

21 December 2015

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

### **Côte d'Ivoire Block CI-513 – New PSC Signed with Ophir Energy**

African Petroleum, an independent oil and gas exploration company operating ten licences in five countries offshore West Africa, is pleased to announce that it has entered into a new Production Sharing Contract ("PSC") with Ophir Energy plc covering the Company's CI-513 licence area in Côte d'Ivoire.

#### **Highlights:**

- New PSC with Ophir Energy plc covering the Company's CI-513 licence area in Côte d'Ivoire
- Ophir Energy will make a contribution of US\$16.9 million towards African Petroleum's back costs in relation to the block
- Ophir Energy holds a 45% interest and is Operator, African Petroleum holds a 45% interest and Petroci (the National Oil Company of Côte d'Ivoire) holds a 10% carried interest
- Extension to previous minimum work commitments on the block
- Transaction represents successful achievement of key corporate milestone

In accordance with the terms of the new PSC, Ophir Energy holds a 45% interest and is Operator, African Petroleum holds a 45% interest and Petroci (the National Oil Company of Côte d'Ivoire) holds a 10% carried interest. The new PSC incorporates adjustments to fiscal terms and holding costs agreed with the Government of Côte d'Ivoire that reflect the current commodity price environment and outlook for development of the deepwater prospects identified through interpretation of the Company's 3D seismic. The agreement has resulted in an extension to the previous minimum work commitments on the block and now requires that an exploration well be drilled within 2 years of the signing of this new PSC.

On 29 June 2015 African Petroleum announced that it had signed a binding joint bidding agreement ("JBA") with a London listed oil and gas company to provide a framework for the incoming party to secure a 45% operated interest in a PSC covering the Company's CI-513 licence area in Côte d'Ivoire. Since this date African Petroleum and Ophir Energy have been working with the Government of Côte d'Ivoire to agree the revised terms of the new PSC.

In accordance with the terms of the JBA, Ophir Energy will make a contribution of US\$16.9 million towards African Petroleum's historical investment in 3D seismic and the transaction costs. In addition, Ophir Energy will contribute an additional 10% (over and above their participating interest share) towards the drilling of the first exploration well to be drilled on the block.

The new PSC has been signed by African Petroleum, Ophir Energy, Petroci, and two out of three of the relevant government Ministries. The Company expects the final Ministry signature to be imminent. A further announcement will be made in due course.

**Commenting on today's announcement, Jens Pace, CEO of African Petroleum said:**

*"We are pleased to have signed this new PSC with Ophir Energy who bring a wealth of experience and technical expertise to Block CI-513 in Côte d'Ivoire. We look forward to working with Ophir Energy and Petroci to jointly explore the potential of this exciting block.*

*Successful completion of this transaction has been the key priority for the management team and we believe this transaction endorses our acreage and importantly our strategy by highlighting that there remains an industry appetite for world class exploration of this type despite the prevailing industry headwinds. We now shift our focus to completion of further deals on our acreage in Senegal and the Gambia."*

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**About African Petroleum**

African Petroleum is an independent oil and gas exploration company operating ten licences in five countries offshore West Africa. 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. With a combined net acreage position of 28,448km<sup>2</sup> through its licences in Côte d'Ivoire, Liberia, Senegal, Sierra Leone and The Gambia, the Company has matured its portfolio through the acquisition of more than 18,500km<sup>2</sup> of 3D seismic data and successfully drilling three deep-water wells, one of which was the first hydrocarbons discovery in the offshore Liberian – Sierra Leone Basin.

For more information about African Petroleum, please see [www.africanpetroleum.com.au](http://www.africanpetroleum.com.au)