

29 April 2011
NSX Announcement

Quarterly Reports

Please find attached the following reports relating to the quarter ended 31 March 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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African Petroleum Corporation Limited
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29 April 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

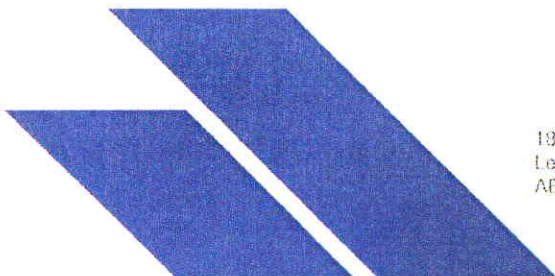
Handwritten signatures of Frank Timis and Antony Sage in blue ink.

Frank Timis
Non-Executive Chairman

Antony Sage
Chairman: Continuous Disclosure Committee

Handwritten signature of Karl Thompson in blue ink.

Karl Thompson
Chief Executive Officer



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29 April 2011

HIGHLIGHTS

CORPORATE

- Approximately U\$107 million cash at bank at 31 March 2011.
- Post quarter end, the Company announced a fully subscribed placement raising a total of A\$250 million at A\$1 per share (A\$57 million being subject to receipt of shareholder approval).
- New business opportunities being reviewed offshore West Africa.

OPERATIONS

- Maersk Deliverer Rig scheduled to arrive at the Liberian Project in June 2011.
- On March 2011, ERC Equipose's report on the Liberia Project was released estimating at total best (P50) unrisks resource of approximately 1.4 billion stock tank barrels with an upside potential (P10) unrisks resource of approximately 5.3 billion stock tank barrels.
- On 24 February 2011, the Company's award of block SL-03, offshore Sierra Leone was ratified by the Sierra Leone Parliament.

CORPORATE

On 13 April 2011, African Petroleum Corporation Limited (NSX: AOQ) (**African Petroleum** or the **Company**) received firm commitments to raise a total of A\$250 million (before costs) by way of a placement of 250,000,000 fully paid ordinary shares at A\$1 per share (**Placement**).

The Placement is due to take place in two tranches, with 193,000,000 shares being issued within the Company's annual 15% capacity on or about 21 April 2011 and 57,000,000 shares being issued upon receipt of shareholder approval, which will be sought at the Company's annual general meeting, scheduled to take place in May 2011.

Following completion of the Placement, African Petroleum will have 1,597,002,598 shares on issue and a market capitalisation of approximately A\$1.6 billion (based on the Placement issue price).

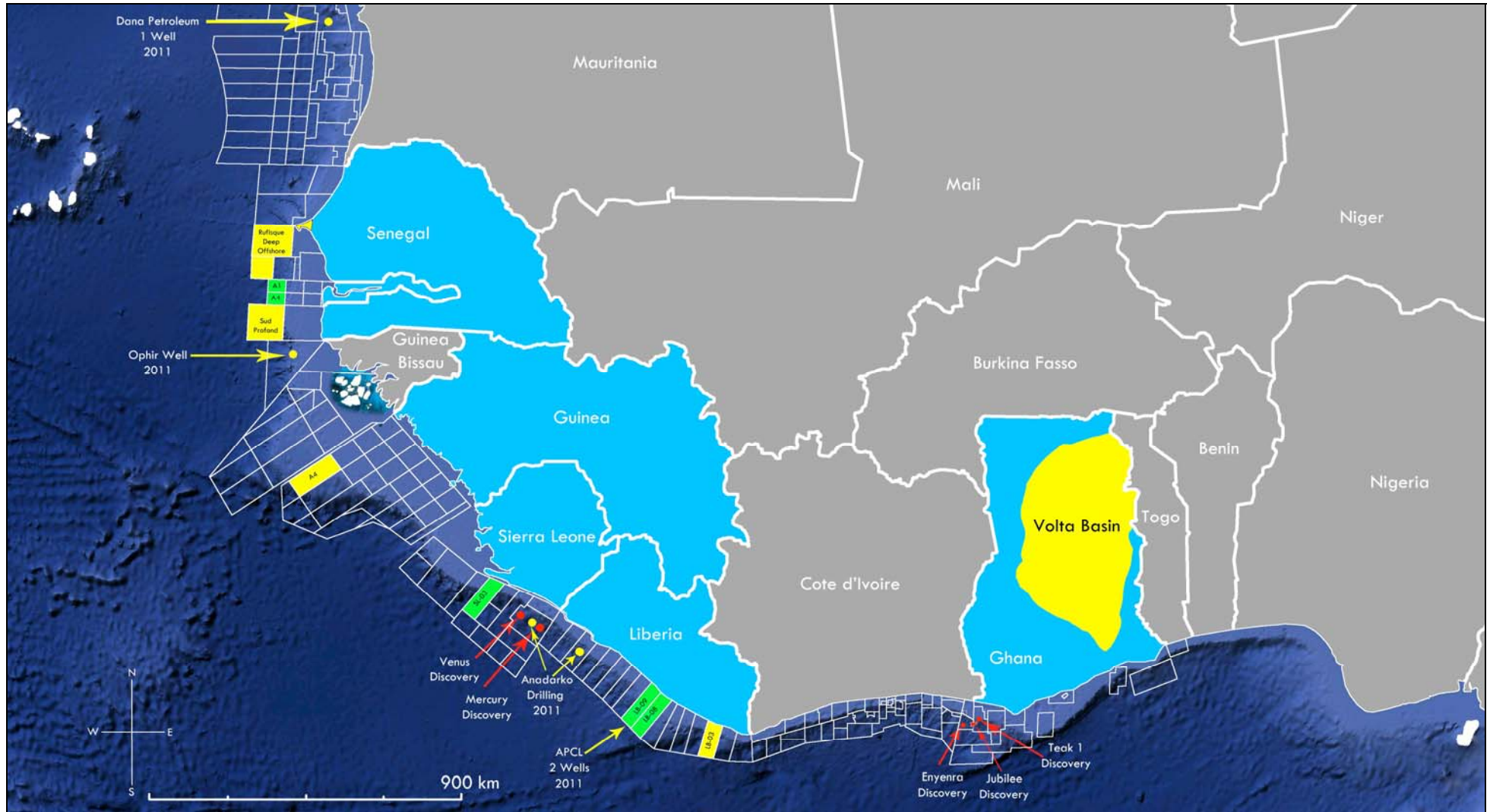
Dundee Securities Ltd and Mirabaud Securities LLP acted as Joint Bookrunners to the Placement and GMP Securities L.P. and Patersons Securities Ltd acted as Selling Agents.

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.

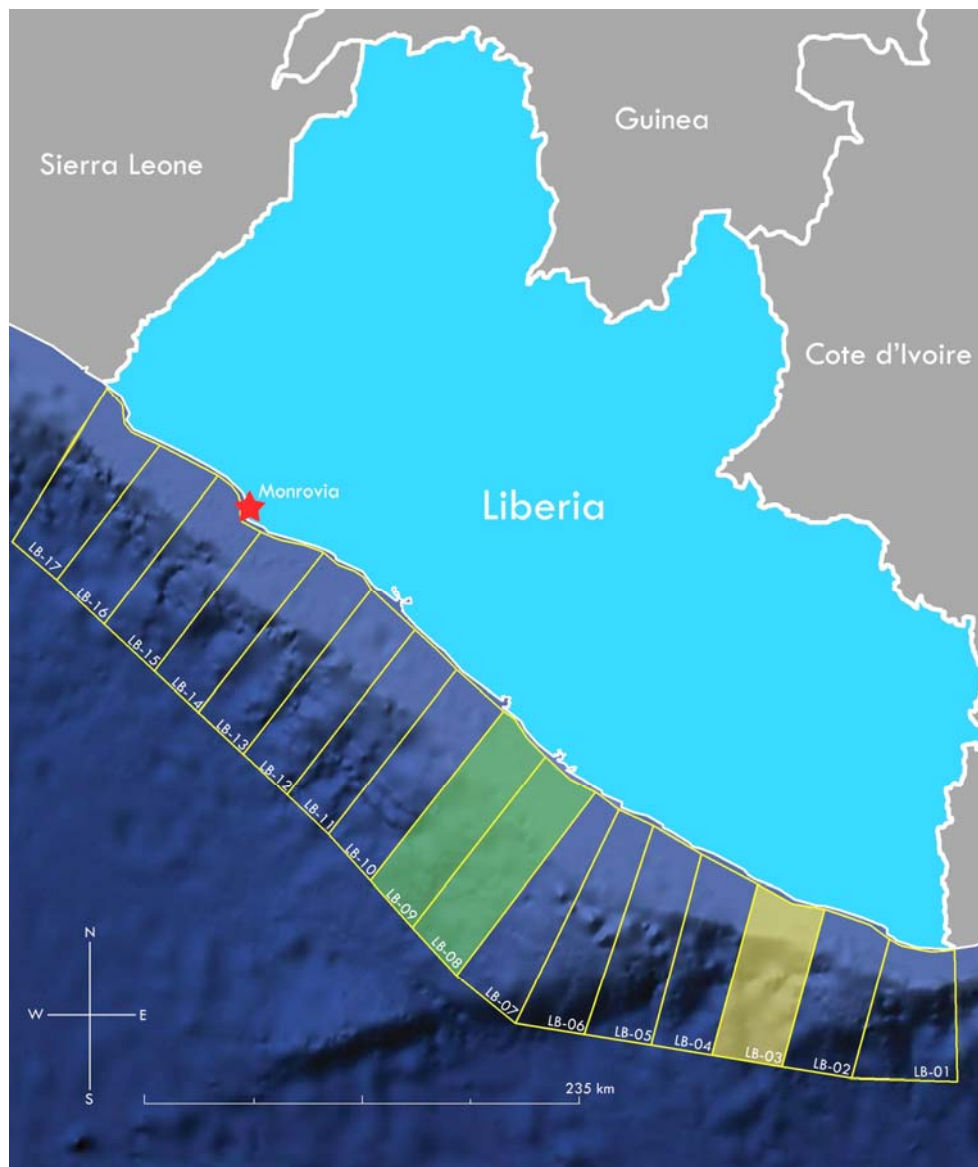
OPERATIONS

Figure 1: Location of African Petroleum's licence blocks and applications, and regional discoveries.



Liberian Project

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 offshore Liberia, with the Mercury and Venus discoveries in Sierra Leone, located to the north west and the Jubilee Field, to the south east offshore Ghana (refer Figure 1). The Jubilee Field has a reported resource potential of 3 billion barrels recoverable from the Cretaceous submarine fans in the deep water, offshore Ghana. 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 in Liberia targeting the Cretaceous sands found in the Mercury, Venus and Jubilee discoveries (refer Figure 1).

African Petroleum has completed the acquisition and interpretation of 5,100 sq km of 3D seismic survey over Blocks LB-08 and LB-09, which targeted the Cretaceous submarine fan system previously identified from the 2D seismic survey data. An extensive submarine fan system similar to those containing the Mercury, Venus and Jubilee discoveries has been identified on Blocks LB-08 and LB-09.

A detailed assessment of the Company's prospective resources at Blocks LB-08 and LB-09 was carried out 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), unrisks resources at approximately 1.4 billion stock tank barrels (**stb**) with an upside potential (P10), unrisks resource of approximately 5.3 billion stb. Additionally, the mean unrisks resources are estimated at approximately 2.4 billion stb (refer Table 1).

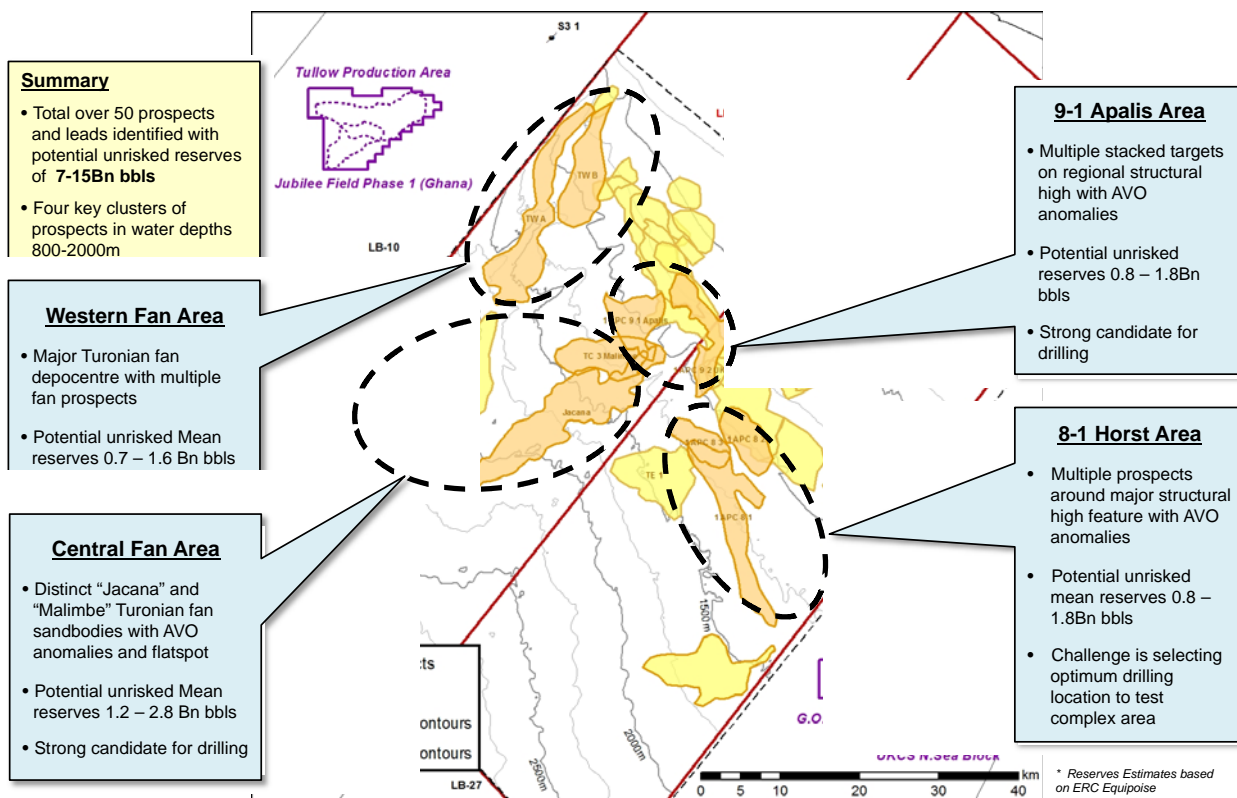
Table 1
Summary of Unrisks Prospective Resources at Blocks LB-08 and LB-09¹

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

Note: Unrisks Prospective Resources sourced from ERCE's Report.
MM means millions.

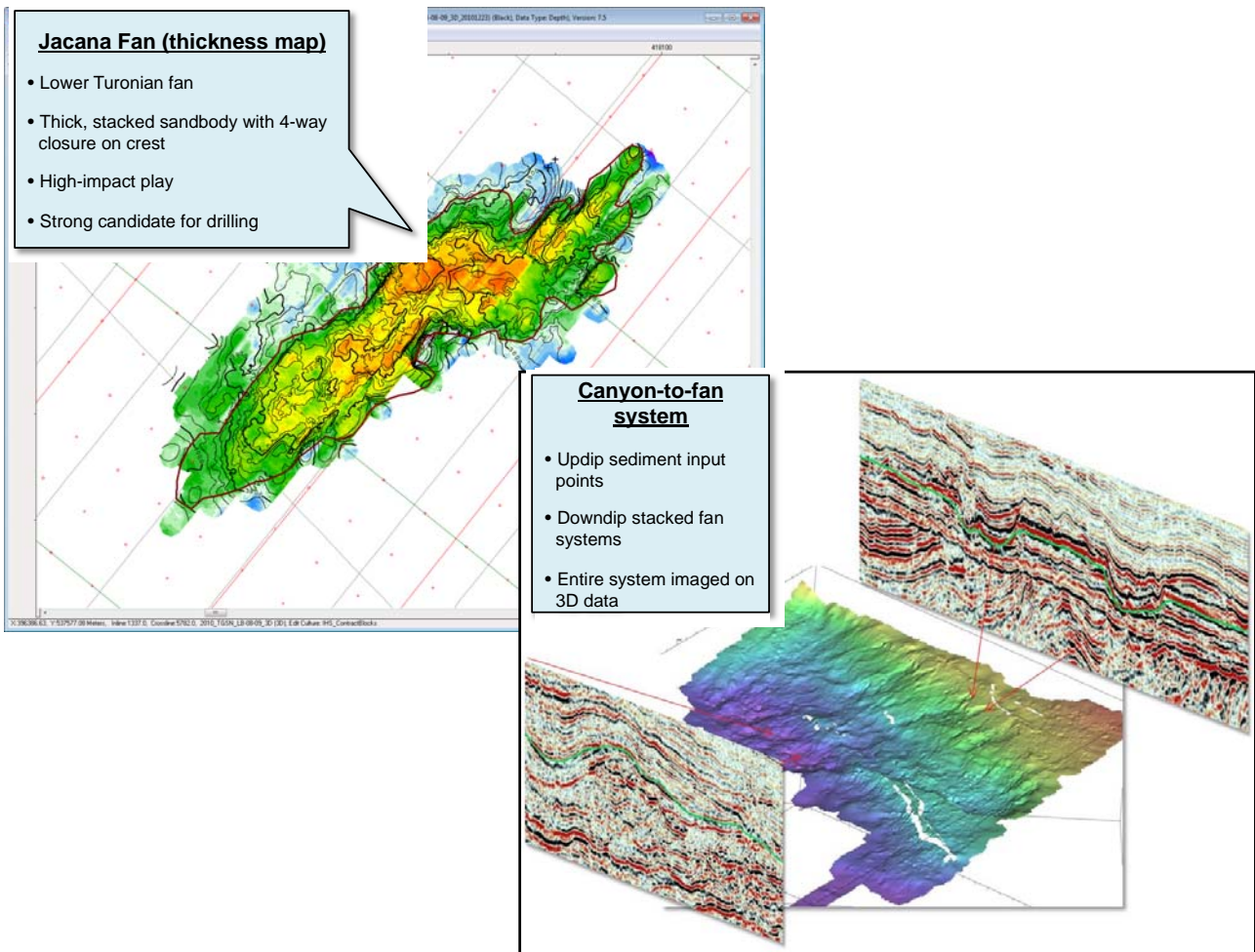
¹ It should be noted that the potential resources are all seismic features which have not been penetrated by any wells. It should be clearly understood that the potential resources are undiscovered and the project is an exploration play. There is no certainty that any portion of the undiscovered resources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

Figure 3: Liberia 08 & 09 prospect portfolio



The Company has contracted Maersk Drilling for a two well programme at Blocks LB-08 and LB-09, 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 June 2011 to drill the first well at block LB-09.

Figure 4: Jacana prospect analysis at block LB-09

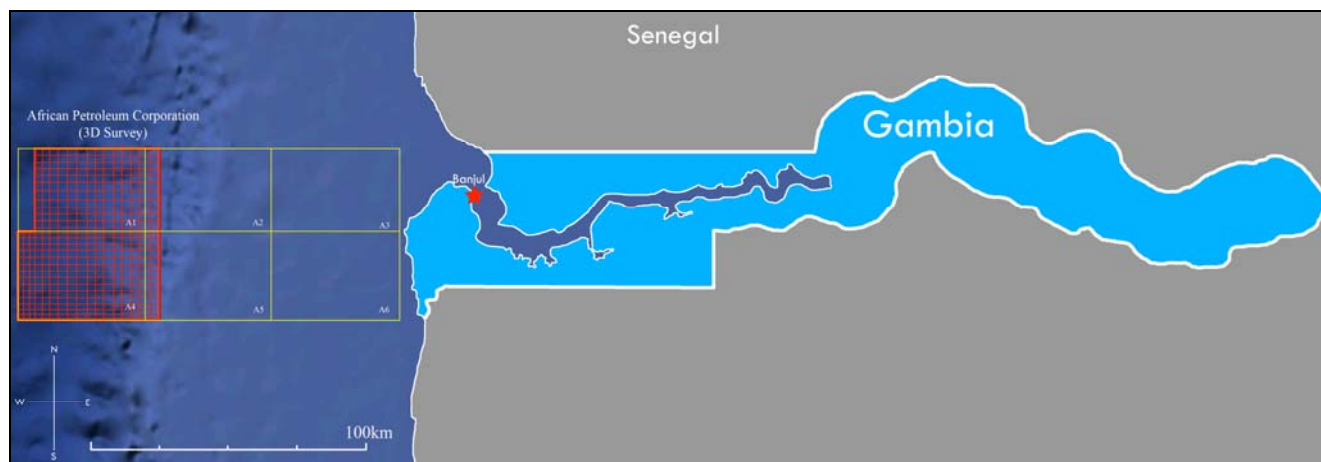


Gambian Project

African Petroleum has a 60% interest in Blocks A1 and A4 offshore The Gambia (**Gambian Licence Blocks**), acquired via a farm-in agreement with Buried Hill Gambia BV.

The Company has assumed operatorship of the Gambian Licence Blocks, which cover a combined total area of 2,668 sq km offshore, The Gambia.

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

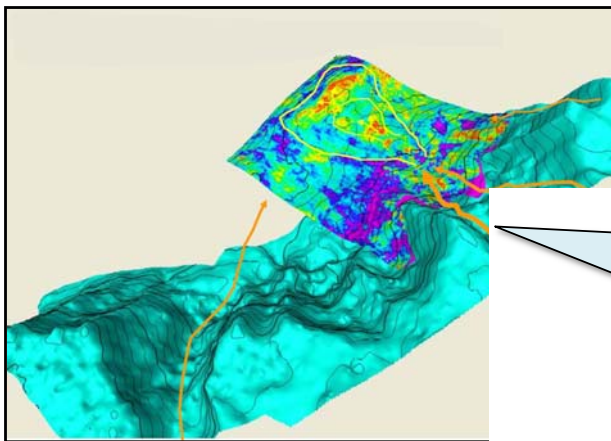


The Company has completed the acquisition of 2,500 sq km of 3D data in relation to the Gambian Licence Blocks, which commenced in October 2010 (area shown in red gridding on Figure 2).

More than 30 exploration prospects and leads have been identified on the Gambian Licence Blocks from the 2D and 3D data, including five different play types. The four way dip closed Al Humdilalau structure has been identified, which extends over an area of 24 sq km over five mapped reservoirs with a gross thickness of 1,000m. 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.

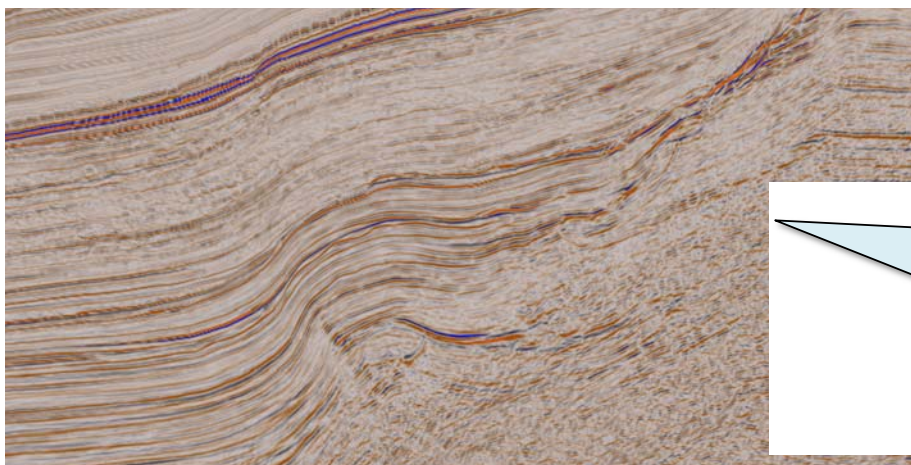
The 2011 3D seismic interpretation and prospect evaluation that is currently underway will refine this analysis and lead to selected prospects and candidate drilling locations.

Figure 6: Al Hamdulilah structure found at the Gambia blocks



Alhamdulilah Canyon-to-fan system

- Updip sediment input points
- Downdip stacked fan systems
- Bright seismic amplitudes downdip on crest of main structure



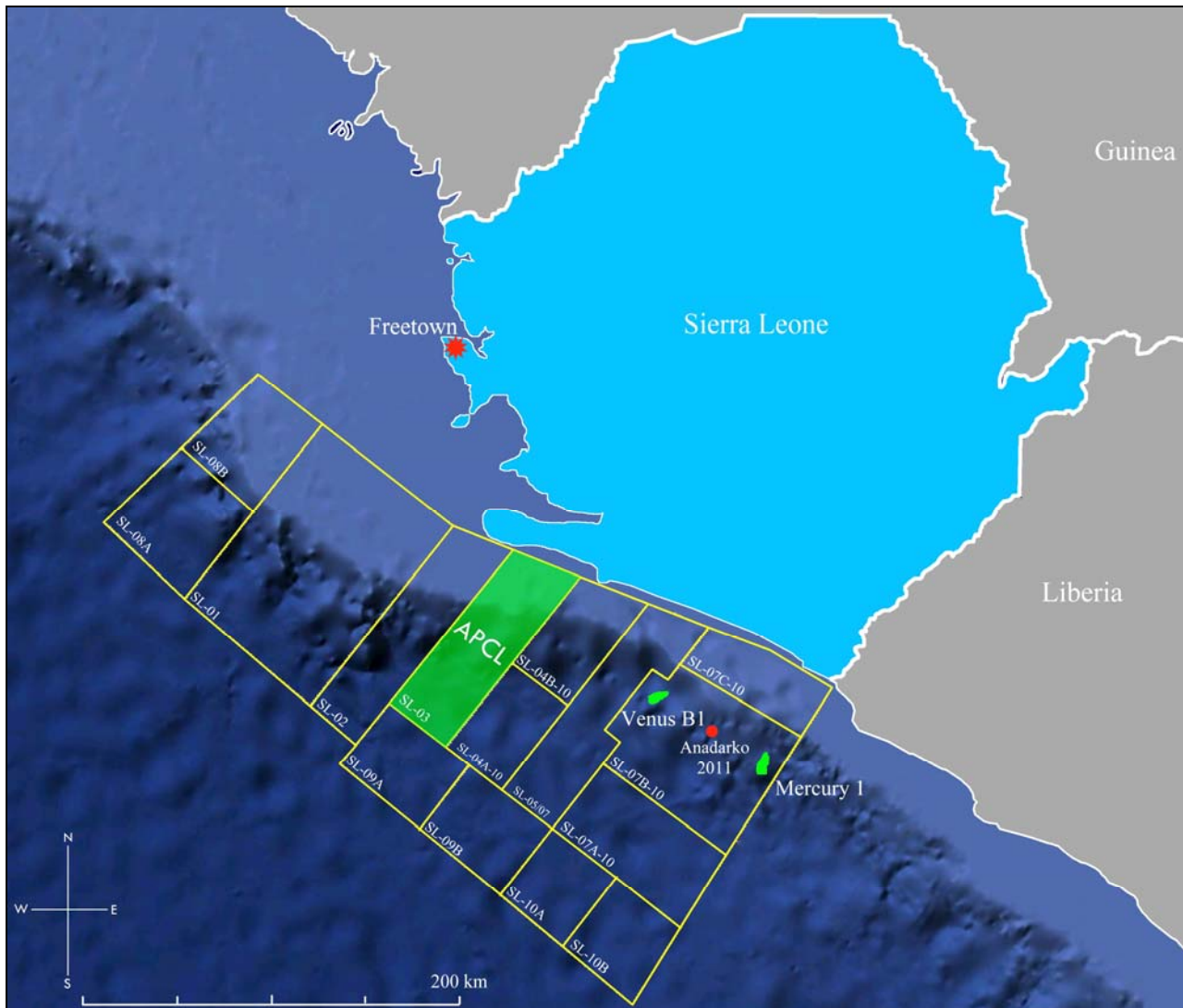
Gambia 2010-11 3D

- Fast-track dataset now in-house
- Interpretation under way
- High quality, high resolution product

Sierra Leone Project

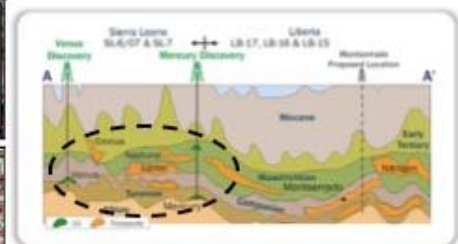
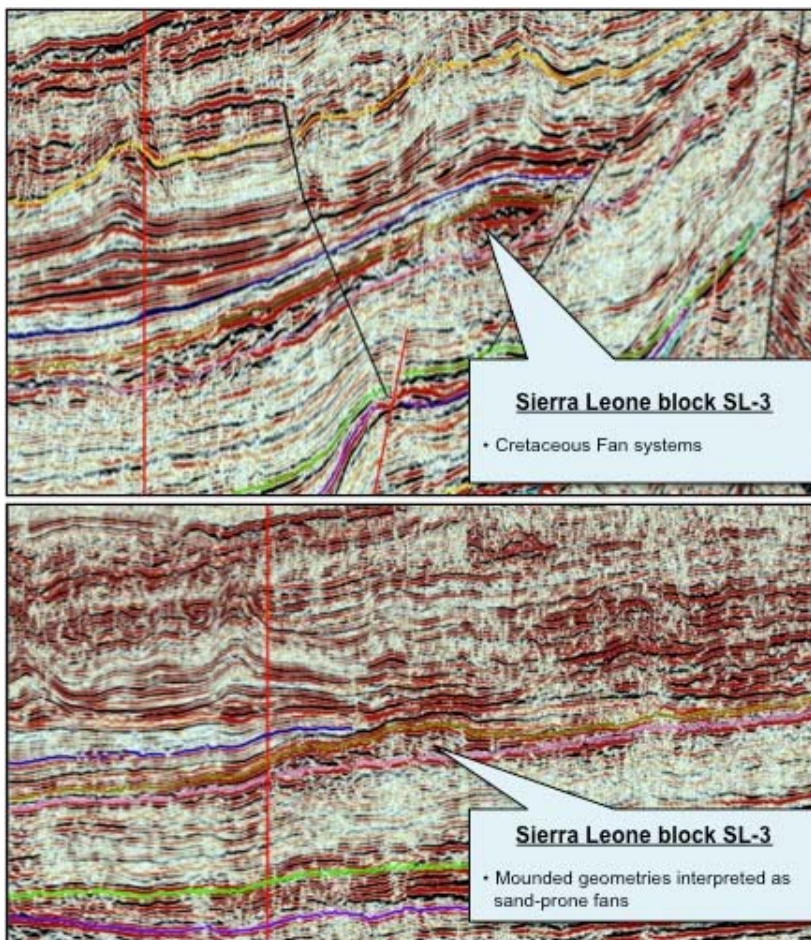
The award of Block SL-03 to African Petroleum was ratified by the Sierra Leone Parliament in February 2011. SL-03 is a 3,135 sq km area located offshore Sierra Leone (**Sierra Leone Licence Block**). It is situated approximately 150 km from Anadarko's recent Mercury-1 discovery at block SL-07B-10 and 85 km from the 2009 Venus discovery, both offshore Sierra Leone (refer Figure 3).

Figure 7. 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 in Venus and Mercury and has identified a number of promising Cretaceous fan leads on the 2D seismic data. An extensive 3D seismic survey is planned for the Sierra Leone Licence Block to firm up potential exploration prospects, similar to the Mercury and Venus discoveries nearby.

Figure 8: Geology at block SL-03



SL-3 exploration will be focused on similar plays currently being developed along the margin in SL-6 and SL-7 by the Tullow/Anadarko partnership (Venus/Mercury discoveries)

[cartoon section from Tullow presentation]

NEW OPPORTUNITIES

The Company has 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 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")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter US\$'000	Year to date (3 months) US\$'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(999)	(999)
(b) advertising and marketing	(18)	(18)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(2,513)	(2,513)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	69	69
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	(21,827)	(21,827)
(b) Payments for business development	-	-
Net operating cash flows	(25,288)	(25,288)

		Current quarter US\$'000	Year to date (3 months) US\$'000
1.8	Net operating cash flows (carried forward)	(25,288)	(25,288)
1.9	Cash flows related to investing activities		
	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(3,170)	(3,170)
	(e) other non-current assets	-	-
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	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)		
	Net investing cash flows	(3,170)	(3,170)
1.14	Total operating and investing cash flows	(28,458)	(28,458)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc (net of capital raising costs)	-	-
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	(28,458)	(28,458)
1.21	Cash at beginning of quarter/year to date	135,451	135,451
1.22	Exchange rate adjustments to item 1.21	51	51
1.23	Cash at end of quarter	107,044	107,044

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	247
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\$246,842 (net of GST) has been paid to directors during the quarter for the provision of consultancy services and 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	6,992	11,747
4.2	Deposits at call	100,052	123,704
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		107,044	135,451

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 April 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.