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10 February 2015

OAX / NSX Announcement

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

### **Private Placement Allocation Completed**

Reference is made to the stock exchange notices published by the Company on 9 February 2015 at 16:31 (CET) and 10 February 2015 at 08:45 (CET) regarding the contemplated private placement to certain existing and new investors (the "Private Placement") of new ordinary shares (the "Offer Shares"). The Board of Directors of the Company is pleased to announce that the Private Placement has been successfully allocated raising NOK 95,106,200 (approximately US\$12.5 million) in gross proceeds through the allocation of 271,732,000 Offer Shares at a subscription price of NOK 0.35 per share. The Company intends to allocate the balance of the intended placing amount of NOK 115,000,000, being approximately NOK 19 million (approximately US\$2.5m), to retail investors who form a large part of the Company's shareholder base, and from whom there has been significant interest in this process (refer below for further details). In addition, each applicant in the Private Placement will be entitled to be allocated one non-transferable option for every two shares allocated in the Private Placement, corresponding to a total allocation of up to 135,866,000 options. The Company reserves the right to issue the options as transferable options, subject to NSX and Australian regulatory rules. The options have an exercise price of NOK 0.75 per share and will have a two-year life from the date of issue.

Following this announcement, the Company will request that the matching halt be ended.

The application period for the Private Placement closed at 13:00 (CET) today, 10 February 2015. The completion of the Private Placement is conditional upon (i) the relevant corporate resolutions required to implement the Private Placement being made by the Company, including the approval of the Private Placement by shareholders of the Company in a general meeting which is expected to be held on or about 16 March 2015 ("Shareholder's Meeting"); (ii) the Company receiving full payment for the Offer Shares on the due date for payment; (iii) any regulatory approvals and filings required in connection with the issuance of the Offer Shares, including but not limited to an approval from the Australian Foreign Investment Review Board if applicable and (iv) the approval by the Financial Supervisory Authority of Norway of a prospectus prepared in accordance with the Norwegian Securities Trading Act Chapter 7 for admission to listing of the Offer Shares on Oslo Axess.

The notice of the Shareholder's Meeting will be distributed to the Company's shareholders shortly. It is expected that the Private Placement will be completed on or about 18 March 2015.

Following issuance of the Offer Shares the issued and outstanding share capital of the Company will be 957,589,457 shares. If all options allocated in the Private Placement are issued and exercised, the issued and outstanding share capital of the Company will be 1,093,455,457. The shares do not have a par value.

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The proceeds from the Private Placement will be used to strengthen the Company's balance sheet and liquidity position, to fund the Company's ongoing exploration program, including seismic costs and licence fees, as well as for working capital and for general corporate purposes.

The Company's Chief Executive Officer, Dr Stuart Lake, and Finance Director, Stephen West both participated in the Private Placement by each subscribing for 2,608,500 shares at a cost of NOK 912,975 each (approximately US\$120,000 each). A separate notification will be issued in due course.

Subject to approval by shareholders at the Shareholder's Meeting, the Board of Directors of African Petroleum Corporation intends to carry out a subsequent offering of additional new shares and options at the same terms as in the Private Placement, expected to be in the amount of approximately NOK 19 million (approximately US\$2.5 million), in which the Company's shareholders holding shares through VPS as of 10 February 2015, as registered in the VPS on 12 February 2015, who were not invited to participate in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action, will be granted non-transferable allocation rights to apply for, and, upon application, be allocated new shares and options in the Company. Please note that the original announcement indicated rights to be issued to shareholders as of 9 February 2015; however, due to the extended application period, the ex-date has been amended accordingly.

FirstEnergy Capital LLP and Mirabaud Securities LLP have acted as Joint Lead Managers for the Private Placement, and EAS Advisors, LLC, acting through Merriman Capital, Inc., a member of FINRA / SIPC has acted as US Sub-Agent for the Private Placement.

**African Petroleum Corporation's Chief Executive Officer, Dr Stuart Lake, commented:**

"We are delighted to announce today's Private Placement to raise US\$12.5 million, and our intention to raise a further US\$2.5 million in a subsequent repair offering. We are particularly pleased by the confidence placed in us by our existing and new investors and encouraged that we have been able to complete the fundraising despite the current uncertainty in world oil markets. The net proceeds of the placing will be used to primarily strengthen the Company's balance sheet and liquidity position and to fund our ongoing exploration programme, including seismic costs and licence fees. The fundraising further bolsters our position and provides us with additional flexibility and optionality as we continue advanced discussions with potential farm-out partners across our prospective acreage offshore West Africa. We look forward to updating the market on our progress in due course."

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**About African Petroleum Corporation**

African Petroleum Corporation is a dynamic, independent oil and gas exploration company operating ten licences in five countries offshore West Africa. The Company's assets are located in fast-emerging hydrocarbon basins, principally the West African Transform Margin, where several discoveries have been made in recent years, including African Petroleum Corporation's Narina-1 discovery in February 2012, which proved a working hydrocarbon system in the Liberian basin. With a combined net acreage position of 30,967km<sup>2</sup> through its licences in Côte d'Ivoire, Liberia, Senegal, Sierra Leone and The Gambia, the Company has matured its portfolio rapidly, acquiring more than 18,500km<sup>2</sup> of 3D seismic data and successfully drilling three wells, one of which was the first hydrocarbons discovery in the offshore Liberian deep-water basin.

For more information about African Petroleum Corporation, please see [www.africanpetroleum.com.au](http://www.africanpetroleum.com.au)

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This press release contains forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although African Petroleum Corporation believes that these

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assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this release speak only as at its date, and are subject to change without notice. African Petroleum Corporation disclaims any obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.