

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme African Petroleum Corporation Limited

ACN/ARSN ACN 125 419 730

1. Details of substantial holder (1)

Name Pareto Securities AS

ACN (if applicable) Not applicable

The holder became a substantial holder on 9 May 2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities(4)	Number of securities	Persons' votes(5)	Voting power (6)
Ordinary Shares	253, 369,230	253, 369,230	39.07% (based on 648,478,636 shares on issue)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Pareto Securities AS	<p>Pareto Securities AS has a relevant interest in the ordinary shares held by each of the registered holders referred to in paragraph 4 by virtue of entering into certain agreements with those parties.</p> <p>The registered holders are not disposing of their shares to Pareto. However, Pareto is deemed to have a relevant interest due to the restrictions on disposal contained in the escrow and related arrangements entered into by the registered holders with Pareto in relation to the listing on Oslo Axess and related share offering.</p> <p>Copies of those agreements are annexed to this substantial holder notice as follows:</p> <ul style="list-style-type: none">- lock-up undertaking between Pareto and Sarella Investments Limited- lock-up undertaking between Pareto and Jeffrey Couch- lock-up undertaking between Pareto and Timothy Turner- lock-up undertaking between Pareto and Jens Pace	253, 369,230 Ordinary Shares

	- share lending agreement between Pareto, African Petroleum Corporation Limited and Sarella Investments. The related greenshoe option agreement between Pareto, African Petroleum Corporation Limited and Sarella Investments is also attached.	
Pareto AS	Pareto AS is the parent company of Pareto Securities AS and holds a controlling interest in Pareto Securities AS.	253, 369,230 Ordinary Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Pareto Securities AS	Sarella Investments Limited]	Sarella Investments Limited	252,846,329 Ordinary Shares
Pareto Securities AS	Jeffrey Couch	Jeffrey Couch	147,900 Ordinary Shares
Pareto Securities AS	Halle Woody Pty Ltd <The Woody S/F A/C>	Halle Woody Pty Ltd <The Woody S/F A/C>	41,667 Ordinary Shares
Pareto Securities AS	Jens Pace	Jens Pace	333,334 Ordinary Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the 4 months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Pareto Securities AS	9 May 2014	N/A	None. Pareto is not purchasing the relevant securities. See note above.	253,369,230 Ordinary Shares
Pareto AS	9 May 2014	N/A	None	253, 369,230 Ordinary Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Pareto Securities AS	Dronning Mauds gate 3, N-0115 Oslo, Norway
Pareto AS	Dronning Mauds gate 3, N-0115 Oslo, Norway
Sarella Investments Limited	4 Basil Mansions, Basil Street, London SW3 1AP

Jeffrey Couch	c/- African Petroleum Corporation Limited 32 Harrogate Street West Leederville Western Australia 6007
Halle Woody Pty Ltd <The Woody S/F A/C>	c/- African Petroleum Corporation Limited 32 Harrogate Street West Leederville Western Australia 6007
Jens Pace	c/- African Petroleum Corporation Limited 32 Harrogate Street West Leederville Western Australia 6007

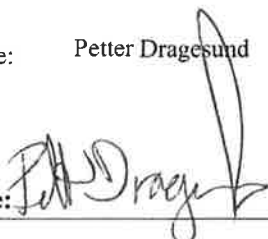
Signature

print name:

Petter Dragesund

capacity: Head of Corporate Finance

sign here:



date: 12/05/2014

Directions

1. If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
2. See the definition of "associate" in section 9 of the Corporations Act 2001.
3. See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
4. The voting shares of a company constitute one class unless divided into separate classes.
5. The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
6. The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
7. Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
8. If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
9. Details of the consideration must include any and all benefit, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired