

5 December 2017

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

Sierra Leone Licence Extensions

African Petroleum, an independent oil and gas exploration company with licence interests in four countries offshore West Africa, is pleased to announce that its wholly owned subsidiaries European Hydrocarbon Limited and African Petroleum Sierra Leone Limited ("Subsidiary Companies") have signed agreements with the Petroleum Directorate Sierra Leone to enter into the Second Extension Periods of the SL-03 and SL-4A-10 licences respectively and to modify the work programmes for both licences during these periods.

The Second Extension Period will expire on 23 April 2019 for the SL-03 licence and on 17 September 2019 for the SL-4A-10 licence should the Subsidiary Companies commit, prior to 1 November 2018, to drilling one exploration well in each licence area during the remaining term of the respective licence. During the next 12 months, the Subsidiary Companies will be utilising State owned well and seismic data, together with existing seismic data, to further de-risk the licences prior to deciding to commit to the drilling of an exploration well on each licence (which must be drilled prior to expiry of the respective Second Extension Period, if the Subsidiary Companies commit to drilling).

In accordance with the requirements of the petroleum licence agreements, African Petroleum has relinquished 50% of the SL-03 licence area, reducing the licence area from 1,930km² to 962km², and 50% of the SL-4A-10 licence area, reducing the licence area from 1,995km² to 995km².

Simultaneously with the approval of the entry into the next licence periods, the Petroleum Directorate Sierra Leone agreed to modify the work programmes and minimum expenditure requirements of the two licences, and to defer the social obligations of the two licences contingent on the drilling of an exploration well on each licence ("Licence Amendments").

The entry into the next licence periods and the Licence Amendments were ratified by the Parliament of Republic of Sierra Leone on the 4 December 2017.

The Subsidiary Companies have been working with ERC Equipoise to re-assess the prospective oil resources on the SL-03 and SL-4A-10 licences through the inclusion of two new material prospects: Leo and Vega. It is expected that the revised prospective resources for the SL-03 and SL-4A-10 licences will be published shortly.

The ultra-deep water (3,000 – 3,600 metres) setting of these licences has received limited industry interest during the low oil price environment in the last few years. However, the Subsidiary Companies have recently experienced increased industry interest in this acreage due to technology improvements and cost reductions in ultra-deep water drilling together

with the materiality of the prospects identified by the Subsidiary Companies on the SL-03 and SL-4A-10 licences.

Jens Pace, African Petroleum's CEO, comments:

"We would like to thank the Petroleum Directorate and the Parliament of the Republic of Sierra Leone for supporting and ratifying our entry into the Second Extension Periods with amended commitments. Our relationship with the Petroleum Directorate has been very important over what has been a challenging couple of years for offshore oil and gas development. We believe negotiations were helped by the fact that we have been active in the country since 2010 and have invested in excess of US\$39 million in the two licences to date. Based on recent discussions we have held with industry players, we are aware of an increased appetite for material ultra-deep offshore opportunities, driven by the advancements in drilling technology and the decrease in operating costs. The additional flexibility afforded by the amended commitments will help us to introduce new parties to the project."

For further information, please contact:

Jens Pace, Chief Executive Officer
Stephen West, Chief Financial Officer
Tel: +44 20 3655 7810

Media Contacts:

Buchanan
Ben Romney/Chris Judd
Tel: +44 207 466 5000

About African Petroleum

African Petroleum is an independent oil and gas exploration company with an equity interest in licences in four countries offshore West Africa (Senegal, The Gambia, Côte d'Ivoire and Sierra Leone). The Company's assets are located in proven hydrocarbon basins in the West African Transform Margin and the Atlantic Margin, where several discoveries have been made in recent years.

For more information about African Petroleum, please see www.africanpetroleum.com.au