



Contact

Azonto Petroleum Ltd

Suite 6, 245 Churchill Avenue
Subiaco, WA, 6008
Australia

22 Long Acre
London
WC2E 9LY
United Kingdom

Rob Shepherd
Andrew Rose
T: +44 (0)20 7042 8500

RFC Ambrian Limited Nomad and Joint Broker

Sarah Wharry
T: +44 (0)20 3440 6800

GMP Securities Europe LLP Joint Broker

Rob Collins
T: +44 (0)20 7647 2816

Buchanan Financial PR London

Ben Romney
Gordon Poole
T: +44 (0)20 7466 5000
E: azonto@buchanan.uk.com

MAGNUS Investor Relations Financial PR & Investor Relations Australia

Rupert Dearden
Kusal Meemeduma
T: +61 8 6160 4903

MARCH 2014

Azonto Quarterly Activities Report

Recent Highlights

1. Work continues with the relevant parties in Côte d'Ivoire to progress the development of the Gazelle gas field.
2. Six month extension granted to the current exploration period for the Accra Block in Ghana to enable further prospect evaluation and potential new industry partners to be sought.
3. Further strengthening of the Executive team with the appointment of Gert-Jan ("Jay") Smulders as Technical Director.

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A message from the Managing Director – Rob Shepherd

During the last quarter, Azonto Petroleum Limited (“Azonto” or the “Company”), continued to build on the milestones achieved during 2013 which included:

- 1) Signing of a new Production Sharing Contract for Block CI-202 in Côte d’Ivoire; and
- 2) completion of the previously announced transaction with Vitol E&P Limited (“Vitol”).

The Company has now moved forward from previous challenges and is focused on the future, and delivering shareholder value.

On 19 March 2014, we announced the appointment of Gert-Jan (“Jay”) Smulders as Technical Director, effective from early May 2014. Jay will be based in London and joins Azonto from Tullow Oil plc (“Tullow”) where he spent eight years in a range of positions with a primary focus on West Africa. Most recently Jay was North & Central West Africa Development Manager where he played an active part in the evaluation of acquisition opportunities across West Africa ranging from exploration through to development. Prior to joining Tullow, Jay spent 14 years with Shell, holding various management positions in Brazil before becoming Project Manager in Nigeria.

Jay’s appointment means Azonto now has the necessary skill set, capacity and experience to deliver significant value for shareholders going forwards.

During the quarter, we revised our corporate presentation to reflect our updated Company strategy which included:

- Acquiring and developing discovered hydrocarbons either onshore or in shallow water offshore

Focusing on discovered oil and gas opportunities requiring appraisal and development provides a more robust risk/reward proposition than a pure exploration-led strategy for a company of Azonto’s size.

However Azonto retains exposure within our current portfolio to a number of highly prospective exploration opportunities, both through our shareholding in Vioco Petroleum Limited (“Vioco”) in Block CI-202 and furthermore through our interest in the Accra Block, Ghana as I’ll discuss hereunder.

- Focus on West Africa

It is our view that pursuing a regional strategy will allow Azonto to benefit from local political connectivity between neighbouring countries, and also enables logistical synergies to be maximised.

- Use Gas as an “enabler” to unlock stranded liquids

The importance of gas as a power generation fuel source, replacing more expensive imported fuel oil, means that gas field development is accorded high political priority in West Africa. However gas can be considered less popular than oil among some E&P companies because it is generally sold into the domestic market and requires local infrastructure (pipelines) to be monetised.

This means that comparatively favourable terms can be negotiated for “stranded” gas assets, and if these contain a material liquids component there can be significant upside.

- Work with key partners

Small E&P companies like Azonto benefit from working with larger partners who can provide political and financial strength. Our relationship with Vitol is an example of such a partnership.

We also believe in the merits of working closely with the national state oil and gas companies within our countries of operation

I am pleased to report that we have identified and are actively working on a number of opportunities that are aligned with our updated strategy and we look forward to updating our shareholders more specifically when appropriate.

On 26 March 2014, Azonto Petroleum (Ghana) Limited (57% Azonto Petroleum Ltd / 43% Vitol E&P) (“Azonto Ghana”) was granted a six month extension to the Initial Exploration Period for the Accra block Offshore Ghana extending the exploration period to 23 September 2014. The extension of the exploration period enables Azonto Ghana and its Joint Venture partner Afex Oil (Ghana) Limited (“Afex Ghana”) to work closely alongside Ghana National Petroleum Corporation (“GNPC”), which holds a 10% carried interest in the Block, over the coming months as we seek to further explore the potential of the Block.

The recent Starfish-1 well (an initial exploration well) was drilled to test a new fairway in a proven petroleum system and our geological teams are encouraged by the initial evaluation of the data from the well. Of particular interest is the fact that the well penetrated an Albian aged stratigraphic reservoir (the main source rock for hydrocarbons in the deeper waters of West Africa) that is older than the Cenomanian / Turonian play that the Starfish prospect was prognosed to be prior to drilling. Nevertheless, the well discovered possible evidence of residual oil in the Albian sands.

Encouragingly, a number of prospects are evident to us in both the shallow water syn-rift Albian play and also in the deeper water Cenomanian/Turonian turbiditic and hinge-line plays.

The extension to the Initial Exploration Period has created a low cost option to enable Azonto to ensure that we take full advantage of this exciting opportunity as we are now able together with Afex Ghana and GNPC, to properly assess the information gleaned from the drilling of Starfish-1 and understand the implications on the broader prospectivity previously identified within the Block. During the extension period, we will also evaluate the potential for adding new partners to the Joint Venture. To date initial discussions with a number of potentially interested major industry partners have been encouraging and we are confident we can obtain a risk and reward exposure to this exciting high impact asset appropriate to our size and strategy.

In Cote d’Ivoire, Vioco continues to progress activities in relation to the development of the Gazelle gas field. During the quarter, engineering studies have been further advanced and discussions continued with both CI-Energies, as proposed gas purchaser, and PETROCI, the state oil Company responsible for building and

operating the pipeline that is intended to transport Gazelle gas from Grand Bassam to Abidjan. An updated Resources Report for the Gazelle field will be published imminently and the draft report confirms the gross field contingent resources targeted by the current development plan are in line with our internal estimates.

Vioco is also evaluating exploration targets on Block CI-202 with a view to potentially aligning exploration drilling activity with the drilling required for the development of Gazelle.

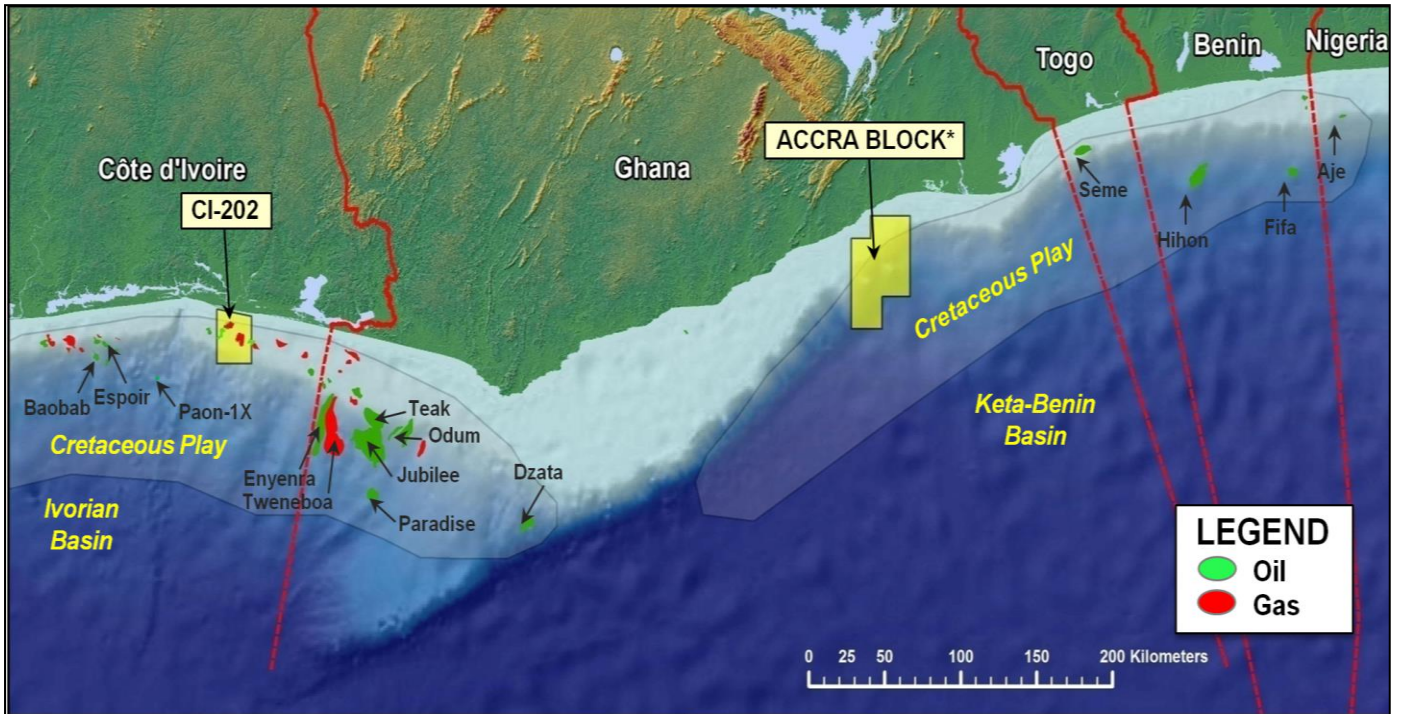
On 4 February 2014, Azonto signed an agreement with Vioco for the initial sale of part of our inventory of drilling equipment for around US\$3.2 mln with funds subsequently received in April. The agreement with Vioco also envisages the subsequent purchase of between around US\$500,000 and US\$1 mln of additional equipment, depending on the final development concept selected.

Given our operating focus in Africa, progress on current and future business activities will take time but we are increasingly confident the future is bright for Azonto.



Rob Shepherd
Managing Director

Operations Summary



CI-202 – Côte d'Ivoire

Azonto holds a 35% ownership interest in Vioco Petroleum Ltd, which holds an 87% operating working interest in offshore Block CI-202. Vioco's working interest can be reduced to 71% if PETROCI exercises its 16% back-in right after development approval is granted. The remaining 65% of Vioco is held by Vitol E&P Ltd.

On 7 November 2013, Vioco was granted a new PSC for Block CI-202, offshore Côte d'Ivoire. The new PSC incorporates an area originally relinquished and hence now comprises a total area of 707 km². Block CI-202 contains the Gazelle gas field plus several other oil & gas discoveries together with a number of exploration and appraisal targets in water depths of 50 to 1,000 metres.

Gazelle Field Development

Vioco is working with the relevant parties in Côte d'Ivoire to progress the development of the Gazelle gas field. A revised draft of the Field Development Plan was submitted in January 2014, and tenders are being prepared for the major facilities works. We are in

discussions with CI-Energies (the state electricity Company) regarding a gas sales agreement and with PETROCI over their planned pipeline to take Gazelle gas from the shore-based processing plant to the CI-Energies power plants in Abidjan. An updated Resources Report specifically for the Gazelle Field is nearing completion by RPS Group Plc, and the draft report confirms our internal estimates of gross field contingent resources.

Prospect Generation over the rest of the Block

The final version of the Pre-Stack Depth Seismic data volume is currently being interpreted, with re-mapping of old prospects, and new prospectivity evaluation underway. Once the prospect portfolio has been updated, detailed geophysical work including AVO, inversion, etc. can be performed on the high grade targets.

Offshore Accra Contract Area – Ghana

Work continues to delineate exploration prospects in the Block, in anticipation of an exercise, together with Joint Venture partner Afex Oil (Ghana) Ltd, to endeavour to bring new industry partners into the Block before the expiry of the current extended initial exploration period in September 2014 (see also under “Corporate”)

WA-399-P – Australia

As previously announced, the partners have advised the Government of their intention to withdraw from the licence, approval of which remains pending.

Petroleum tenements held at the end of the quarter and their location include:

CI-202

Offshore Côte D’Ivoire – Ivorian Basin
30km South East of CDI Capital – Abidjan
35% ownership interest in Vioco Petroleum Ltd, which holds an 87% operated working interest in offshore Block CI-202. Vioco’s working interest can be reduced to 71% if PETROCI exercises its 16% back-in right after development approval is granted.

Offshore Accra Block

Offshore Ghana – Keta Basin
20 km South East of Ghana Capital - Accra
56.6% beneficial ownership interest in Azonto Petroleum (Ghana) Ltd, which, subject to Government approval, holds an effective 45% operated working interest in the Accra Block.

WA-399-P

Offshore Western Australia – Carnarvon Basin
50 km North of Exmouth
12% working interest

No petroleum tenements or farm-in, farm-out interests were acquired during the quarter.

Corporate

Upon final determination of the cost of the Starfish-1 well drilled last year in the Accra Block in Ghana, for

which Azonto’s share was carried by Vitol E&P in return for equity in Azonto’s Ghana subsidiary, Azonto’s beneficial ownership interest in Azonto Petroleum (Ghana) Ltd was determined to be 56.6%.

In March 2014, Azonto Petroleum (Ghana) Limited was granted a six month extension to the current exploration period which now extends to 23 September 2014. The extension of the exploration period will enable Azonto Ghana and its Joint Venture partner Afex Oil (Ghana) Limited (“Afex Ghana”) to work closely alongside Ghana National Petroleum Corporation (“GNPC”, which holds a 10% carried interest in the Block) to further explore the potential of the Block.



Personnel Changes

In March Gert-Jan (“Jay”) Smulders was appointed as Technical Director, effective from early May 2014, and will assume responsibility, inter alia, for the subsurface geophysical function.

Jay joins Azonto from Tullow Oil plc (“Tullow”) where he spent eight years in a range of engineering, business development and management positions with a primary focus on West Africa. Jay gained a BSc and MSc in Advanced Mechanical Engineering from Imperial College, London, and prior to joining Tullow spent 14 years with Shell, holding various management positions in Brazil before becoming Project Manager in Nigeria.

Financial

Equity Issues

There were no equity issues during the quarter.

Capital Structure at 30 March 2014

	Number
Shares	1,158,625,100
Unlisted options	38,476,818

Cash

Cash on hand at 31 March 2014 was US\$6.7 million (unaudited).

Note: excludes ca. US\$3.2 mln receivable with Vioco.

Significant Shareholders at 30 April 2014

	Number	%
Artemis Global Energy Fund	100,000,000	8.63%
Genesis Asset Managers LLP	70,138,995	6.05%
International Finance Corporation (IFC)	63,707,267	5.50%