

29 July 2011
NSX Announcement

Quarterly Reports

Please find attached the following reports relating to the quarter ended 30 June 2011:

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

Yours faithfully
African Petroleum Corporation Limited

Tony Sage
Non-Executive Deputy Chairman

For further information, please contact:

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28 July 2011

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

Dear Sir

QUARTERLY DISCLOSURE DECLARATION

In accordance with the listing conditions imposed by the National Stock Exchange of Australia (**NSX**) on African Petroleum Corporation Limited (**Company**), on behalf of the Board of the 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

Two handwritten signatures in black ink. The first signature is on the left, and the second is on the right, overlapping the first.

Frank Timis
Non-Executive Chairman

Antony Sage
Chairman: Continuous Disclosure Committee

A handwritten signature in blue ink, reading 'Karl Thompson'.

Karl Thompson
Chief Executive Officer

29 July 2011

HIGHLIGHTS

CORPORATE

- Approximately US\$302 million cash at bank at 30 June 2011.
- In addition, approximately US\$37 million held in escrow accounts at 30 June 2011 as security for seismic data acquisition and the Maersk drilling contract.
- Completed fully subscribed share placement raising a total of A\$250 million at A\$1.00 per share. Total issued share capital post placement is 1,597,002,749 shares.
- Annual General Meeting held on 27 May 2011 – all resolutions passed.
- 273,214,564 shares released from escrow on 30 June 2011.

OPERATIONS

- Maersk Deliverer Rig scheduled to arrive at the Liberian Project in early August. The Company plans to drill its first well (“Apalis-1”) in Block LB-09 in 992m of water depth, to a planned total depth of 2,800m below the sea bed.
- TGS-NOPEC contracted to acquire 2,500 sq km of 3D seismic data offshore Sierra Leone Block SL-03, scheduled to commence early August.
- New business opportunities being reviewed offshore West Africa.

CORPORATE

A\$250 MILLION RAISING

On 13 April 2011, African Petroleum Corporation Limited (NSX: AOQ) (**African Petroleum** or the **Company**) received firm commitments from institutions and sophisticated investors to raise a total of A\$250 million (before costs) by way of a placement of 250,000,000 fully paid ordinary shares (**Share**) at A\$1.00 per Share (**Placement**).

The Placement took place in two tranches, with 193,000,000 Shares issued within the Company's annual 15% capacity and 57,000,000 Shares issued following shareholder approval at the Company's annual general meeting on 27 May 2011.

Following completion of the Placement, African Petroleum has 1,597,002,749 Shares on issue and a market capitalisation of approximately US\$1.35 billion as of 26 July 2011.

The Company intends to use the funds raised from the Placement:

- (a) to drill up to 4 additional wells;
- (b) to acquire further acreage offshore West Africa;
- (c) to undertake additional 3D seismic, initially focusing on Block SL-03 offshore Sierra Leone; and
- (d) for additional working capital.

ANNUAL GENERAL MEETING

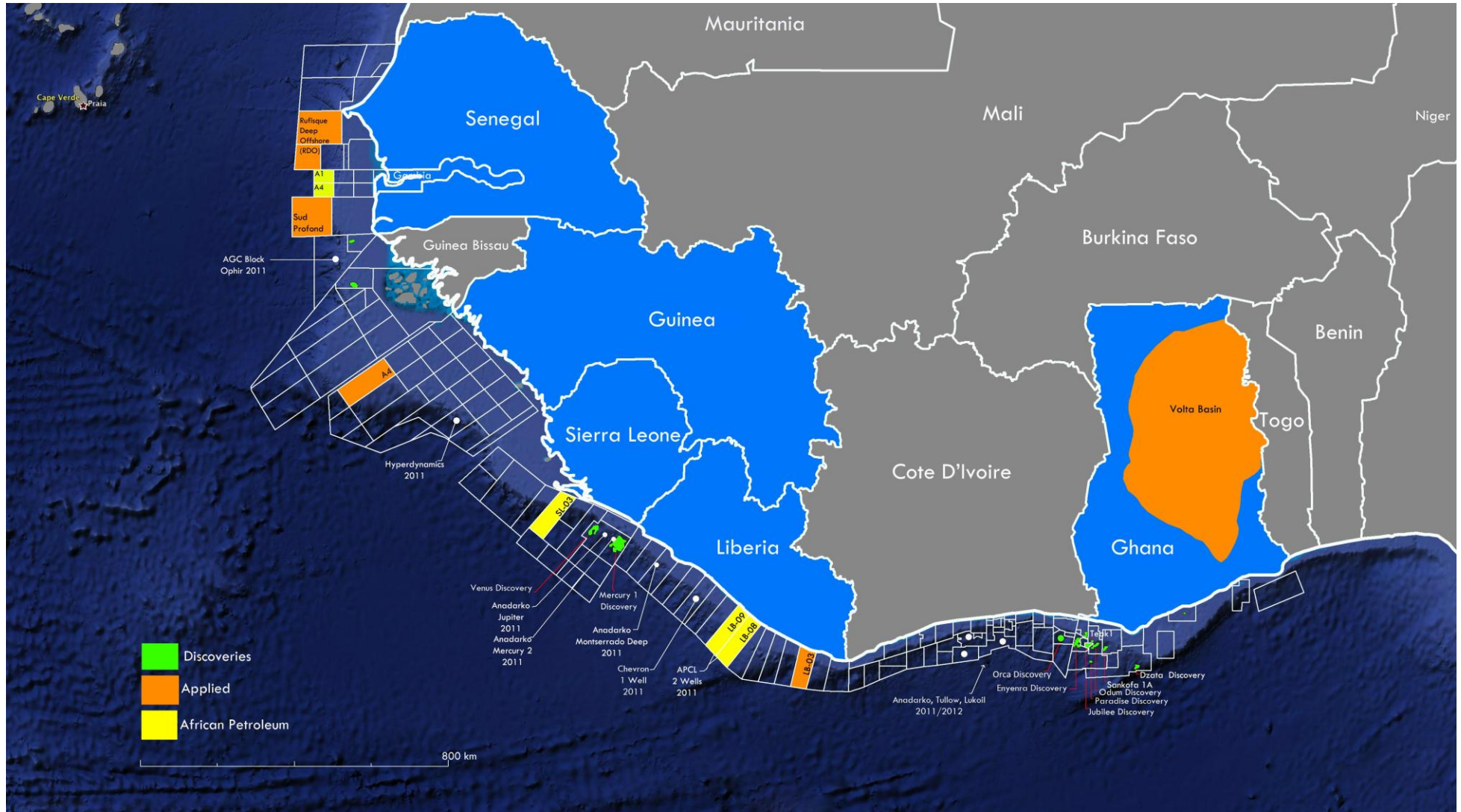
The Annual General Meeting of the Company was held on 27 May 2011 and all resolutions that were put to the shareholders were passed by a show of hands.

RELEASE OF ESCROWED SHARES

Pursuant to the rules of the National Stock Exchange of Australia (**NSX**), the vendors of African Petroleum Corporation (Cayman Islands) who sold their shares to the Company in return for Shares, were subject to restriction agreements, escrowing their Shares for a period of 12 months from the date of listing of the Company on NSX. On 30 June 2011, 273,214,564 Shares were released from escrow, and are now freely tradable. A further 633,035,487 Shares remain subject to escrow until 30 June 2012.

OPERATIONS

Figure 1: Location of African Petroleum’s license blocks and applications, and regional discoveries



Liberian Project: Blocks LB-08 and LB-09

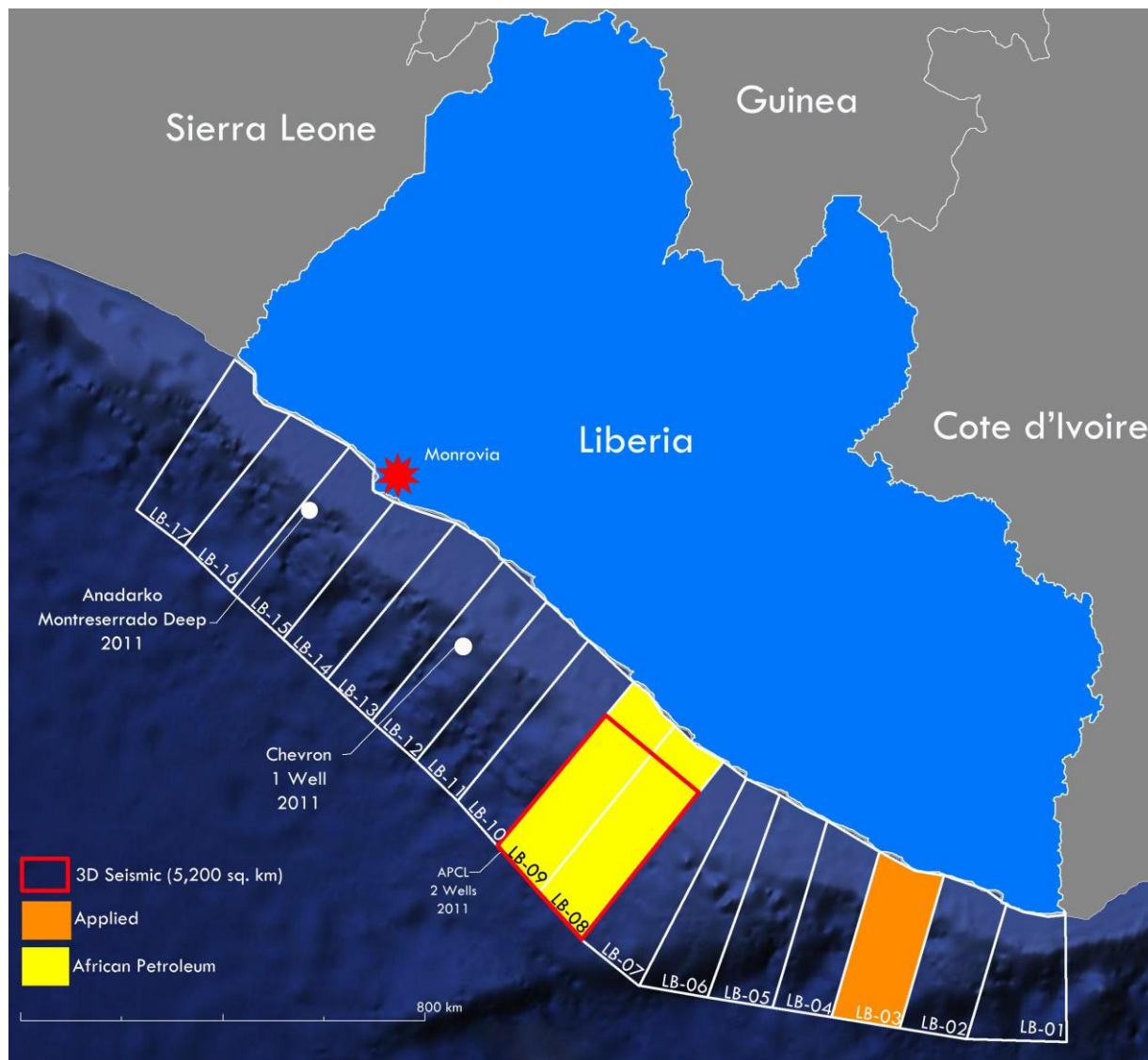


Figure 2: Location of Liberian Project and nearby oil discoveries

The Company holds a 100% interest in Blocks LB-08 and LB-09 offshore Liberia. Blocks LB-08 and LB-09 are located to the south east of recent Anadarko discoveries Mercury and Venus Discoveries in Sierra Leone (see Figure 1 and Figure 2).

Major discoveries in Ghana (Jubilee, Tweneboa, Odum, and Enyenra) in the deepwater Cretaceous submarine fans are along trend to African Petroleum's Liberia Project (see Figure 1). The Jubilee field complex of discoveries has a reported gross resource potential of 4 billion barrels recoverable (Tullow Capital Markets presentation, 2010). In Liberia, previous exploration drilling during the 1970's and 1980's included six wells with oil shows on the shallow water shelf area. To date, there have been no deepwater wells drilled in Liberia targeting the Cretaceous sands found in the Mercury, Venus and Jubilee discoveries. Up to five exploration wells are anticipated off-shore Liberia during 2011 to target this play – African Petroleum (2), Anadarko (1), Chevron (1/2).

African Petroleum has completed the acquisition and interpretation of 5,100 sq km of 3D seismic survey over Blocks LB-08 and LB-09. An extensive submarine fan system similar to those containing the Mercury, Venus and Jubilee discoveries has been identified on the 3D survey.

A detailed assessment of the Company’s prospective resources at Blocks LB-08 and LB-09 was carried out in April 2011 by specialist advisors ERC Equipose Limited (**ERCE**) to industry standard classification and reporting. ERCE is an industry leader in resource assessment with significant West African experience.

ERCE has independently evaluated 21 prospective reservoir layers in eight of the most technically progressed prospect clusters out of the identified prospects at Blocks LB-08 and LB-09. ERCE estimates the best (P50), unrisked recoverable resources at approximately 1.4 billion stock tank barrels (**stb**) with an upside potential (P10), unrisked resource of approximately 5.3 billion stb. Additionally, the mean unrisked resources are estimated at approximately 2.4 billion stb (refer Table 1).

Block	Low (MM stb)	Best (MM stb)	High (MM stb)	Mean (MM stb)
LB-08	64	263	1112	499
LB-09	299	1135	4155	1894
Total	363	1398	5267	2393

Table 1: Summary of Unrisked Prospective Recoverable Resources at Blocks LB-08 and LB-09¹

Note: Unrisked Prospective Resources sourced from ERCE’s Report. MM means millions.

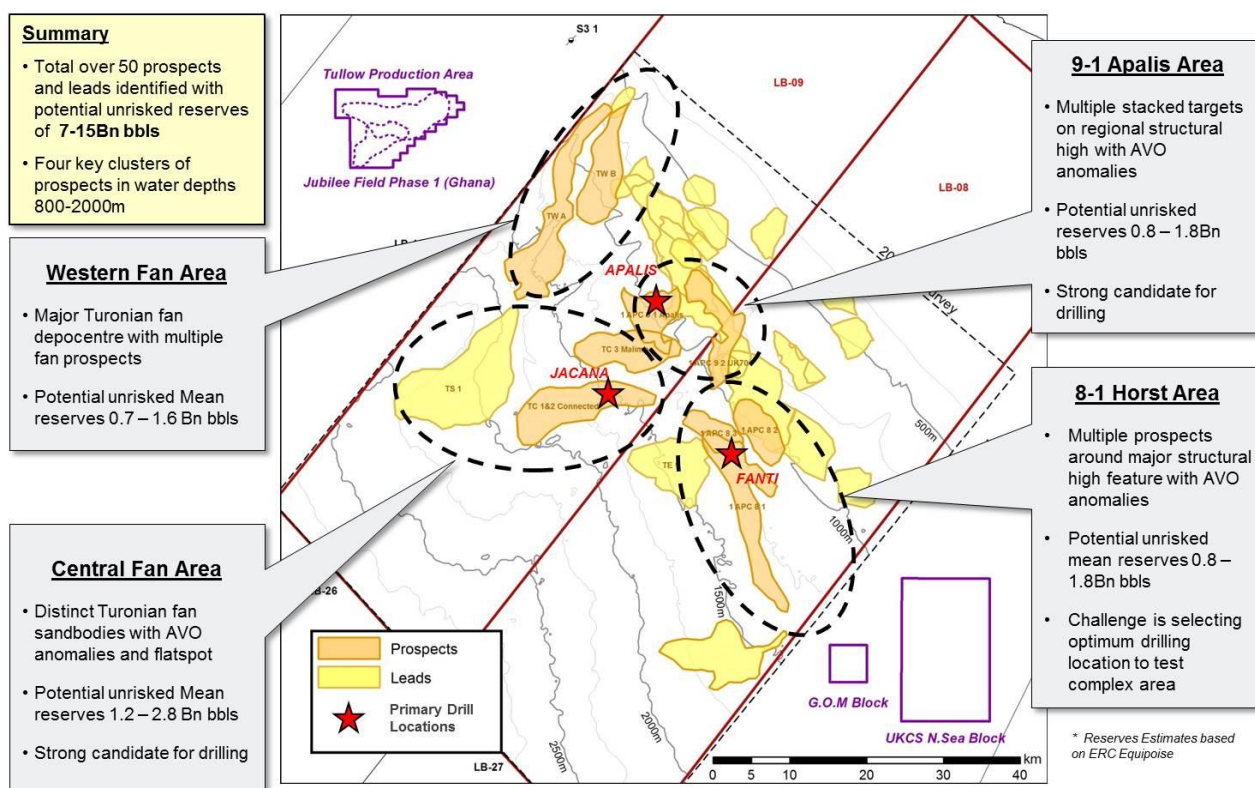


Figure 3: Liberia 08 & 09 prospect portfolio

¹ It should be noted that the potential resources are all seismic features which have not been penetrated by any wells. It should be clearly understood that the potential resources are undiscovered and the project is an exploration play. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, may not be economically viable or technically feasible to produce from any discovered resources.

The Company has contracted Maersk Drilling for a two well exploration drilling programme, with the option to test both wells. The two well programme will be completed using the ultra deepwater semi-submersible, Maersk Deliverer drilling rig. The Maersk Deliverer is the third in a series of three state-of-the-art newbuild ultra deepwater development semi-submersibles in Maersk Drilling’s fleet and is capable of drilling in water depths of up to 3,000 metres. Due to Maersk’s earlier contractual drilling commitments taking longer than initially planned, and assuming no slippage in its current drill usage programme, the Company expects to take delivery of the rig from Maersk in August 2011 to drill the first well (“Apalis-1”) at Block LB-09. Apalis-1 will be drilled in a water depth of 992m, to a planned total depth of 2800m below the sea bed.

The Apalis prospect is a structural trap with multiple potential reservoirs within closure at several levels. The well will target mean resources of 408MMbbls (unrisked). Several reservoir levels have amplitudes confirming structural closure, implying the potential presence of hydrocarbons. A prospect montage for Apalis is shown in Figure 4. The well will take 30-50 days to drill and if successful will be fully logged and tested.

9-1 Apalis Well Location

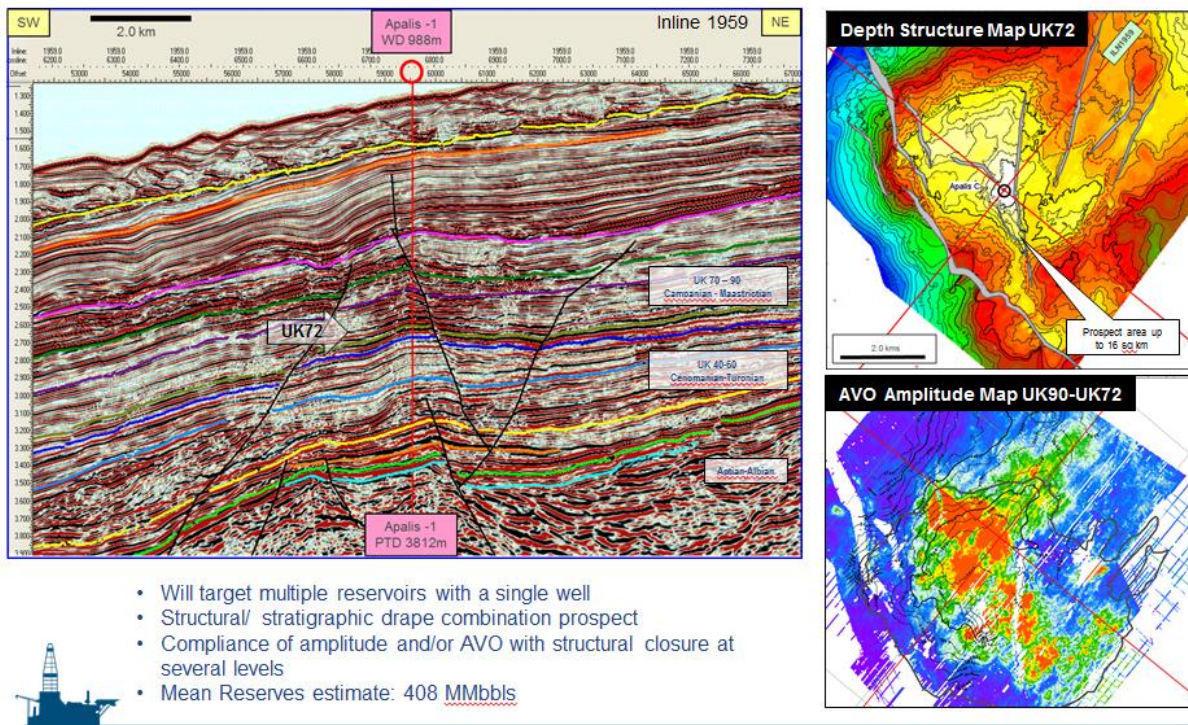
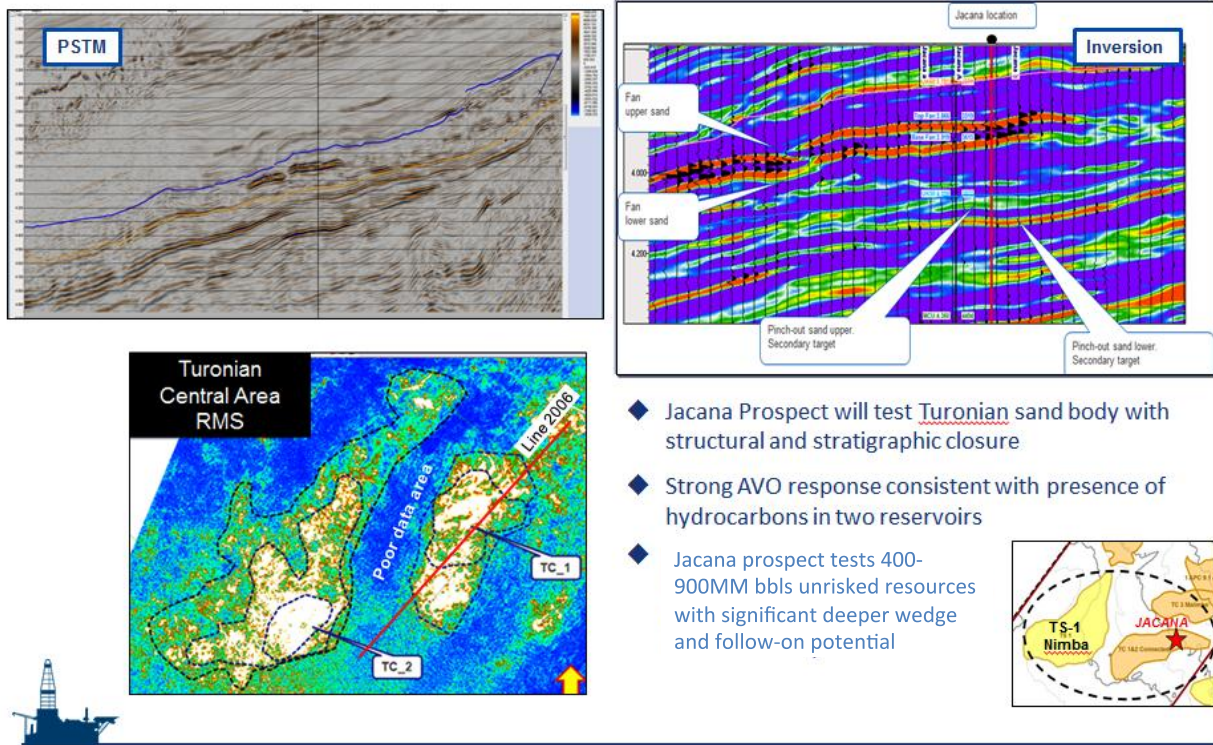


Figure 4: Apalis-1 well location and structure/amplitude maps

Following well Apalis-1, the Company is considering drilling the Jacana prospect. Jacana is a structural/stratigraphic prospect analogous to the nearby Mercury discovery in Sierra Leone. Jacana has excellent amplitude/AVO (Amplitude versus offset) characteristics, indicating the potential presence of hydrocarbons. A prospect montage for Jacana is shown in Figure 5.



TC-1 Jacana Turonian Prospect



- ◆ Jacana Prospect will test Turonian sand body with structural and stratigraphic closure
- ◆ Strong AVO response consistent with presence of hydrocarbons in two reservoirs
- ◆ Jacana prospect tests 400-900MM bbls unrisks resources with significant deeper wedge and follow-on potential

Figure 5: Jacana Well Prospect Montage

Elsewhere in Liberia, the Company has an active application with the Liberian Government for Block LB-03, following the 2010 International Licence Round. The Company is awaiting the awards under this Licence Round which is currently expected to be announced sometime in the next few months.

Gambian Project: Blocks A1 and A4

African Petroleum has a 60% operating interest in Blocks A1 and A4 offshore The Gambia (**Gambian Licence Blocks**), acquired via a farm-in agreement with Buried Hill Gambia BV. The Gambian Licence Blocks cover a combined total area of 2,668 sq km.

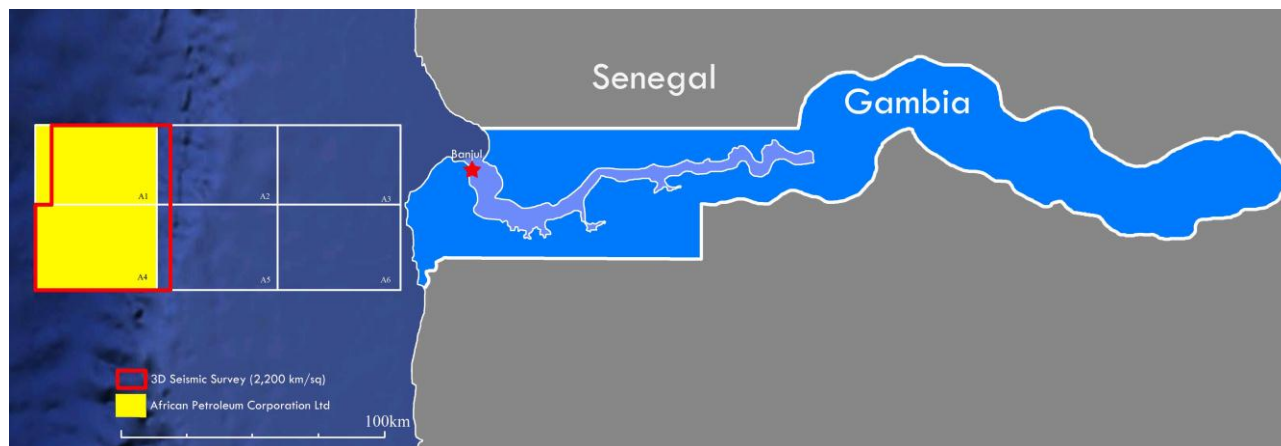


Figure 6: Location of the Gambian Licence Blocks, offshore The Gambia

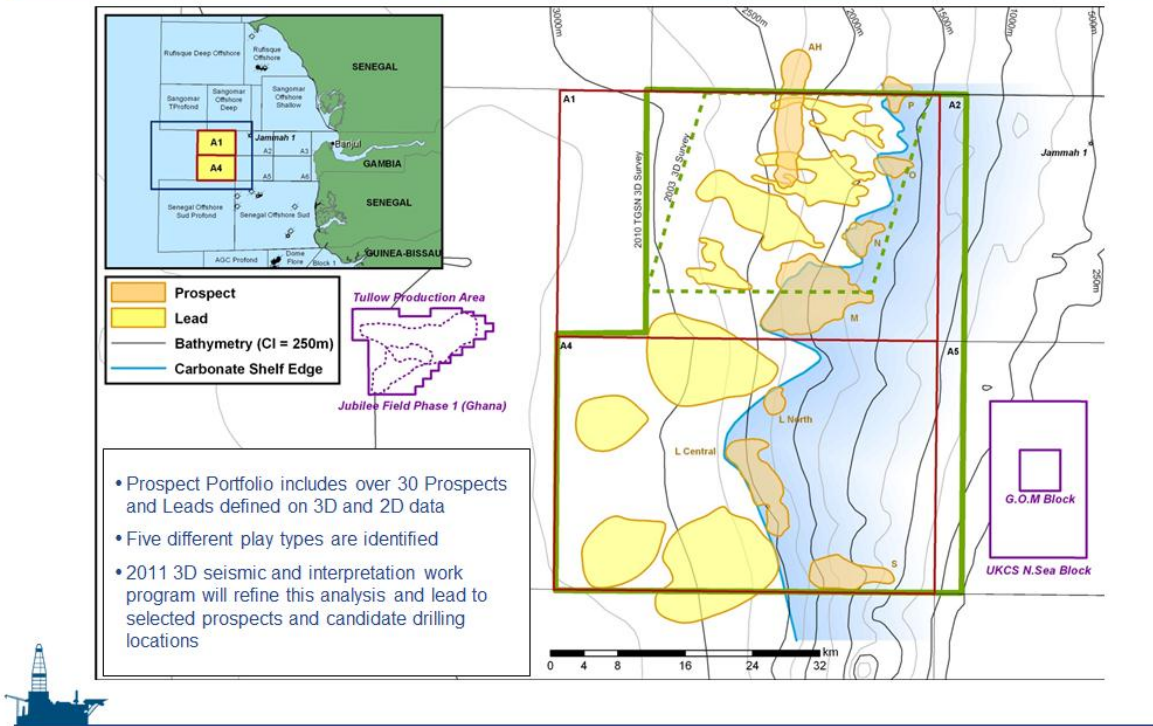
The Company completed the acquisition of 2,500 sq km of 3D data in relation to the Gambian Licence Blocks in December 2010 (area shown in red box on Figure 6). Processed 3D seismic data was received in June 2011 and interpretation is currently underway.

More than 30 exploration prospects and leads have been identified on the Gambian Licence Blocks from the previous Buried Hill 2D and 3D data, including five different play types (see Figure 7). The four way dip closed Alhamdulliah structure (Figure 8) has been identified, which extends over an area of 24 sq km with five mapped reservoirs and a gross thickness of 1,000m. There are potential mean recoverable resources of approximately 500 Million barrels (Source: ERC Equipose independent review of African Petroleum resource, April 2011). Other play types in the Gambian Licence Blocks include stratigraphically-trapped fans and slope channel complexes of Turonian-Campanian age, Upper Jurassic and lower Cretaceous karstified reef build-ups and four-way closures and eroded shelf clastics onlapping the shelf edge.

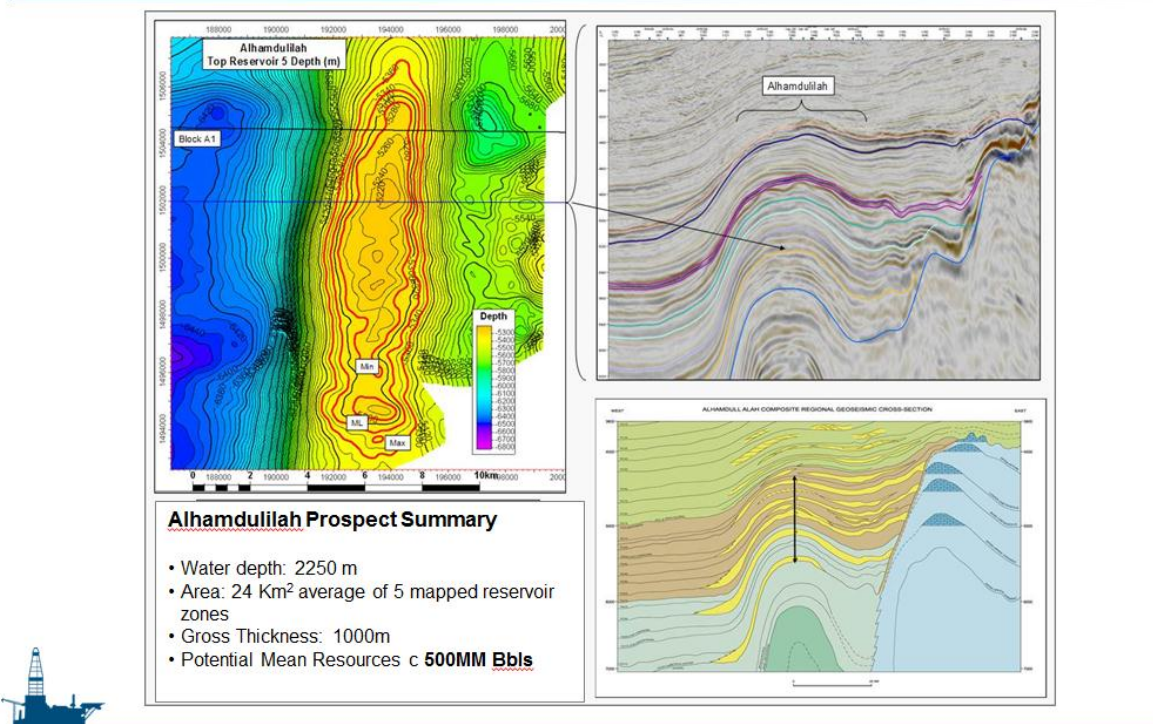
The 2011 3D seismic interpretation and prospect evaluation that is currently underway will refine this analysis and lead to selected prospects and candidate drilling locations. The Company hopes to be in a position to drill in Gambia in 2012.



Gambia Blocks A1 & A4 Prospects and Leads



Block A1: Alhamdulillah Prospect



Sierra Leone Project: Block SL-03

African Petroleum holds a 100% interest in Block SL-03 offshore Sierra Leone (**Sierra Leone Licence Block**). The Sierra Leone Licence Block is 3910 sq km in area, and is situated approximately 90-150 km to the north west of Anadarko's recent Mercury-1 and Venus-1 discoveries, (Figure 9).

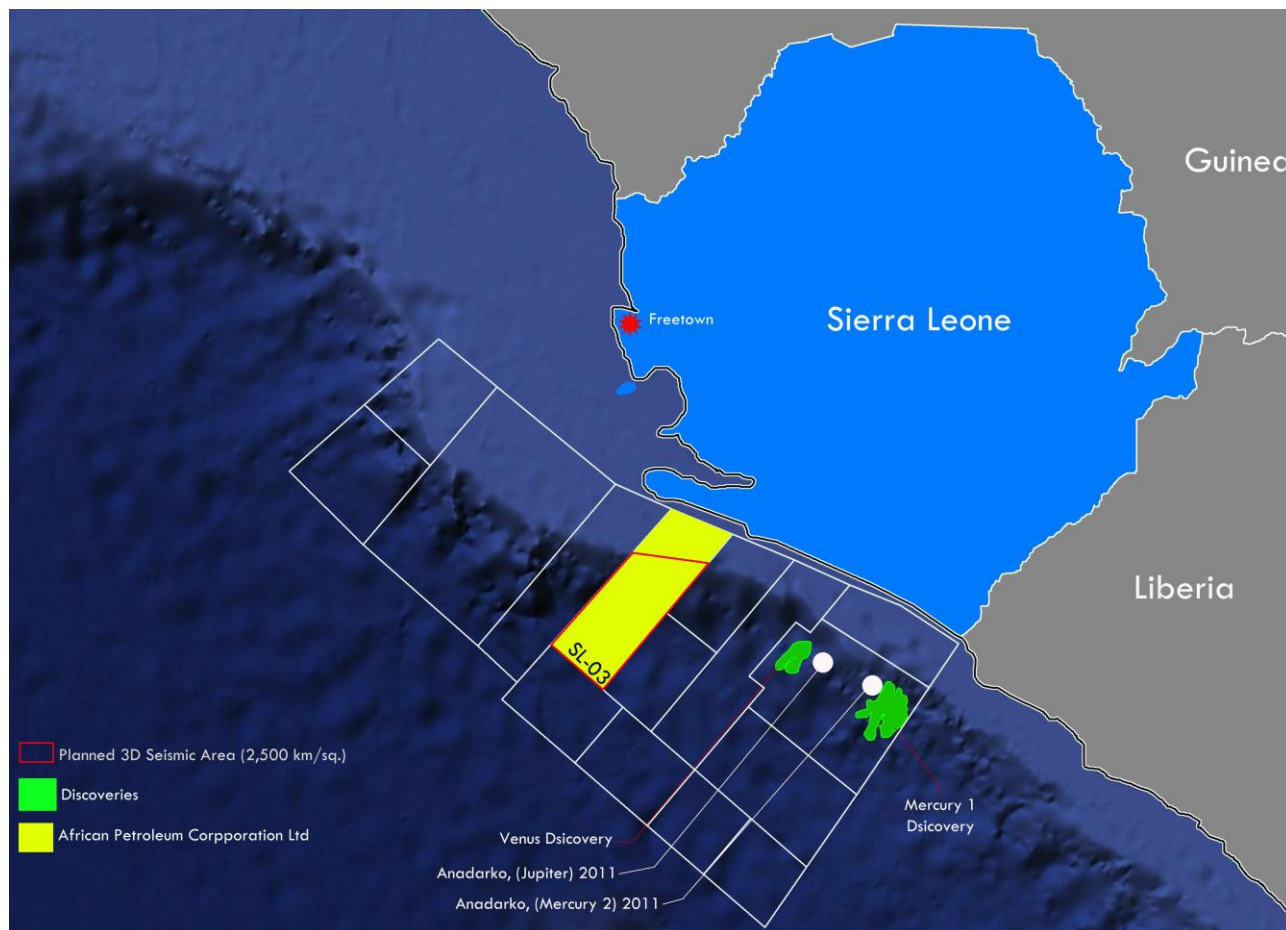


Figure 9. Location of the Sierra Leone Licence Block, offshore Sierra Leone

African Petroleum is actively exploring for the Cretaceous-age fan systems in SL-03 similar to those found to be hydrocarbon bearing in Venus and Mercury and has identified a number of promising Cretaceous fan leads on the 2D seismic data (Figures 10 and 11). The basin modelling indicates that Turonian to Mid Albian source rocks should be mature within and adjacent to the Sierra Leone Licence Block. An extensive 3D seismic survey covering 2,500 sq km will commence in late July 2011 for the Sierra Leone Licence Block to firm up potential exploration prospects. The survey will be carried out by TGS-NOPEC using the Fugro "Geo Caribbean" vessel, as was previously used by the Company in The Gambia.

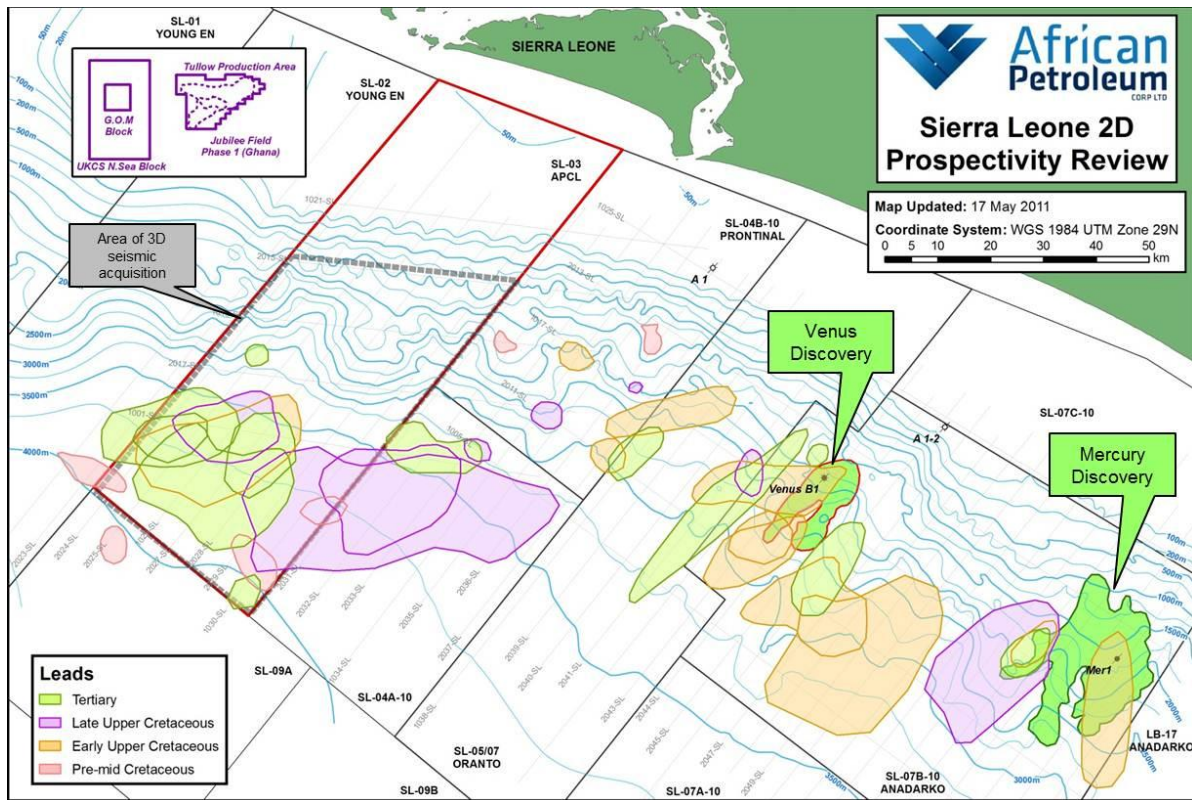
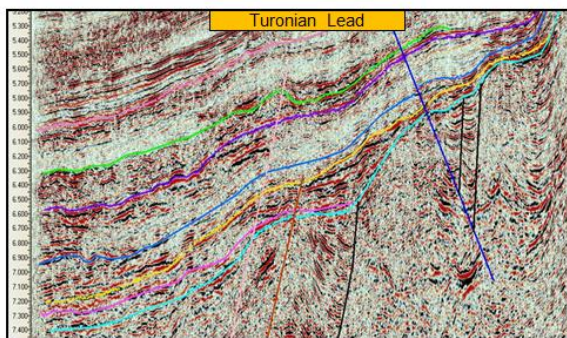
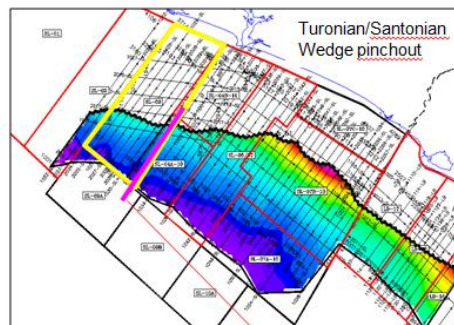
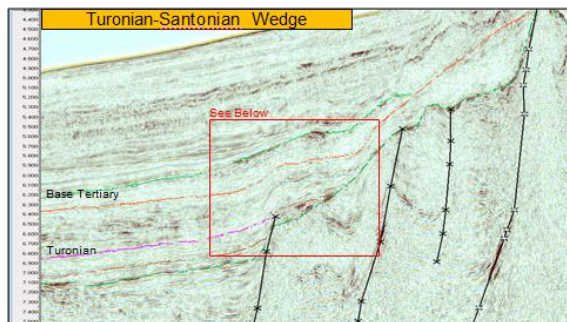


Figure 10: Prospects mapped from 2D data in Sierra Leone. Area of APCL 3D seismic acquisition in Block SL-03 shown

Block SL-03 Turonian Lead



- SL03 appears to be a highly prospective block , with potential at many levels.
- potential is seen at the top most Cretaceous/Tertiary, and through what could be a fan equivalent to a pinchout edge at the Venus/Mercury level.
- The basin modelling indicates that Turonian to Mid Albian source rocks should be mature adjacent to block 3

Figure 11: Prospect Montage for Block SL-03 Turonian Lead

NEW OPPORTUNITIES

Billion barrel oil fields have been discovered by Anadarko and Tullow in the Cretaceous submarine fans offshore West Africa, but it is believed that some of the largest Jubilee-type submarine fans remain undrilled. There are expectations for potential multi billion barrel oil fields in the largest fan systems in Sierra Leone and Liberia. African Petroleum is extending the search for the highest potential Cretaceous submarine fans offshore West Africa; the Company have applied for Block LB-03 offshore Liberia, Block A4 offshore Guinea and three Blocks offshore Senegal. The Company is actively reviewing major new oil provinces for potential discoveries and planning to expand its exploration acreage in order to position itself as the leading oil and gas exploration and development company in the West African region.

Quarterly Report

Name of entity

AFRICAN PETROLEUM CORPORATION LIMITED

ABN

87 125 419 730

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter US\$'000	Year to date (6 months) US\$'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(1,159)	(2,158)
(b) advertising and marketing	(53)	(71)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(2,332)	(4,272)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	499	568
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) Payments for exploration	(7,666)	(29,493)
(b) Payments for business development	(280)	(280)
(b) Payments for transaction related costs	(556)	(556)
(d) Payment for project related travel costs	(1,418)	(1,991)
Net operating cash flows	(12,965)	(38,253)

		Current quarter US\$'000	Year to date (6 months) US\$'000
1.8	Net operating cash flows (carried forward)	(12,965)	(38,253)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(567)	(3,739)
	(e) other non-current assets	(1,000)	(1,000)
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	(7,600)	(7,600)
1.12	Loans repaid by other entities	-	-
1.13	Other – cash backing security provided for bank guarantees	(127)	(127)
	Other – cash backing security provided for drilling operations	(35,936)	(35,936)
	Other – cash backing security provided for seismic data acquisition	(1,001)	(1,001)
	Net investing cash flows	(46,231)	(49,403)
1.14	Total operating and investing cash flows	(59,196)	(87,656)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc (net of capital raising costs)	259,641	259,641
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	259,641	259,641
	Net increase (decrease) in cash held	200,445	171,985
1.21	Cash at beginning of quarter/year to date	107,044	135,451
1.22	Exchange rate adjustments to item 1.21	99	152
1.23	Exchange rate adjustments impacting cash balances raised during the period	(5,673)	(5,673)
1.24	Cash at end of quarter	301,915	301,915

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	455
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\$454,548 (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	187,237	6,992
4.2	Deposits at call	114,678	100,052
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		301,915	107,044

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.

Sign here: Claire Tolcon
Company Secretary

Date: 29 July 2011

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.