# **Company Presentation November 2014**





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#### Competent person statements

The information in this Presentation relating to hydrocarbon resource estimates includes information compiled by Dr Adam Law, Geoscience Director of ERC Equipoise Ltd. Dr Law, is a post-graduate in Geology, a Fellow of the Geological Society and a member of the Society of Petroleum Evaluation Engineers. He has 18 years relevant experience in the evaluation of oil and gas fields and exploration acreage, preparation of development plans and assessment of reserves and resources. Dr Law has consented to the inclusion in this Presentation of the matters based on the information in the form and context in which it appears.

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All estimated net unrisked mean prospective resources quoted in this presentation have been taken from ERC Equipoise Competent Person's Report 2014

# **Corporate Snapshot**

African Petroleum

- > Significant acreage holder in West African Transform Margin (4 countries, 8 licences)
- > 5.2bn+ barrels unrisked oil resources\*
- > 81-100% working interest and operator
- > Strong relationships with host Governments
- Seeking partners to share risk and reward and to participate in future growth
- Positive third party results in adjacent acreage
- > Proven deep-water operator

## **Blue Chip Shareholder Base**











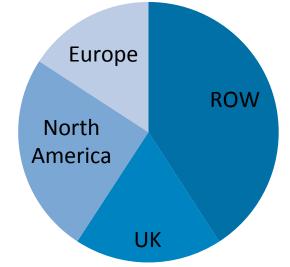
RITAGE

Taken from the largest 20 shareholders

### Market Statistics (28.10.14)

Listing	OAX (APCL) NSX (AOQ)
No. of Shares on Issue	685,857,456
Market Cap	NOK 439m
Share Price	NOK 0.64
Broker Sentiment	Buy
Average Broker Target	NOK 4.98

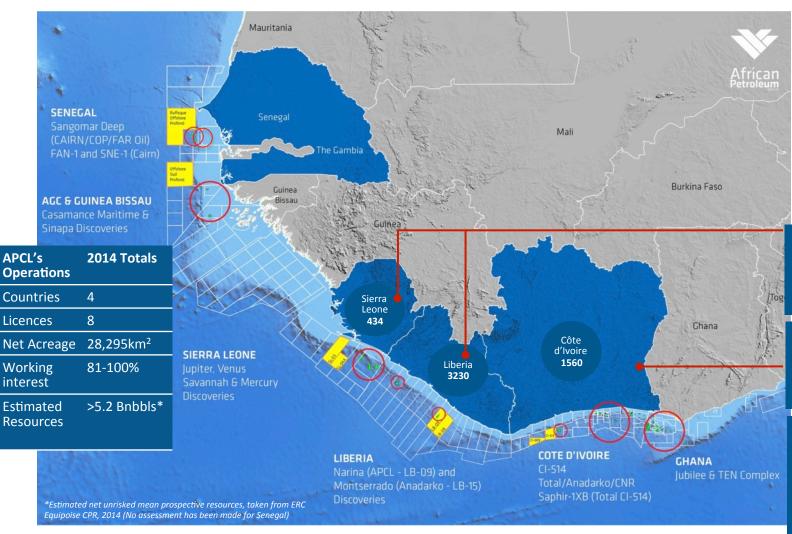
## **Geographic Analysis of Investors**



<sup>\*</sup> Resource volumes taken from ERC Equipoise, CPR 2014

# High Success Rate in our West African Focus Area African Petroleum





2010 - 2014

**30** Discoveries

2014 - 2016

Wells **Planned** 

Historic

Wells drilled

73% Exploration Exploration

Wells drilled

**67%** Exploration Success

### Ghana

Wells drilled

72% Explorate Success **Exploration** 

63% commercial success (18 wells)

Net unrisked mean estimate of prospective oil resources (MMstb)

**Existing Discoveries** 

## **Net Acreage Position in Deep-Water**

Relative to other Listed Operators in West Africa

Operators



#### Liberia - Ratified 2008

Operated offshore acreage in km²

No. 1

Chevron

REPJOL

Operators

Chevron

Chevro

### Senegal – Ratified 2011



#### Sierra Leone - Ratified 2011



#### Côte d'Ivoire – Ratified 2012

Anadarko<sup>3</sup>

Operated offshore acreage in km<sup>2</sup>



No. 3

# Strategic Plan - The Way Forward



### **Objective: Consolidate Position**

- New Management &Governance
- ➤ Proven low cost deep-water operator with reviewed strategy and plan
- > Private Placement 🗸
- Licence extensions Liberia, Sierra Leone, Côte d'Ivoire
- Move onto European exchange
- Listing in Oslo, raise capital
- ➤ Leverage learnings from third party activity to build predictive model pre drill
- > Bring in new partners 🗸
- > Acquire more 3D seismic data 🗸
- Execute high impact exploration programme



# **Objective: Develop Our High- Potential Assets**

- Leverage technology to derisk ahead of the drill bit
- > Drill key exploration wells with partners
- > Build off exploration success with early appraisal
- Continue to work social
   programmes and local
   content in host countries
- > Build new acreage positions with others
- Seek and execute commercial options



### **Long Term** 2017-2018

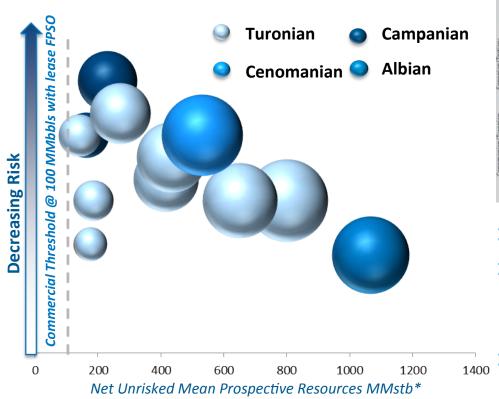
# **Objective: Assuming Success, Commercialise & Expand**

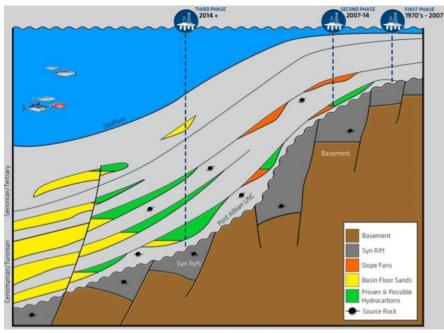
- Seek to move discoveries to commerciality – assuming success in exploration
- Acquire new acreage; focus on geology and good terms, not geography
- Expand portfolio options over broader asset base
- Create sustainable commerciality and stakeholder value with a continued "liquids focus"

- already completed

# West African Transform Margin - Portfolio & Plays African Petroleum

- > Our CPR Inventory has a range of technical maturity but is diverse and material
- Our large equity position provides room for partners in the transformation



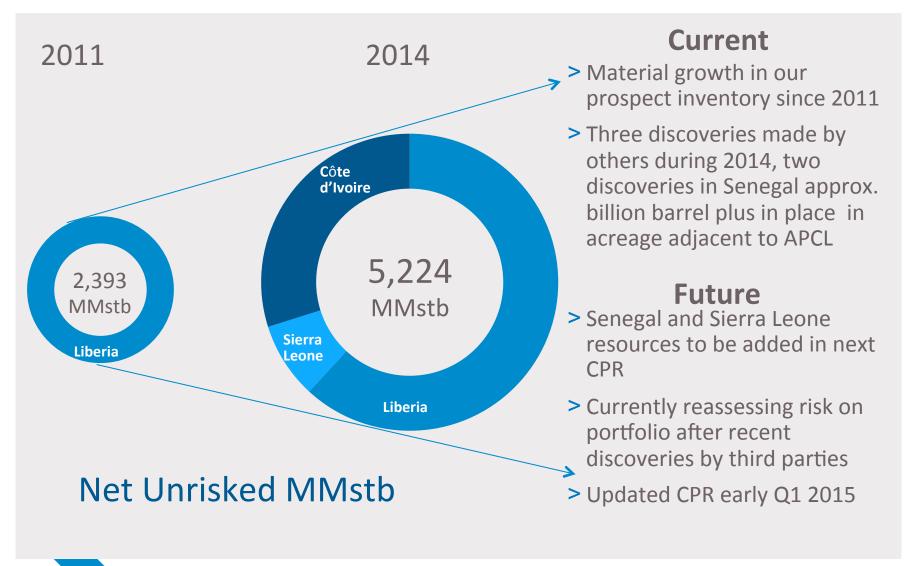


- > Pure play deep-water exploration
- > 2014: New wave of Exploration targeting deeper water, results potentially transformational to risk assessment
- "Basin floor sands" in the Upper Cretaceous offers upside

<sup>\*</sup> Resource volumes from 2014 CPR – Independently assessed by ERC Equipoise. Bubble size proportional to net risked mean prospective resources

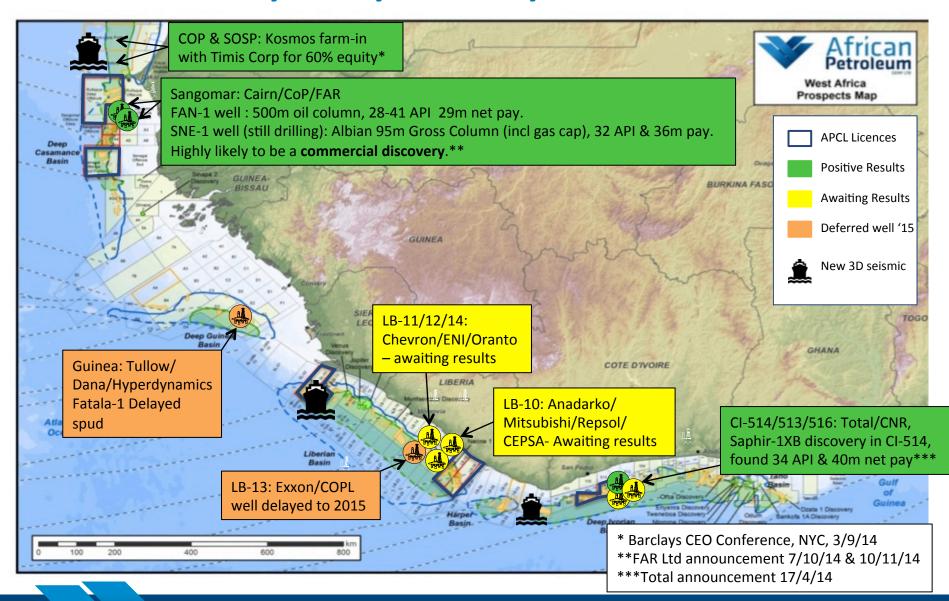
# **African Petroleum Corporation Portfolio**





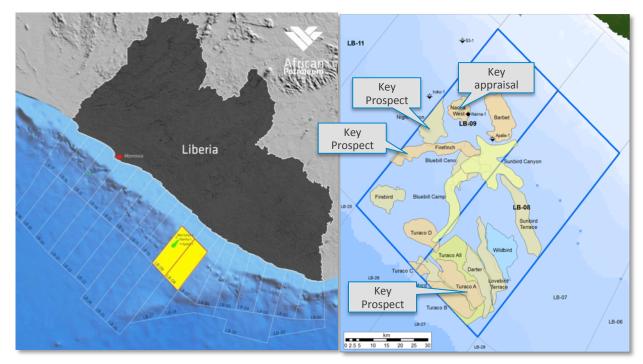
# **2014 Third Party Catalyst Activity**





## Liberia – LB-08 and LB-09





- > Attractive early mover fiscal terms
- > 4 discoveries in the Liberia — Sierra Leone basin by others
- > Narina-1 oil discovery in LB-09
- New Firefinch prospect similar to Hess' down-dip Pecan discovery in Ghana
- > Offset drilling activity in LB-10 and LB -12 in 2014

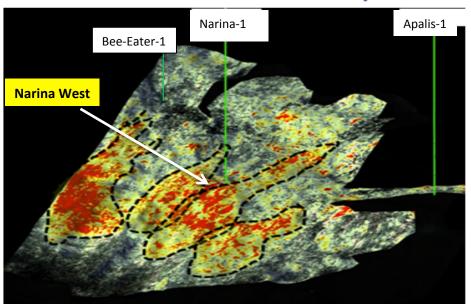
Licence	APCL WI	Date of Grant	Original Licence Period	<b>Current Status</b>	Remaining 2 <sup>nd</sup> Exploration Period Commitments
LB-08	100%	June 2008	4 + 2* + 2	2 <sup>nd</sup> exploration period*	Acquire higher resolution seismic images
LB-09	100%	June 2008	4 + 2* + 2	2 <sup>nd</sup> exploration period*	Acquire higher resolution seismic images

# Liberia – LB-09: Narina West Appraisal



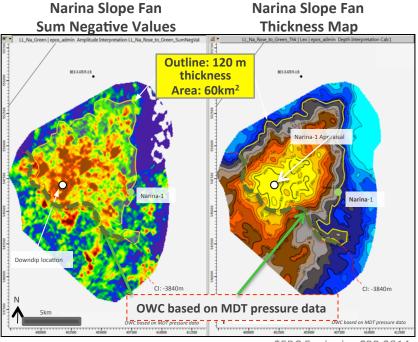
- > Narina-1 found 31 metres net pay Turonian and underlying Albian reservoirs (38°-40° API)
- > Lateral limit defined by stratigraphic pinch-out
- > Down-dip limit defined by projected OWC from pressure data (predicted at 3,840m)
- > Amplitudes help define target sweet-spots

## Narina Area Fan Systems



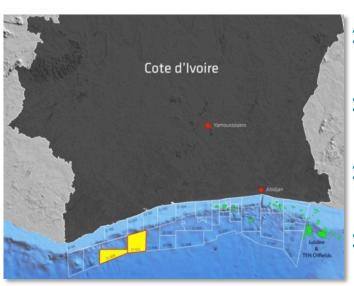
3D amplitude map on top Turonian

Prospect	Narina West
Block	LB-09
Licence Area	2,634km <sup>2</sup>
Water Depth	900-1200m
Play Fairway	Turonian
Mean Prospective Unrisked Resources	184 MMstb*



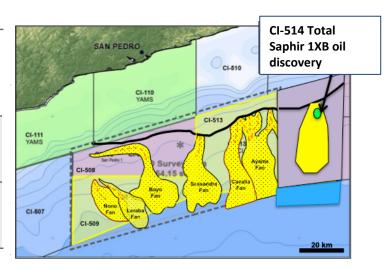
## Côte d'Ivoire - CI-509 and CI-513





- > High quality proprietary 3D seismic. New PSDM delivered in March 2014
- April 2014 Total oil discovery at Saphir-1XB, Block CI-514, 40m net oil pay 34° API
- Developed a deeper & expanded inventory post April 2014 CPR with multiple Commercial size prospects
- > Buried Hill farm-in to CI-509 for 2 for 1 promote announced July 2014

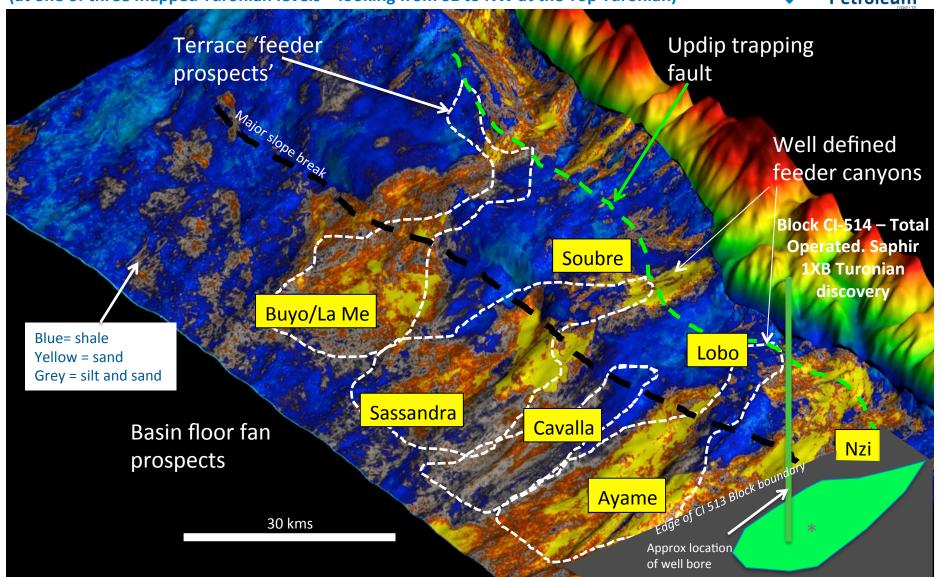
Licence	APCL WI	Date of Grant	Licence Period	Current Status	Remaining 1 <sup>st</sup> Exploration Period Work Commitments
CI-513	90%	Dec. 2011	4+1.5+1.5	1 <sup>st</sup> Expl. Period	3D Seismic complete, One well to follow
CI-509	90%	March 2012	4+2+2	1 <sup>st</sup> Expl. Period	3D Seismic complete, One well to follow



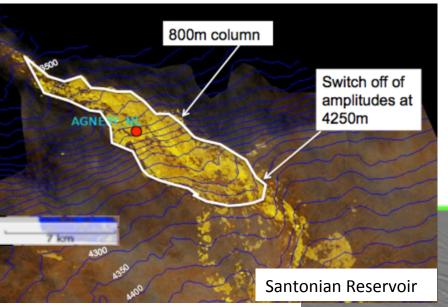
## Côte d'Ivoire - Turonian Basin Floor Fans

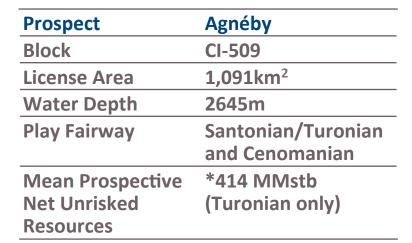
(at one of three mapped Turonian levels – looking from SE to NW at the Top Turonian)

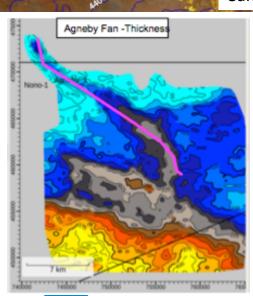


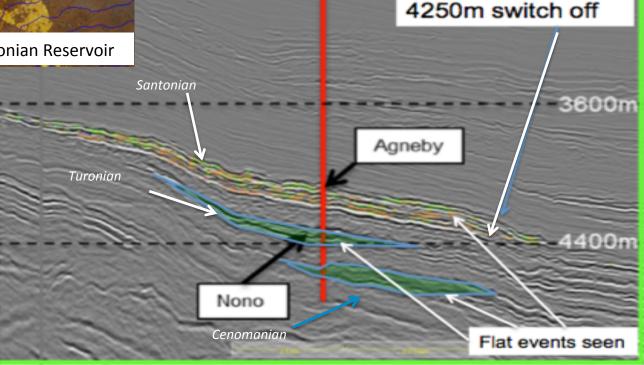


# Côte d'Ivoire - CI-509 Agnéby



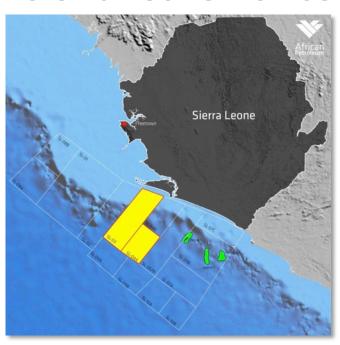


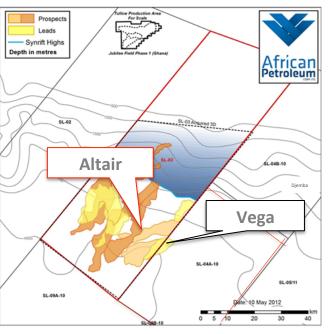




## Sierra Leone – SL-03 and SL-4A-10







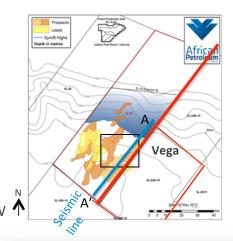
Licence	APCL WI	Date of Grant	Licence Period	<b>Current Status</b>	Remaining 1st Exploration Commitments
SL-03	100%	April 2010	3*+2+2	Initial exploration period Extension granted to 23/4/2015	Completed Seismic Further geoscience work
SL-4A-1(	100%	July 2012	3 +2+2	1 <sup>st</sup> exploration period	Contingent well/Acquire 1,500 km <sup>2</sup> Seismic

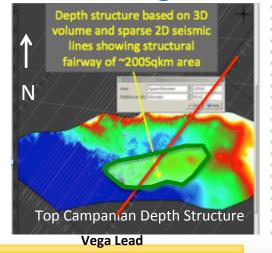
- Block SL-03 covered by 3D seismic, SL-4A-103D seismic now being acquired
- Prospective at multiple levels within the Cretaceous
- >On trend with oil discoveries
- 3 discoveries by Anadarko/Tullow/ Repsol partnership
- Amplitude support for stacked hydrocarbon pays at multiple Upper Cretaceous levels in dip closures

<sup>\*</sup>Licence extension granted

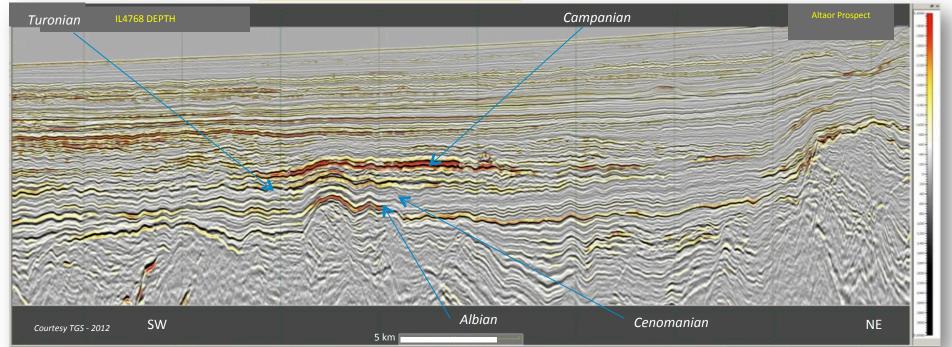
Sierra Leone - SL-03/04: Vega Lead





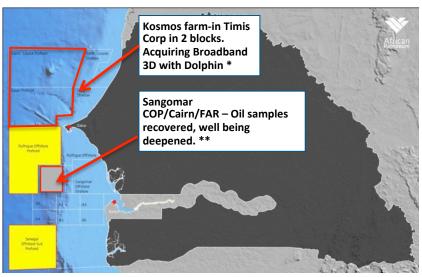






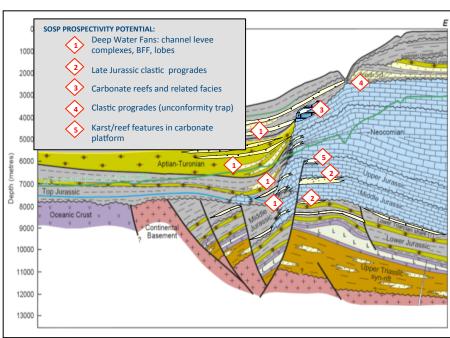
# Senegal – ROP and SOSP





- > High potential frontier exploration area
- Industry drilling activity on trend in 2014 (Mauritania, Senegal, AGC)
- Multiple plays -Cretaceous deep-water fan systems and platform margin carbonates
- Extensive 3D seismic coverage acquired over SOSP

Licence	APCL WI	Date of Grant	Licence Period		Remaining 1 <sup>st</sup> Exploration Period Work Commitments
ROP	81%	October 2011	4+2+2	-	Seismic obligations met, 1 well outstanding
SOSP	81%	October 2011	3+3+2.5	Exploration	3D Seismic complete, Seismic Processing underway



<sup>\*</sup>No ERC Equipoise work yet awaiting new 3D on ROP, delivered end Sept 2014

<sup>\*</sup> Barclays CEO Conference in New York 3<sup>rd</sup> Sept 2014

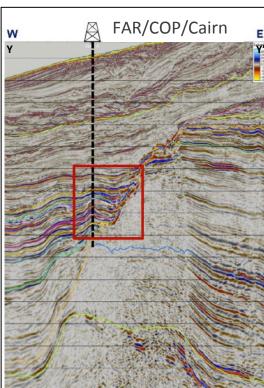
Cairn/FAR/CoP discovery is analogous to African Petroleum's Senegal acreage \*



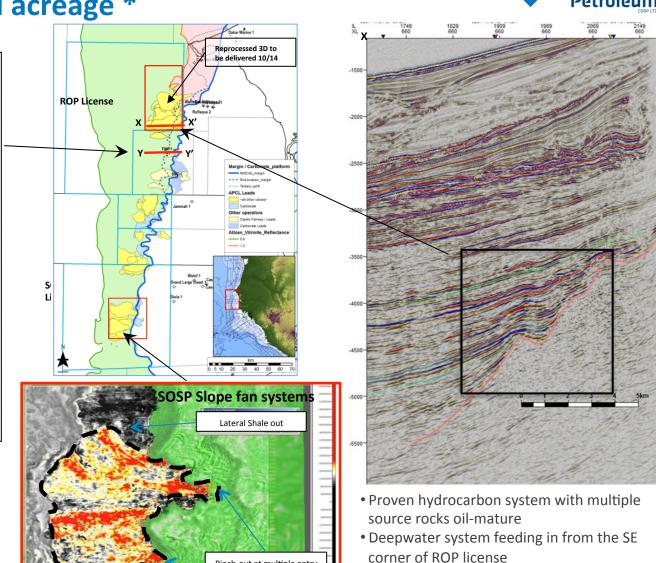
• Apparent amplitude support to be evaluated

on reprocessed 3D

FAN-1



FAR Ltd announcement (10/11/14) states that the likelihood of SNE-1 as a commercial discovery is very high



Pinch-out at multiple entry

points

# Second Cairn/FAR/CoP discovery at SNE-1 also analogous to African Petroleum's Senegal acreage \*

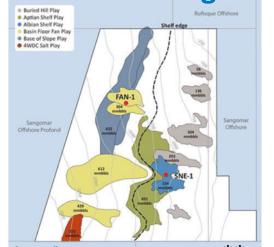




\* Conoco Investor Presentation BoA Conference 13 Nov 2014

\*\* FAR Investor Presentation - Resource Rising Star Conference 30<sup>th</sup> Sept 2014

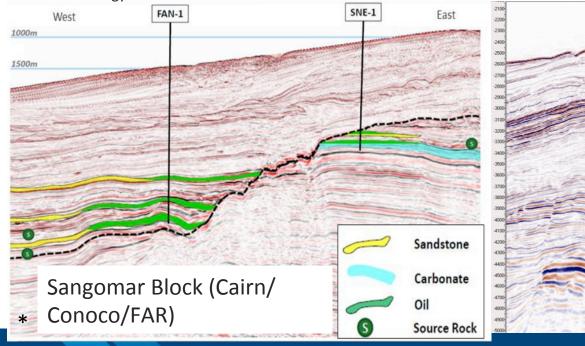
\*\*\* Cairn Energy News release 10<sup>th</sup> Nov 2014

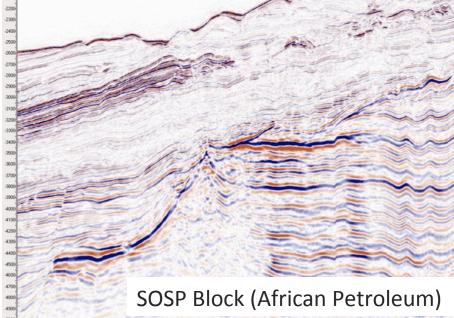


\*\*\*Initial SNE-1 well indicates:

 95m gross oil bearing column with a gas cap

- Excellent net oil pay of 36m
- Oil of 32 degrees API
- Preliminary P50, 330 mmbbls reported <u>commercial discovery!</u>
- Well drilling deeper carbonates





## **Poised to Recommence Drilling**





### Programme order subject to ongoing negotiations with third parties

#### **Initial Refinancing**

- > Private Placement (\$20m Feb 2014)
- Public Listing on new exchange and new fundraising
- > Continued data room support
- > More time to secure farm-in partner
- > Further technical maturation of portfolio
- Offset wells by third parties to de-risk prospects

#### **Partnering**

- Reduce capital exposure through risk sharing
- Recover back costs to forward work programme
- > Potential promote on well programme

#### **Drilling Execution**

- Assuming fully funded drilling programme
- > Share technical expertise with partner
- Potential value growth of Expected Value (EV) ~500MMBO in 3 years

# Forward Business Plan and Work Programme\*



	2014	2015	2016	2017
Liberia LB-08 [PSC] Liberia LB-09 [PSC]				
Cote d'Ivoire CI 513 [PSC] Cote d'Ivoire CI 509 [PSC]				
Senegal ** ROP [Royalty Tax] Senegal SOSP [Royalty Tax]		PSDM	**	
Sierra Leone SL-03 [PSC] Sierra Leone SL-04 [PSC]	3D Survey Completed			



Proposed seismic acquisition

Firm seismic acquisition



Firm Commitment Well



Contingent Next Period Well

\* Post Farm-in



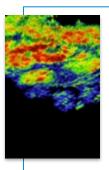
Potential Accelerated Well

\*\* Ongoing extension discussions

## **Significant Milestones Achieved in 2014** Continue to Build Shareholder Value Further Farm out CI-509 with Farm-outs **Buried Hill** Licence Extensions Order well heads for Q3 2015 drill campaign New List on OAX New Strategy Acquire 3D seismic Management Raise Capital & Leverage learning's from 3rd Party drilling Governance Q1 2014 **Q4**

## **Conclusion: Value Creation for the Near and Long Term**





## **Valuable Assets**

- 5.2bnbbls+ net unrisked prospective oil resources
- 12+ drillable prospects
- Seeking partners to share risk and reward



## **Aligned Capabilities**

- Members of APCL technical team were part of Hess team and their 100% success rate in Ghana
- Excellent relationships with host Governments



## **Deepwater Discoveries**

- Post 2007 Jubilee discovery success rate >70%
- Recent significant discoveries in Côte d'Ivoire (Total), Senegal (Cairn) and Ghana (Hess)



## **Commitments**

 No material commitments until Q3 2015

## **Advisers & Contact Details**



## **African Petroleum Corporation Ltd**

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E: info@africanpetroleum.co.uk

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## **Corporate Communications**

Harriet de Beaufort-Suchlick <a href="mailto:hsuchlick@africanpetroleum.co.uk">hsuchlick@africanpetroleum.co.uk</a>

### **BROKERS**

Dundee Securities Corporation EAS Advisors LLC Mirabaud Securities Limited Pareto Securities

### **AUDITORS**

**Ernst & Young** 

### **COMPETENT PERSON**

**ERC Equipoise Limited** 



# **APPENDIX**

## **Appendix: The Executive Team**



**Stuart Lake** 

#### **CEO** and Executive Director

- > Over 28 years of experience in Hess Corp., Apache Corp. & Shell
- > Demonstrated proven oil finder - drilling over 300 wells in 11 countries maintaining 85% geological success (270 + discoveries)
- > Led Hess exploration campaign in Ghana that had 7 consecutive discoveries and West African New Ventures
- > Directed more than 30 discoveries in Russia at Hess as **VP** Exploration



**Jens Pace** 

#### COO

- > 30 years at BP and its heritage company Amoco (UK) gaining substantial exploration and production experience in Africa
- > Managed a very large and active exploration portfolio for BP in North **Africa**
- > Extensive experience in field development, Commercial Manager, dealing with national oil companies and African governments



**Stephen West** 

#### **Finance Director**

- > Over 20 years of financial > Over 20 years global and corporate experience from public practice, oil & gas, mining and investment banking
- > Qualified Chartered Accountant with **Bachelor of Commerce** (Accounting and Business Law)
- > Non-Executive director of **ASX listed Apollo** Consolidated Ltd and Zeta Petroleum



**Michael Barrett** 

### **Exploration Director**

- exploration experience at Chevron, Addax International
- > Specialised in play and prospect risk assessment, volumetric analysis, commercial evaluation and portfolio management
- > Background in quantitative geophysics, stratigraphic interpretation workflows and 3D visualisation

# **Appendix: Strategic Steps to Success**

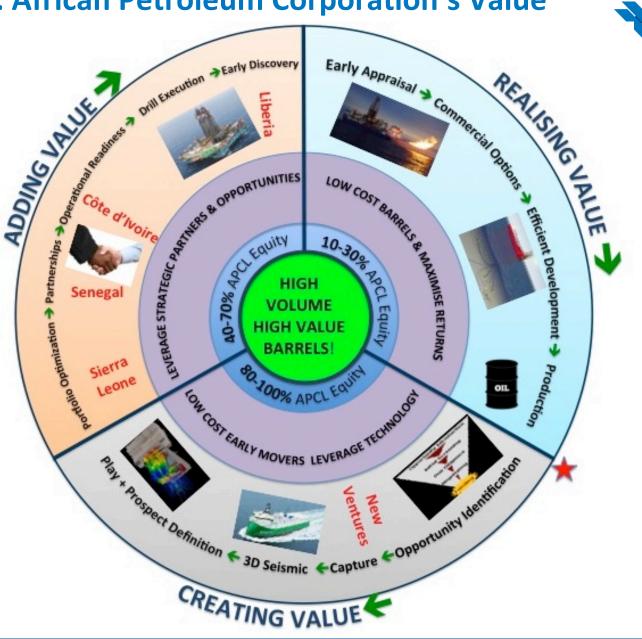




**Appendix: African Petroleum Corporation's Value** 

Cycle





# **Appendix: Financial Strategy**



"Broaden the sources of funding for the Company whilst ensuring an appropriate capital structure, in order to support the Group's growth strategy."

- > Currently focused on funding high-impact exploration work by farming out licence interests to industry partners
- Maintaining capital discipline to ensure that our cost base remains appropriate to our organisational capacity

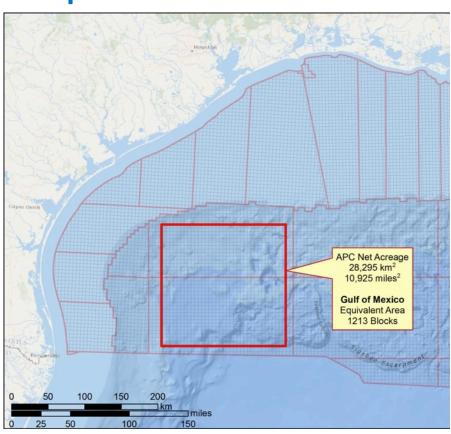
#### **SNAPSHOT**

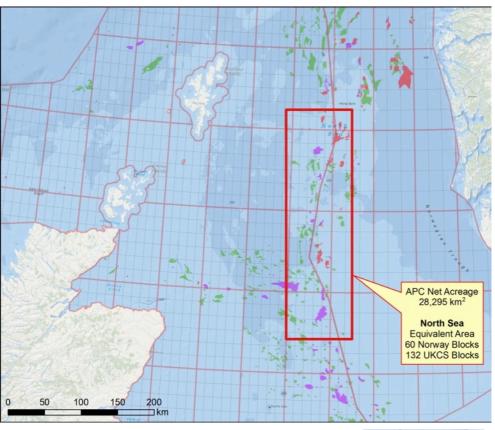
- > Cash (30 June 2014)
  Unrestricted = US\$16.6m
  Restricted = US\$12.1m
- > No Debt
- > Shareholders
  Supportive blue-chip
  shareholder base
- > Farm-out Process
  Significant progress made
  with farm-out process

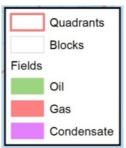


# Appendix: African Petroleum Corporation Net Acreage Comparison Gulf of Mexico and North Sea



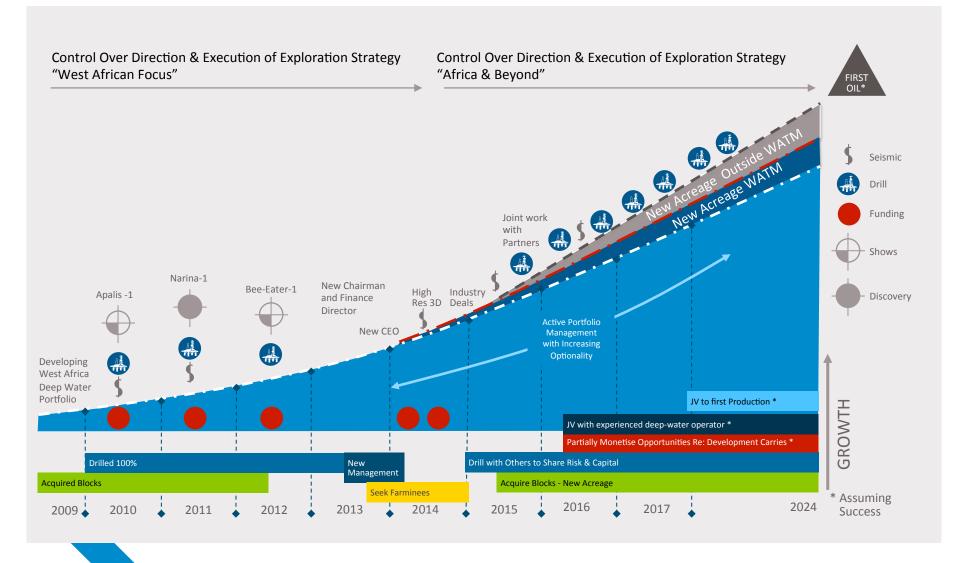






# **Appendix: Operational Timeline: History and Outlook**





# **Appendix: Country Profile**



#### **Côte d'Ivoire**

**GDP Projected Growth** ('14): 9.8%

**Population** ('12): 20.6m

**Population Growth Rate**: 2.2%

Main Exports: Cocoa, coffee,

petroleum, palm oil

**APC Net Acreage**: 2,284km<sup>2</sup>

**Existing Operators** (not limited to): Total, Tullow, LUKOIL, Anadarko, Vitol

**Contract Type:** Production Sharing

Contract

### Senegal

**GDP Projected Growth** ('14): 5.1%

**Population** ('12): 13.2m

**Population Growth Rate**: 2.6%

Main Exports: fish, petroleum products, phosphates, cotton

APC Net Acreage: 14,804km<sup>2</sup>

**Existing Operators** (not limited to): Atlas Petroleum, Cairn Energy, FAR,

Timis Corporation

**Contract Type:** Production Sharing

Contract



Source: UN Economic Commission for Africa

#### Liberia

**GDP Projected Growth** ('14): 5.4%

**Population** ('12): 4.2m

**Population Growth Rate**: 2.6%

Main Exports: Diamonds, iron ore,

rubber, timber, coffee, cocoa

**APC Net Acreage:** 5,352km<sup>2</sup>

**Existing Operators** (not limited to): Anadarko, Chevron, Repsol, Eni, Exxon

**Contract Type:** Production Sharing

Contract

#### Sierra Leone

**GDP Projected Growth** ('14): 12.1%

**Population** ('12): 6.1m

**Population Growth Rate**: 2.1%

Main Exports: Diamonds, rutile, cocoa,

coffee

APC Net Acreage: 5,855km<sup>2</sup>

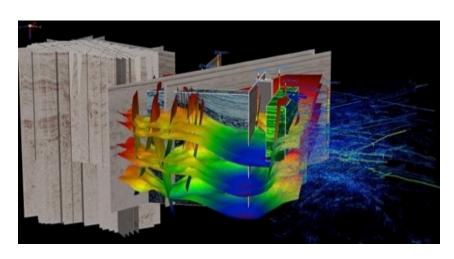
**Existing Operators** (not limited to):

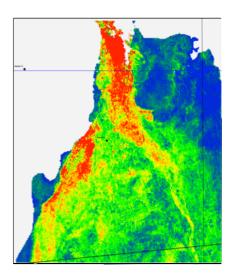
LUKOIL, Chevron, Anadarko

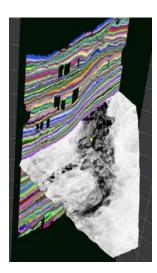
**Contract Type:** Royalty/Tax

# Appendix: Applying Industry Leading Technology 🍑 🔠









#### **Seismic Acquisition and Processing**

- High quality 3D seismic data acquisition from leading contractors (high resolution 3D planned)
- PSDM volumes executed for Liberia and Côte d'Ivoire and planned for Senegal
- Reprocessing underway to further optimise 3D seismic data

#### **Geological and Geophysical Interpretation**

- State-of-the-art stratigraphic analyses & workflows utilising Paradigm tools and Paleoscan
- Rock physics, forward modelling and attributes using IKON and RSI integrating latest well results
- Section balancing and 3D hydrocarbon migration modelling
- > Full Tensor Gradiometry to be the game changer for IOP assets in Niger

#### **Technologies Utilised During Drilling Operations**

- In extreme water depths and remote locations, data is reliably obtained and transmitted to the drilling and G&G teams to facilitate rapid decision making
- > 5th & 6th generation semisubmersible rigs and drill ships
- > Precise well design and rigorous execution

#### **Advanced Wireline Technologies**

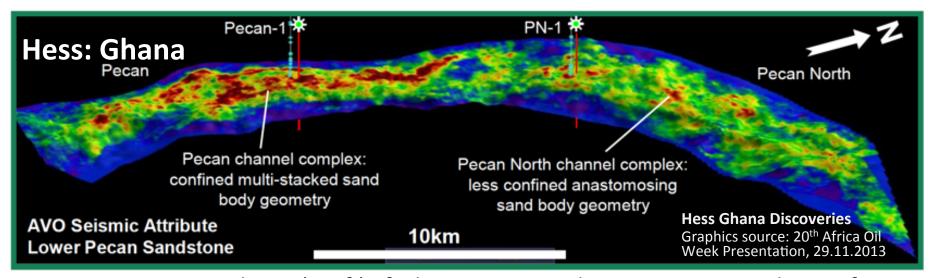
 Schlumbergers Quicksilver advanced sampling probe allows focused fluid extraction with minimal fluid contamination Appendix: Block LB-08 & LB-09 Main Prospective Play

African

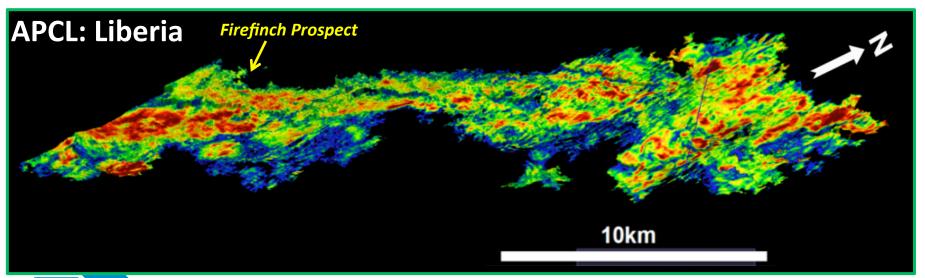
Petroleum **Fairways** Bee-Eater Fairway: Tested by Narina-1 (oil) **Sedimentary source** (blue arrows) Bee-Eater-1 (shows) and African Iroko-1 LB-10 Narina African Petroleum Barbet LB-09 Apalis-Firefinch Fairway: Untested Bluebill Ceno Sunbird Canyon Turonian and Cenomanian Firebird Bluebill Camp LB-08 Sunbird Terrace Turaco D Turaco Fairway: Wildbird Turaco All Untested Darter Turaco C Turonian and Lovebird Turaco A Cenomanian LB-07 Turaco B \* Approximate prospect LB-27 outlines from 2D seismic and **Anadarko investor materials** 15

# Appendix: Recent "commercial" discoveries in Ghana look analogous to Liberia Blocks LB-08 and LB-09





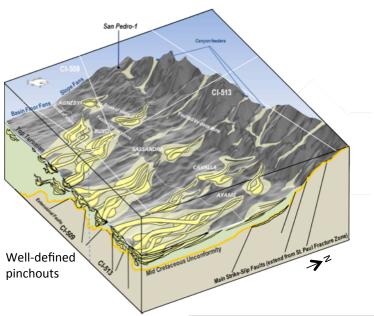
Pecan – 1 encountered 75m (245ft) of oil pay at 2 intervals, PN-1 encountered 12m of pay



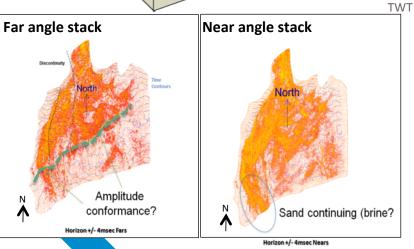
# Appendix: Côte d'Ivoire – CI-513 Ayamé Prospect African Petroleum

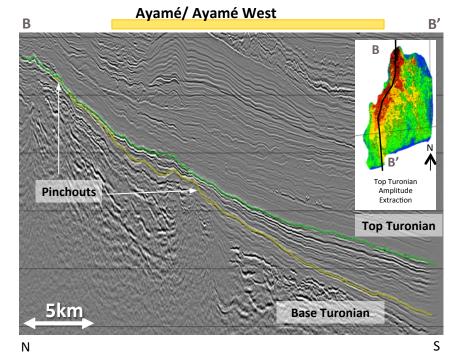


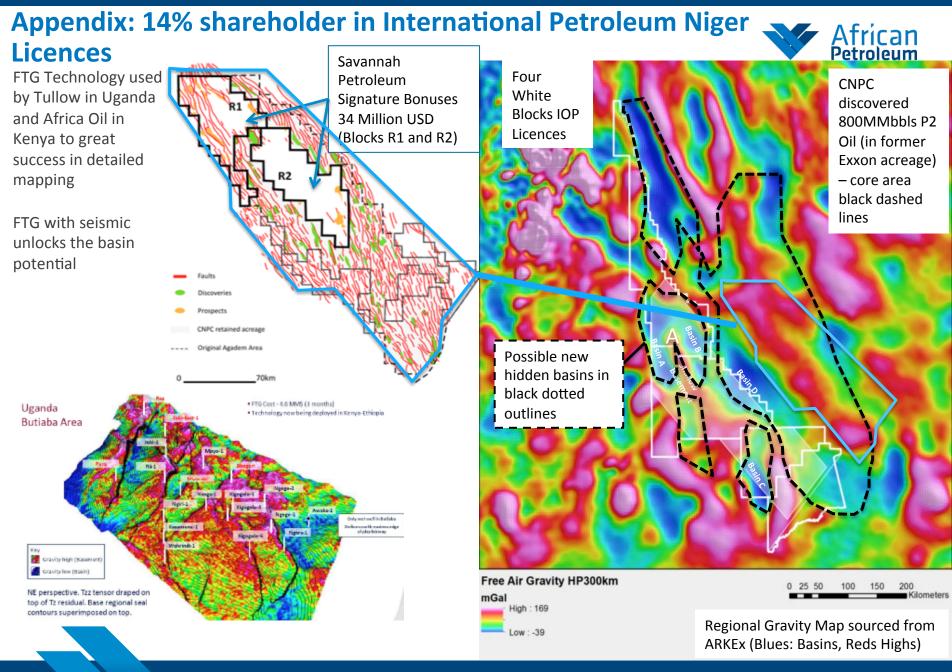




Prospect	Ayamé/ Ayamé West
Block	CI-513
License Area	1,446km <sup>2</sup>
Water Depth	900-3150m
Play Fairway	Turonian
Mean Prospective Unrisked	922* MMstb
Resources	







# Appendix: Corporate Social Responsibility, examples in action





## **Sightsavers**

- > APCL sponsored trainees will deliver preventative eye care to a population of over 1.6 million
- Providing funding and equipment to rural eye-care clinics



# **Gbowee Peace Foundation**

- Worked with Nobel laureate to design after school program and support Ebola awareness
- > Teaching leadership skills and reproductive health to school girls



# University of Liberia Computer Lab

- Increased capacity for G&G related educational training
- Provided software licenses and equipment for geosciences program



# **Student Sponsorship**

>G&G scholarship, opportunity to study at top universities in the UK

Commitment to build capacity, transfer knowledge and encourage local commercial participation across areas of operation