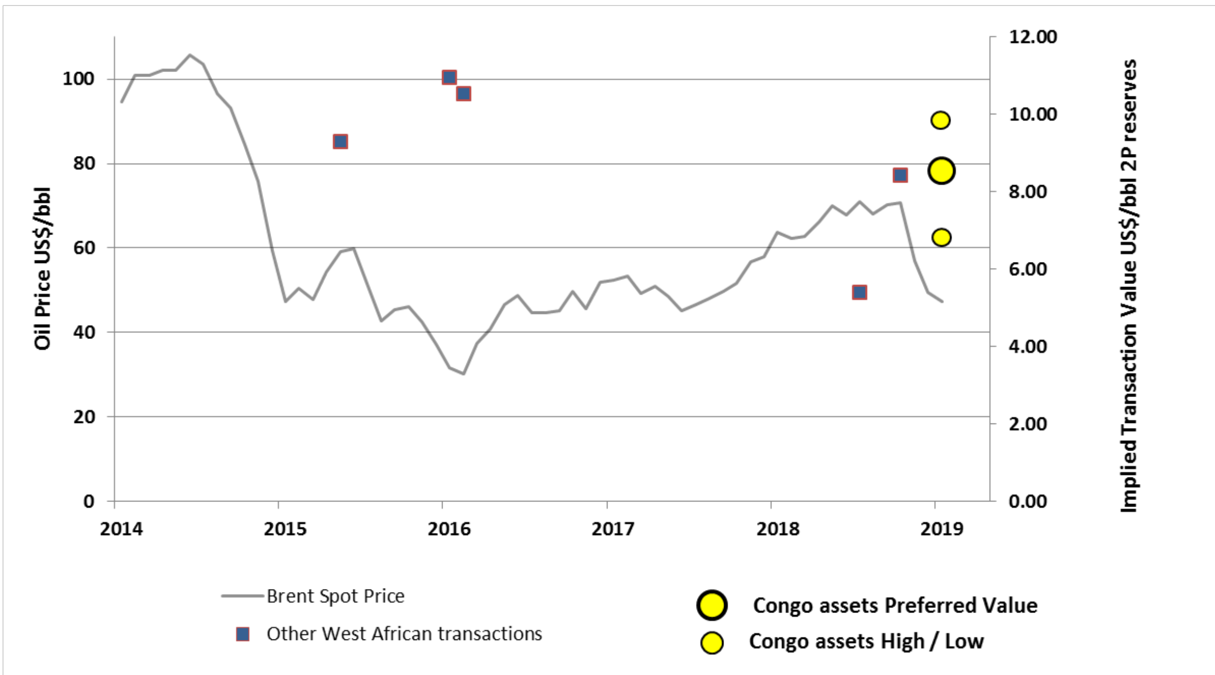
Source: IHS Markit database provided by African Petroleum

Table 17. West African transaction metrics.

#	Reserve/resource mmbbl	Value US$m	US$ / 2P bbl	US$ / 2C bbl	US$ / total resource
1	2P - 9.5	80	8.42		
2	2P - 18.5	100	5.40		5.40
3	2P/2C - 132	650		4.93	
4	2C - 22.3 pre development	32		1.44	
5	2P - 1.17 2C - 22.7	18	10.54 est.		0.75
6	not fully disclosed	304	10.96 est.		
7	2P - 21.5	200	9.30		
	Preferred value Congo assets	**111.3**	**8.55**	**4.85**	**6.45**

Source: IHS Markit database provided by African Petroleum

Figure 10. Implied value of West African transactions (US$/bbl).



4 References

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AGR Petroleum Services, 30 October, 2018 – PNGF Sud / PNGF Bis (Congo Brazzaville) – CPR, 101pp.

Brownfield, M.E., and Charpentier, R.R., 2006 – Geology and total petroleum systems of the West-Central Coastal Province (7203), West Africa, US Geological Survey Bulletin 2207-B, 52p. http://www.usgs.gov/bul/2207/B/

Petronor E&P - Various internal reports and presentations including:

- 05_2018-09-20_PNGF Bis_Workshop.pdf
- 20181009_AP_Congo G&G Overview.pptx
- 20181009_AP_Congo G&G PNGF_Bis.pptx
- PNGF Sud Subsurface evaluation_v4.pptx

Rystad Energy, 2019 – Oil Market Balances Report – January 2019, 33p

5 Appendix 1 SPE-PRMS Classification

Under PRMS, identified projects must always be assigned to one of the three classes: Reserves, Contingent Resources, or Prospective Resources. Further subdivision is optional, and three sub classification systems are provided in PRMS that can be used together or separately to identify particular characteristics of the project and its associated recoverable quantities. The sub classification options are project maturity subclasses, reserves status, and economic status.

As illustrated in Fig. 2.2, development projects (and their associated recoverable quantities) may be sub classified according to project maturity levels and the associated actions (business decisions) required to move a project toward commercial production. This approach supports managing portfolios of opportunities at various stages of exploration and development and may be supplemented by associated quantitative estimates of chance of commerciality

RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

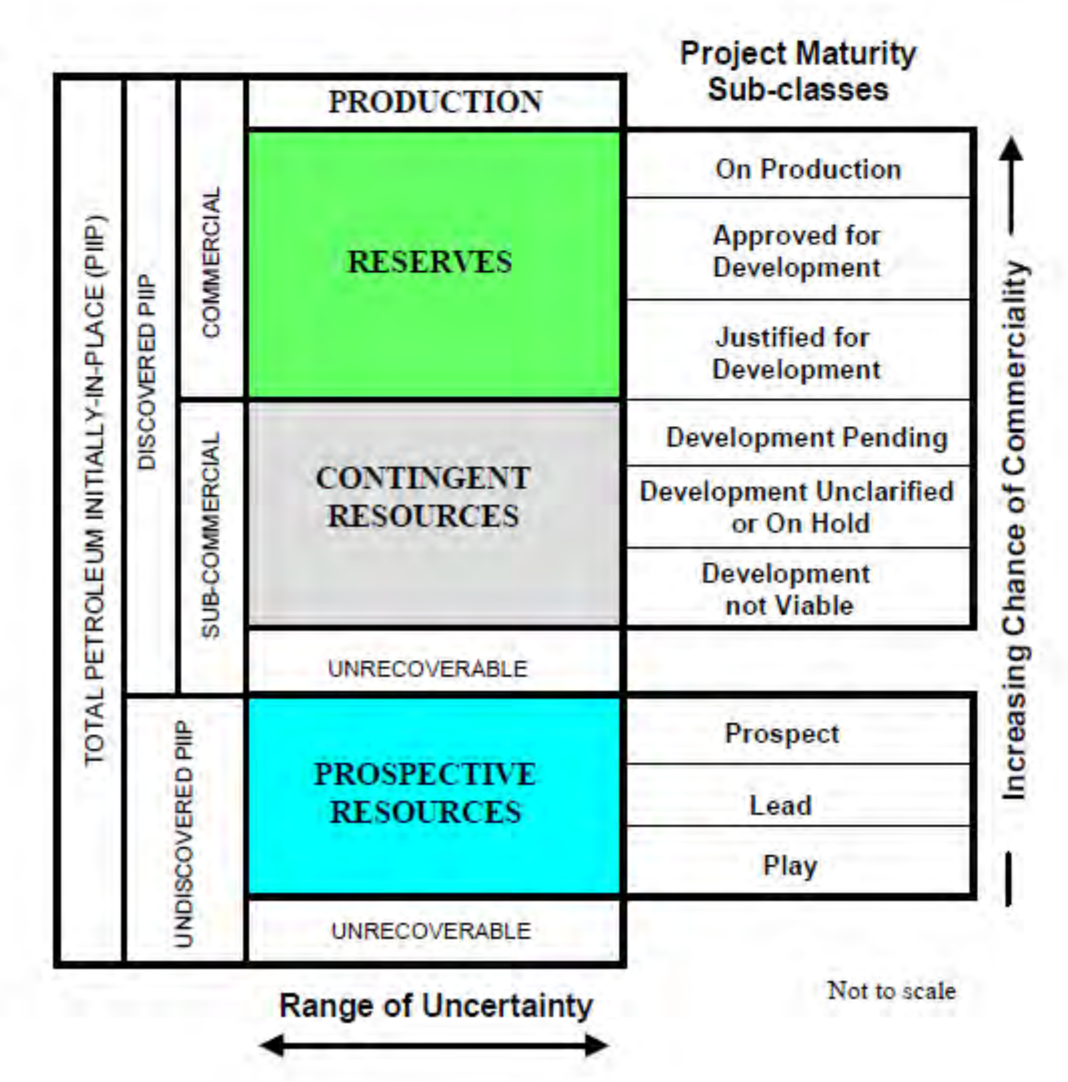
CONTINGENT RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.
Development Pending is limited to those projects that are actively subject to project-specific technical activities, such as appraisal drilling or detailed evaluation that is designed to confirm commerciality and/or to determine the optimum development scenario. In addition, it may include projects that have nontechnical contingencies, provided these contingencies are currently being actively pursued by the developers and are expected to be resolved positively within a reasonable time frame. Such projects would be expected to have a high probability of becoming a commercial development (i.e., a high chance of commerciality).

Development Unclarified or **On Hold** comprises two situations. Projects that are classified as On Hold would generally be where a project is considered to have at least a reasonable chance of commerciality, but where there are major nontechnical contingencies (e.g., environmental issues) that need to be resolved before the project can move toward development. The primary difference between Development Pending and On Hold is that in the former case, the only significant contingencies are ones that can be, and are being, directly influenced by the developers (e.g., through negotiations), whereas in the latter case, the primary contingencies are subject to the decisions of others over which the developers have little or no direct influence and both the outcome and the timing of those decisions is subject to significant uncertainty.

Projects are considered to be **Unclarified** if they are still under evaluation (e.g., a recent discovery) or require significant further appraisal to clarify the potential for development, and where the contingencies have yet to be fully defined. In such cases, the chance of commerciality may be difficult to assess with any confidence.

PROSPECTIVE RESOURCES - are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub classified based on project maturity.

Figure 11. SPE-PRMS Resource Classification.



6 Appendix 2 - Glossary

BCF	Billion (10^9) cubic feet
bcpd	barrels of condensate per day
boe	barrels of oil equivalent
bopd	barrels of oil per day
Contingent Resources	are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.
EMV	Expected monetary value
FEED	Front End Engineering and Design
FVF	Formation volume factor
GIIP	Gas Initially in Place
GJ	Giga (10^9) Joules
GOR	Gas oil ratio
GRV	Gross rock volume
MCF mcf	Thousand cubic feet
MD	Measured Depth
MMscfd, mmscfd	Million standard cubic feet per day
MMstb, mmstb	Million US stock tank barrels
Mscfd, mscfd	Thousand standard cubic feet per day
Mstb, mstb	Thousand US stock tank barrels
NPV	Net Present Value
OGIP	Original Gas in Place
OOIP	Original Oil in Place
P90, P50, P10	90%, 50% & 10% probabilities respectively that the stated quantities will be equalled or exceeded. The P90, P50 and P10 quantities correspond to the Proved (1P), Proved + Probable (2P) and Proved + Probable + Possible (3P) confidence levels respectively. With respect to Prospective Resources the P90, P50 and P10 quantities are taken to correspond to Low, Best and

	High Estimates respectively
PDP	Proved Developed Producing
Pg	Probability of geological success
PJ	Peta (10^{15}) Joules
Prospective Resources	are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.
Reserves	are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.
scf	Standard cubic feet (measured at 60 degrees F and 14.7 psia)
SPE	Society of Petroleum Engineers
SPE-PRMS	Petroleum Resources Management System, approved by the Board of the SPE March 2007 and endorsed by the Boards of Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council and Society of Petroleum Evaluation Engineers.
STOOIP	Stock Tank Barrels Initially In Place
Tcf	Trillion (10^{12}) cubic feet
TOC	Total Organic Carbon, a measure of organic richness in sedimentary rocks
US$	United States Dollar
Working Interest	A company’s equity interest in a project before reduction for royalties or production share owed to others under applicable fiscal terms
WTI	West Texas Intermediate Crude Oil

African Petroleum CORP LTD
ABN 87 125 419 730

AOQU
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
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SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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Victoria 3001 Australia

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Proxy Form

XX

Vote online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 **PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 4:00pm (WST) Monday, 22 April 2019

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of African Petroleum Corporation Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ______

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of African Petroleum Corporation Limited to be held at The offices of Steinepreis Paganin, Level 4, 16 Milligan Street, Perth, Western Australia on Wednesday, 24 April 2019 at 4:00pm (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Issue of Consideration Shares and Warrants, and subsequent Shares upon Exercise of Warrants, to Nor Energy and Petromal	☐	☐	☐
Resolution 2	Approval of Issue of Company Warrants and Replacement Warrants to existing shareholders of the Company	☐	☐	☐
Resolution 3	Approval for the Company to acquire relevant interest in its own Shares as a result of entering lock-up arrangements	☐	☐	☐
Resolution 4	Election of Nominee Director (Chairman) - Eyas Alhomouz	☐	☐	☐
Resolution 5	Election of Nominee Director - Knut Sovold	☐	☐	☐
Resolution 6	Election of Nominee Director - Joseph Iskander	☐	☐	☐
Resolution 7	Change of Company Name	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ______ **Contact Daytime Telephone** ______ **Date** / /

AOQU 999999A

Computershare

PROXY VOTE INSTRUCTION

African Petroleum Corporation Limited **(**the **"Company")**
Proxy Solicited for General Meeting 24 April 2019

As you are not recorded in the Company Register of Members maintained by Computershare Investor Services Pty Ltd in Australia in which the Company is incorporated, any voting at the 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 the offices of Steinepreis Paganin, Level 4, 16 Milligan Street, Perth WA 6000, Australia at 16:00 (local time), for the purposes set forth below and in the Notice of General Meeting issued by the Company.

X Please mark your votes as in this example.

Resolutions	**FOR**	**AGAINST**	**ABSTAIN**
1. Approval of issue of consideration shares to PetroNor vendors and issue of warrants, and subsequent shares, to NOR Energy AS and Petromal			
2. Approval of issue of Company Warrants and Replacement Warrants to existing shareholders of the Company			
3. Approval for the Company to acquire relevant interest in its own shares as a result of entering lock-up arrangements			
4. Election of nominee director (chairman) – Eyas Alhomouz			
5. Election of nominee director – Knut Søvold			
6. Election of nominee director – Joseph Iskander			
7. Change of company name			

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 16 April 2019, 17:00 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.