AFRICAN PETROLEUM CORPORATION Limited (NSX: AOQ), an exciting new player in the oil and gas exploration sector, made a ground-breaking discovery in February 2012 with its Narina-1 exploration well at Block LB-09, off the coast of Liberia.

African Petroleum’s second well, Narina-1, is the first significant oil discovery in Liberia’s relatively young oil and gas history. African Petroleum’s discovery has put Liberia on the map of the exciting new West African Transform Margin. It has also enabled African Petroleum to establish itself as a serious contender to the leading oil and gas exploration companies.

The Narina-1 well encountered a total of 32 metres of net oil pay in two zones: 21 metres in the Turonian sand and 11 metres in the Albian sand. Good quality oil was encountered in each the Turonian and the Albian reservoirs of 37 degrees API and 44 degrees API, respectively. Excitingly, hydrocarbon shows were encountered over a 170 metre interval in the Turonian, with no oil water contact made.

The Narina-1 well also confirmed the hydrocarbon potential indicated by African Petroleum’s first Liberian well, Apais-1, in the same block, which while “dry”, encountered enough geological and geophysical data to confirm the critical components of a working hydrocarbon system.

African Petroleum has moved quickly to follow up those exciting successes, contracting deepwater 5th generation semi-submersible drilling rig “Eirik Raude” from Ocean Rig UDW for a two well programme with the option for a third well, to continue its drilling program in its Liberian blocks and the company’s other West African assets. The company has also conditionally contracted an additional rig, which is due to drill a well ahead of the two well programme with the Eirik Raude.

Apart from its drilling success, African Petroleum has become renowned for its capacity to raise capital with institutional investors and to acquire quality acreage in one of the most sought after offshore regions in the world. African Petroleum has raised a total of A$557 million and has increased its acreage offshore West Africa by six hundred per cent since the company’s listing on the National Stock Exchange of Australia (NSX) in June 2010.

In late July, African Petroleum announced it had successfully raised A$85 million with institutions and sophisticated investors. That placements saw African Petroleum’s market cap leap to approximately A$2.9 billion and a cash position of approximately A$200 million.

In mid-July 2012, African Petroleum announced it had entered into a Memorandum Of Understanding (MOU) with PetroChina International Investment Company Limited, a subsidiary of China National Petroleum Corporation. That MOU provided PetroChina with an exclusive period to agree an investment in up to 20% of Block LB-09, offshore Liberia and up to 20% in one or more exploration Blocks in Cote d’Ivoire. The Gambia, Liberia, Senegal and Sierra Leone. While that exclusivity period recently expired, African Petroleum remains in close discussions with PetroChina.

African Petroleum’s next two very valuable blocks, LB-OI and LB-09 off the coast of Liberia, the company has been able to build a portfolio of unmached assets along the highly prospective West African Transform Margin, making African Petroleum one of the largest net acreage holders in this region.

THE GAMBIA
African Petroleum holds a 60% operating interest in Blocks A1 and A4 offshore The Gambia, acquired via a farm-in with Buried Hill Gambia BV. The company has completed the acquisition of 2,500 sq km of 3D data over the 2,688 sq km combined total area of the licence Blocks. The 3D seismic data has identified more than 30 exploration prospects and leads, which includes five different play types.

African Petroleum is planning to drill a high impact exploration well at the Alhamdulilah prospect, in deepwater Gambia in early 2013, which has the potential to open a new hydrocarbon province in the region.

Siera Leone
African Petroleum holds a 100% interest in Block SL-09 offshore Sierra Leone, where it has completed 3D seismic acquisition covering 2.539 sq km. In June 2012, the company was provisionally jointly awarded licence Block SL-4A-10, offshore Sierra Leone. Together these blocks lie just to the northwest of the Venus, Jupiter and Mercury discoveries.

Cote d’Ivoire
African Petroleum holds a 90% interest in Blocks CI-509 and CI-513 offshore Cote d’Ivoire covering a total area of 2,531 sq km. The company is currently undertaking a 3D seismic acquisition programme over both blocks, which is expected to be completed in October 2012.

Senegal
African Petroleum has a 90% interest in two offshore blocks in Senegal: Rufisque Offshore Profond and Senegal Offshore Sud Profond, covering a combined total area of 18,277 sq km. A 3,600 km 3D seismic acquisition programme over Senegal Offshore Sud Profond has now been completed and prospects are currently being analysed.

African Petroleum’s high quality assets and ability to raise capital makes it one of the most dynamic oil and gas companies operating in the current market.