

31 July 2013
NSX Announcement

Quarterly Reports

Please find attached the following reports relating to the quarter ended 30 June 2013:

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

Yours faithfully
African Petroleum Corporation Limited



Karl Thompson
Chief Executive Officer

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30 July 2013

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

Dear Sir

QUARTERLY DISCLOSURE DECLARATION


On behalf of the Board of African Petroleum Corporation Limited (**Company**) we declare that the Board has reviewed the operations of the Company and, in the opinion of each member of the Board:

- (a) all matters that require disclosure have been disclosed by the Company in accordance with Listing Rules of the NSX; and
- (b) the market remains fully informed as to the prospects and activities of the Company.

Yours sincerely



Frank Timis
Non-Executive Chairman



Karl Thompson
Chief Executive Officer



African
Petroleum
CORP LTD



NSX ANNOUNCEMENT QUARTERLY REPORT
Quarter Ended 30 June 2013

31 July 2013

HIGHLIGHTS

CORPORATE

- Approximately US\$ 12.4 million cash at bank at 30 June 2013
- In addition, approximately US\$ 22.5 million restricted cash at 30 June 2013, being security deposits that will be released upon the achievement of certain drilling milestones in Côte d'Ivoire
- The Company held an Annual General Meeting, where all the resolutions put to the Shareholders were passed by a strong majority
- On 3 May 2013, Non-Executive Deputy Chairman Mr Tony Sage tendered his resignation to take effect from 30 June 2013
- On 28 June 2013, the Company announced its intention to seek a listing on the official list of the Australian Securities Exchange ("ASX")
- On 28 June 2013, the Company announced that Dr David King was to be appointed as Independent Non-Executive Director from 1 July 2013
- On 28 June 2013, the Company announced that Non-Executive Director, Mr Alan Watling had tendered his resignation to take effect from 1 July 2013

OPERATIONS

- Final 3D seismic data for CI-509 and CI-513 has been received
- 3D seismic data on Block Senegal Offshore Sud Profond has been received

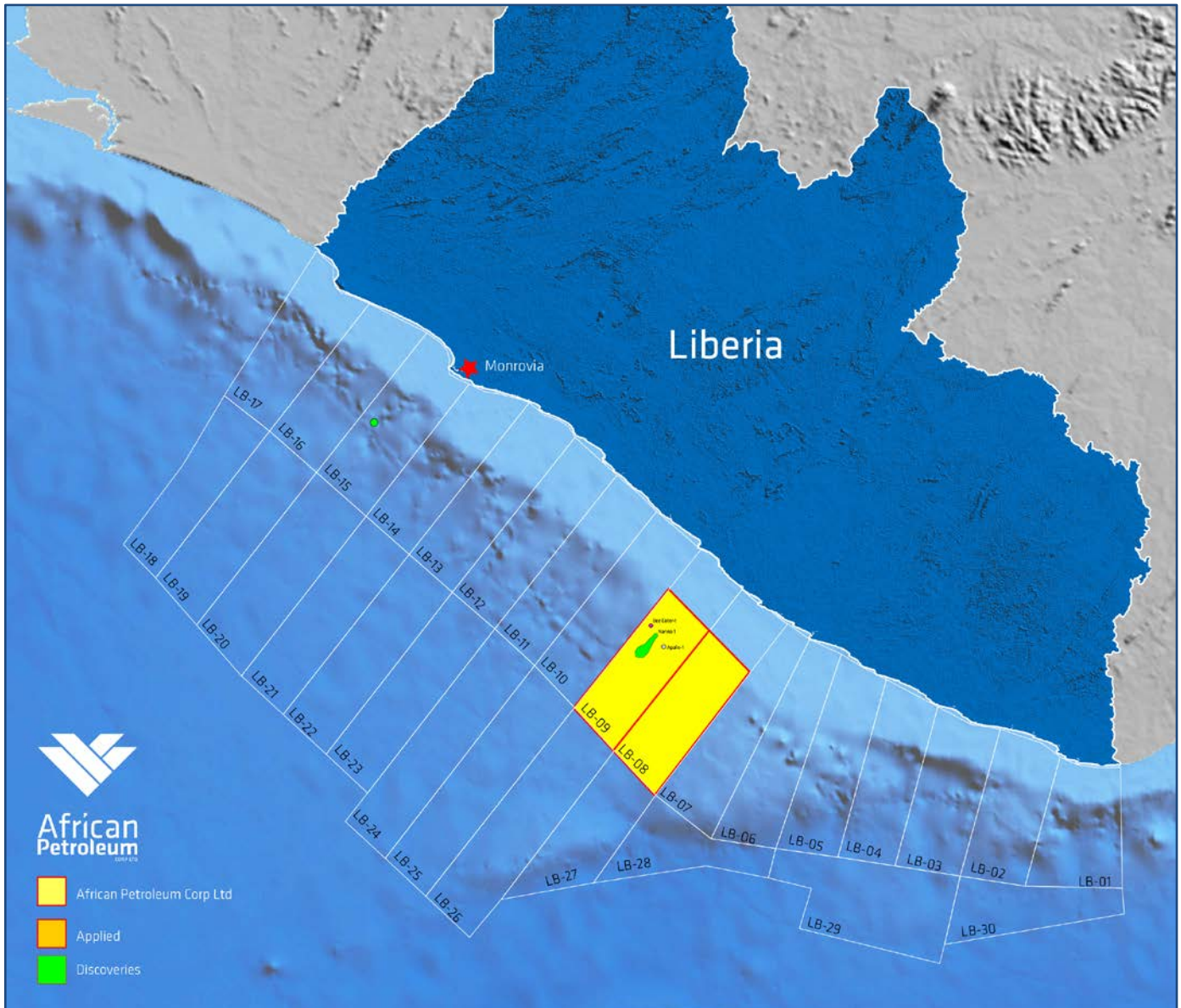
OPERATIONS

Figure 1: Location of African Petroleum's license blocks



Liberian Project: Blocks LB-08 and LB-09

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



African Petroleum holds a 100 per cent interest in Blocks LB-08 and LB-09, located offshore Liberia, covering a combined surface area of 5,381 sq km. Both blocks are currently in their second exploration period.

In 2010, African Petroleum completed the acquisition and interpretation of 5,100 sq km of 3D seismic survey over Blocks LB-08 and LB-09. Reprocessed 3D seismic data will be delivered in August 2013.

Three wells have been drilled on Block LB-09 since 2011, with Apalis-1 being the first well to be drilled and completed in September 2011. Apalis-1 encountered oil shows in several geological units including the shallower (Tertiary) and deeper (Cretaceous) and petrophysical analysis indicated the presence of hydrocarbons and source rock intervals.

The Company spudded Narina-1, its second well on Block LB-09 in January 2012.

In February 2012, African Petroleum announced a significant oil discovery at Narina-1. The well encountered 21 metres of net oil pay in the Turonian (38 degree API) and 11 metres of net oil pay in the Albian (44 degree API) with no oil water contacts. This discovery built further confidence in a working petroleum system within the Liberian Blocks.

The Narina discovery confirmed the prospectivity of the “Narina-Bee Eater fan system” which extends over a large area. The Bee Eater-1 well was planned to further explore this system, drilling within the fan feeder system. The Company spudded its third well, Bee Eater-1 in January 2013. In February 2013, the Company announced a discovery at Bee Eater-1. Oil bearing Turonian sandstone was found, but reservoir permeabilities over the hydrocarbon bearing section of the well were lower than anticipated, possibly due to the well position within a feeder ‘by-pass’ zone. Bee Eater-1 was additionally designed to target the potential of two deeper prospective zones in the Cenomanian and Albian. Oil bearing sandstone was encountered in both zones, and no oil water contacts or water bearing sands were found, permeabilities were again low. No oil samples or pressure information was recovered due to low permeability.

Post-drill studies to integrate results from the Bee Eater-1 well are almost complete. Remapping of the 3D seismic data is being finalised for the Campanian interval. Additional prospectivity has been identified in the Turonian interval, post Bee Eater-1. This prospect is included in the June 2013 ERC Equipose Competent Persons Report (“CPR”) and is called ‘Night Heron’. The reprocessed CCGV data will be utilised to further refine the risk and volumetric assessment of identified leads and prospects. Several attractive prospects have been matured in LB-08 as drilling candidates for the first half of 2014, while farm-out discussions are on-going with several companies. Drilling is anticipated in neighbouring LB-10, operated by Anadarko Petroleum Corporation at the end of 2013 or early 2014.

Côte d'Ivoire Project: Blocks CI-509 & CI-513

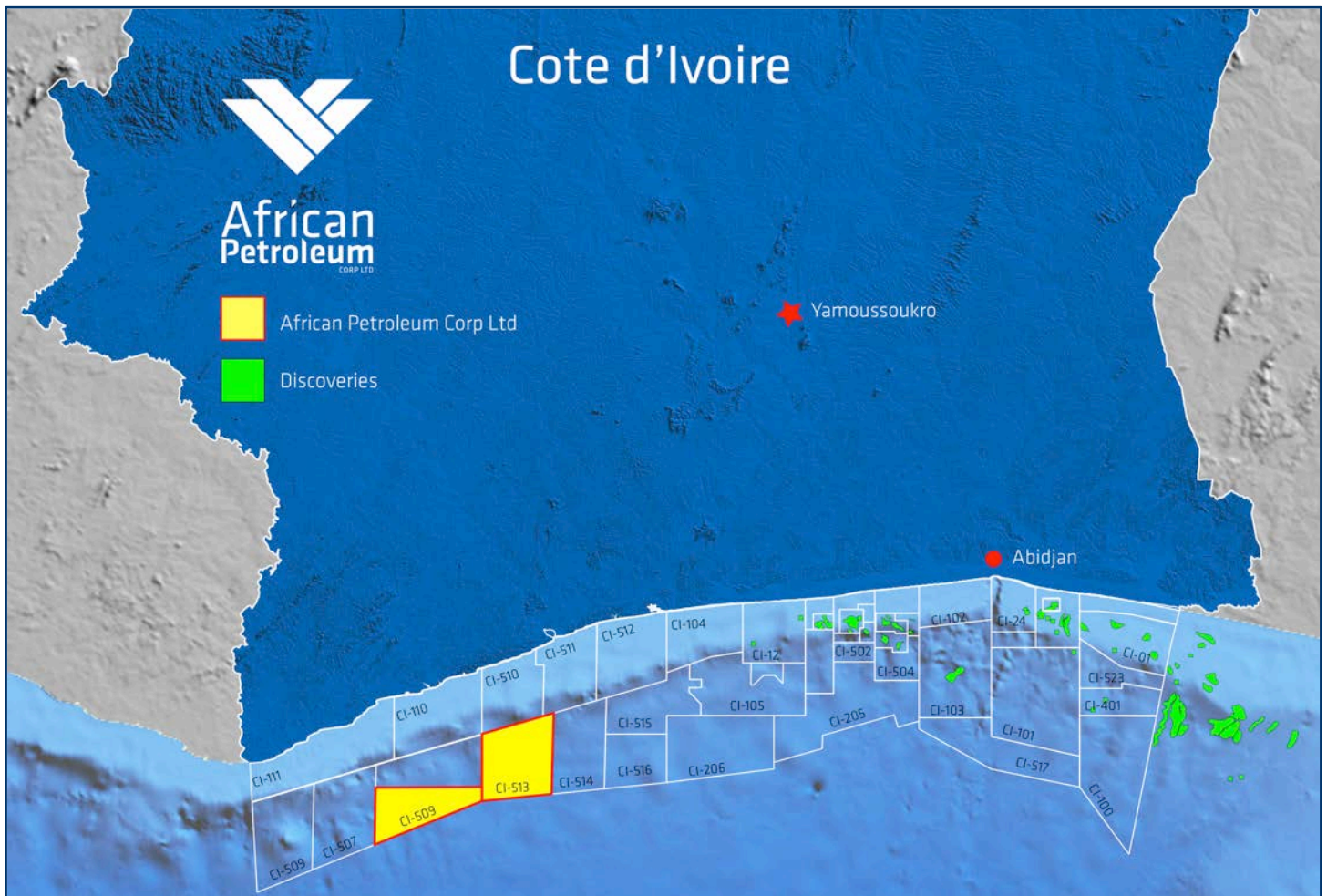


Figure 3: Location of the Côte d'Ivoire Licence Blocks CI-509 and CI-513, offshore Côte d'Ivoire

African Petroleum Côte D'Ivoire Limited holds a 90 per cent interest in two exploration Blocks offshore western Côte d'Ivoire, CI-509 and CI-513. The remaining 10 per cent carried interest is held by the national oil company of Côte d'Ivoire, Petroci. Block CI-509 covers 1,091 sq km and Block CI-513 covers 1,440 sq km, with a combined surface area of 2,531 sq km. Both Blocks are currently in their first exploration period.

African Petroleum acquired a 4,200 sq km proprietary 3D seismic survey over Blocks CI-513, CI-509 and neighbouring Block CI-508 between April and October 2012, using the "BGP Prospector". The fast-track 3D seismic data was received in November 2012 and final 3D seismic processing for the entire survey was completed in June 2013. The acquisition and processing of the 3D seismic data over Block CI-508 is being completed on behalf of Vitol E&P and co-ventures, subject to a cost sharing agreement

The 3D seismic data shows encouraging submarine fan leads and prospects over Blocks CI-513 and CI-509 and has confirmed the presence of major turbidite fan systems. Final angle-stacks have been received for both CI-513 (May 2013) and CI-509 (June 2013) allowing for prospects to be matured further. The ERC Equipoise CPR includes volumes and risks for five prospects. The Company currently plans to drill one well on each Block, 'Ayame' in CI-513 and 'Leraba' in CI-509, during the second half of 2014.

Gambian Project: Blocks A1 and A4

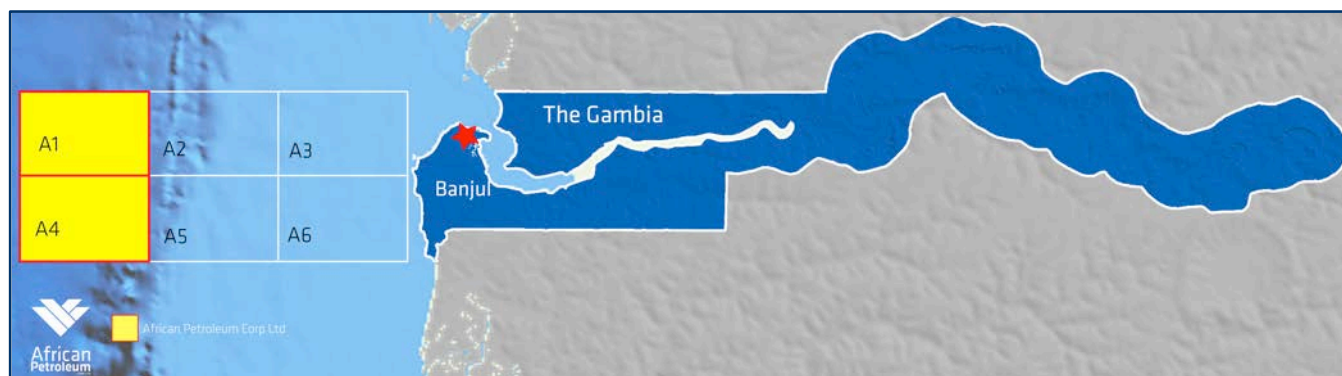


Figure 5: Location of the Gambian Licence Blocks, offshore The Gambia

African Petroleum holds a 60 per cent operating interest over Blocks A1 and A4, covering a combined total area of 2,668 sq km, offshore The Gambia. The remaining 40 per cent interest is held by Buried Hill Gambia B.V., via a farm-in agreement signed in August 2010. Both Blocks are currently in their first exploration period.

The Company completed the acquisition of 2,500 sq km of 3D seismic data over Blocks A1 and A4 in December 2010. The processed 3D seismic data was received in June 2011 which has enabled identification of exploration prospects and leads, in five different play types. The four-way dip closed Alhamdulillah structure has been confirmed, which extends over an area of 24 sq km, with five mapped reservoirs and a gross thickness of 1,000 metres.

Following the acquisition of the 3D seismic data, detailed mapping of the Alhamdulillah prospect has been completed, targeting a series of stacked submarine fan complexes. A well location (AH-1) has been agreed and well planning is underway. The AH-1 location is in 2,300 metres of water. The planned maximum total depth for the well is 6,300 metres, though it may be less than this in the event that the primary reservoirs are wet. The Company is seeking an extension on the licence to allow the AH-1 well to be drilled at the end of 2014.

Other play types in Blocks A1 and A4 include stratigraphically-trapped fans and slope channel complexes of Albian-Cenomanian age, Upper Jurassic and lower Cretaceous karstified platform limestones and possible reef build-ups, and overlying shallow water clastic reservoirs. The M closure is being matured as a prospect to the East of Alhamdulillah and gives a potential alternative to AH-1 at lower cost. Volumetric estimates for this prospect are modest as only one potential reservoir zone has been evaluated. Further technical evaluation of carbonate margin prospects is underway. The Company sees increasing interest in the carbonate/clastic play as drilling activity commences in Morocco in this same playtype. Success there will heighten interest in the southern play extension.

Senegal Project: Rufisque Offshore Profond and Senegal Offshore Sud Profond



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

African Petroleum Senegal Limited holds a 90 per cent operating interest in exploration blocks Rufisque Offshore Profond (“ROP”) and Senegal Offshore Sud Profond (“SOSP”), the remaining 10 per cent carried interest being held by Petrosen, the national oil company of Senegal. The Blocks are located offshore southern and central Senegal, and cover a combined surface area of 18,277 sq km. Both Blocks were awarded in October 2011 and are currently in the first exploration period.

African Petroleum has licensed over 10,000 km of 2D seismic data over both of the Senegal Blocks to compile an extensive regional database. In May 2012, Dolphin Geophysical Limited completed a 3,600 sq km 3D seismic data acquisition over the SOSP Block. Fast-track 3D seismic data was received in July 2012, and initial prospects and leads have been identified. Interpretation of 1,500 sq km of 3D data over the ROP Block received in February 2013 is ongoing. The entire trend is being evaluated from ROP in the North to SOSP in the South. Cairn Energy PLC and FAR Limited are planning to drill two wells in 2014 in the Sangomar Block. Results from these wells will have an impact on the play risk in African Petroleum’s Blocks. A PSDM is required to fully evaluate the carbonate margin prospectivity, but deepwater fan systems are well defined on the high quality 3D seismic data.

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

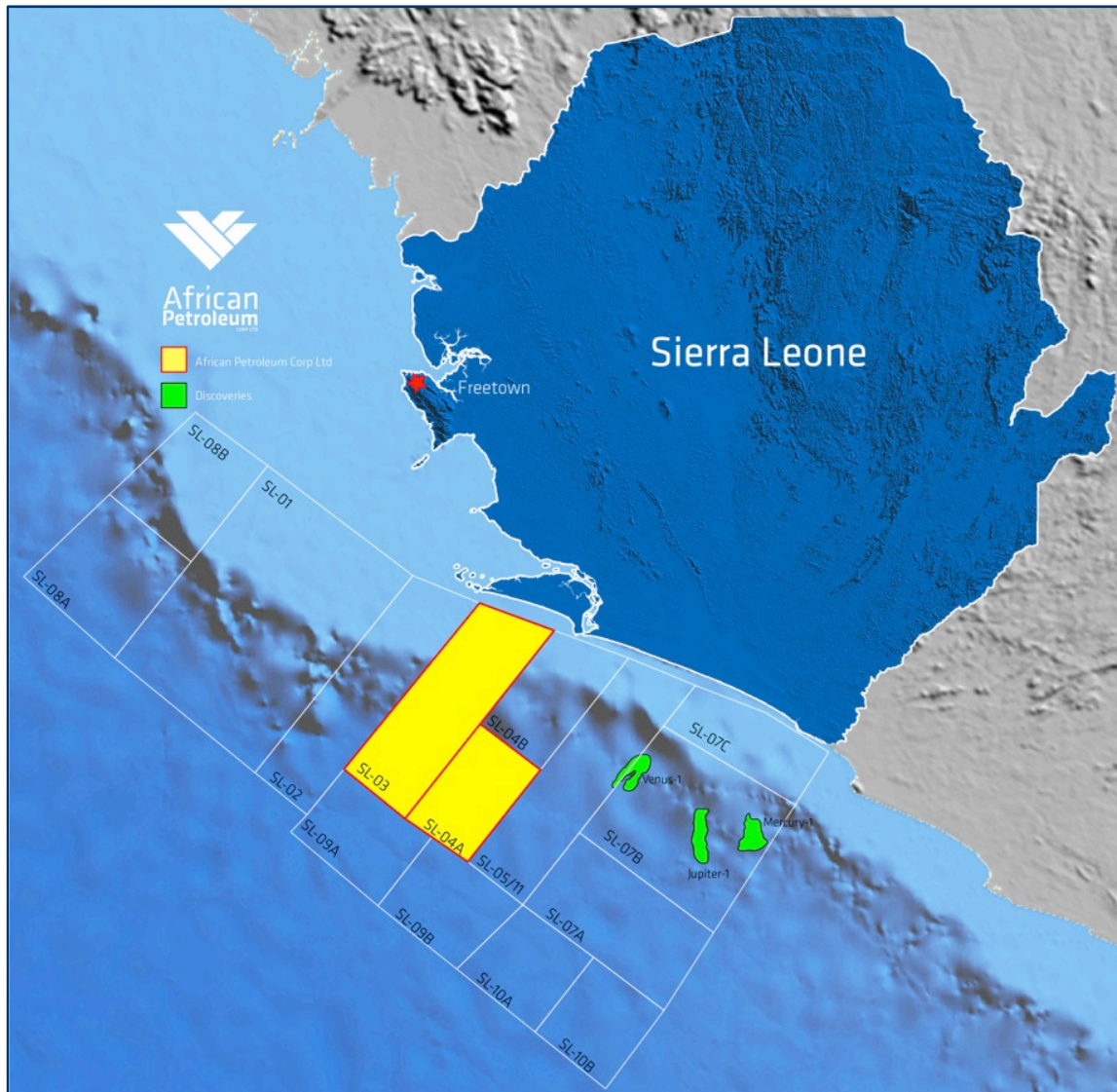


Figure 4. Location of the Sierra Leone Licence Blocks SL-03 and SL 4A-10, offshore Sierra Leone

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

The Company was awarded Block SL-03 which covers 3,860 sq km, in February 2011. The acquisition of an extensive 3D seismic survey covering approximately 2,500 sq km was completed by TGS-Nopec in September 2011 and a fast-track volume was received in January 2012. The Company has completed an initial prospectivity assessment on the fast-track volume and have identified Turonian to Campanian-aged prospective channel systems, located 70-100 km west of the Jupiter, Mercury and Venus discoveries. Of these the 'Altair' prospect has undergone technical maturation for the June 2013 ERC Equipose CPR. Further mapping of Turonian and Santonian geobodies up into shallower water has also been carried out. A key offset well is planned for SL-05, operated by Lukoil OAO.

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

CORPORATE

Farm-out Process:

African Petroleum initiated a farm-out process in February 2013 after discussions with targeted companies that had expressed an interest in the Company's portfolio. Significant progress on prospect maturation has been made and the Company is hopeful that it will be able to farm down part of its high equity positions during the remainder of 2013.

A large number of companies have visited the Company's data room and discussions are on-going with those actively evaluating the portfolio.

Quarterly Report

Name of entity

African Petroleum Corporation Limited

ABN

87 125 419 730

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

	Current quarter \$US'000	Year to date (6 months) \$US'000
Cash flows related to operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(3,698)	(7,536)
(b) advertising and marketing	(251)	(310)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(2,692)	(4,374)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	38	127
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) exploration & evaluation	(12,174)	(75,522)
(b) business development	(95)	(186)
(c) project related travel	(413)	(1,046)
Net operating cash flows	(19,285)	(88,847)

	Current quarter \$US'000	Year to date (6 months) \$US'000
1.8 Net operating cash flows (carried forward)	(19,285)	(88,847)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(30)	(30)
(d) physical non-current assets	-	(296)
(e) other non-current assets	(1,235)	(1,235)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(13)
1.12 Loans repaid by other entities	10	206
1.13 Other (provide details if material)		
(a) cash backing security provided	-	-
(b) cash backing security returned	10,169	49,677
Net investing cash flows	8,914	48,309
1.14 Total operating and investing cash flows	(10,371)	(40,538)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(10,371)	(40,538)
1.21 Cash at beginning of quarter/year to date	22,418	52,599
1.22 Exchange rate adjustments	193	179
1.23 Cash at end of quarter	12,240	12,240

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$US'000
1.24	Aggregate amount of payments to the parties included in item 1.2	642
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

US\$642,071 (net of GST) has been paid to directors during the quarter for the provision of services as directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
4.1 Cash on hand and at bank	12,240	22,418
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	12,240	22,418

NOTE: As at the end of the current quarter, the Company has provided US\$22.5m of cash backing security in relation to the Company's exploration programs that will be released on achievement of certain drilling milestones.

Acquisitions and disposals of business entities

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

Compliance statement

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

Print name: Claire Tolcon

Date: 31 July 2013

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** NSX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.