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Azonto Petroleum Ltd

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SEPTEMBER 2015

Azonto Quarterly Activities Report

Recent Highlights

1. Completion of disposal of Azonto's 35% interest in Vioco Petroleum Limited and CI-202 wellhead drilling equipment to Vitol E&P Limited.
 2. Cost-cutting measures implemented and London office (currently with skeleton staff) to close in early 2016 post 2015 audit completion.
 3. Cash balance as at October 26, 2015 A\$8.0 million equivalent principally held in US dollars, with minimal payables.
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ASX
APY

Operations Update

CI-202 – Côte d'Ivoire

On 21st August 2015 Azonto completed the sale of its 35% ownership interest in Vioco Petroleum Ltd (Vioco), which holds an 87% operating working interest in offshore Block CI-202 to Vitol E&P Ltd. The consideration paid by the purchaser on completion was US\$4,000,000. On 19th October 2015 Azonto completed the sale, to the same purchaser, of certain wellhead equipment for US\$1,100,000 which was agreed as part of the original sale of Vioco.

Also under the sale agreement, Azonto may receive further consideration of US\$2,000,000 for the sale of shares in Vioco upon the occurrence of a hydrocarbon discovery on or before 30 June 2018.

Future activities and direction of the Company

The Vioco asset was Azonto's last major oil and gas asset and its disposal has secured the Company sufficient cash to embark on new activities. The disposal of the wellhead equipment leaves the Company with a small amount (sub US\$500,000) of oil and gas inventory located in Cote d'Ivoire. The Company intends to sell this equipment at the earliest opportunity but doesn't currently have a buyer.

The Vioco disposal has also allowed the Company to close its London operating office. The office is currently leased until June 2016 but the Company is in the process of assigning the lease to a third party, effective 1 November 2015. The Company has also started to wind up a number of subsidiary companies based in the United Kingdom, Ghana and the British Virgin Islands. This is expected to be complete by the first quarter of 2016. A small finance function will remain in London until early 2016 that will allow for the completion of the Company's 31 December 2015 Financial Statement and the finalisation of various regulatory issues. Azonto also cancelled its admission to trading on the Alternative Investment Market (AIM) on the London Stock Exchange on the 24th August.

The Company will then be left with an Australian listing and a clean balance sheet with no legacy issues to

address. The directors are in the process of reviewing and investigating new opportunities and ventures. The investment opportunities may not be within the resources sector.

The Company is highly likely, as a condition of any future investment, to be required by the ASX to obtain shareholder approval for any new investment. The ASX may also exercise its discretion to require the company to re-comply with ASX listing requirements. The ASX will generally allow a company to remain as a cash box for up to 6 months after disposing of its main undertaking to give it time to identify, and make an announcement of its intention to acquire, another business, failing which ASX usually suspends the Company until such time as an announcement is made.

Given the above, the Company's expectation is that it will, within 6 months of the Disposal, identify and enter into an agreement to acquire a new business and have to obtain shareholder approval to complete the acquisition.

Director and Management Changes

Ron Nelmes, Group Finance Manager as the only full-time member of staff with other personnel reductions having already taken place and settled.

Rob Downey joined the board as a non-executive director on 17 September. Mr Downey is a corporate resources solicitor and company director. He has worked extensively in all areas of resources law with a particular focus on oil and gas projects in a variety of offshore jurisdictions. Mr Downey has specialised in advising publicly listed oil and gas and mining companies in relation to a variety of legal issues including capital markets, structuring, mergers and acquisitions and listings on ASX, AIM and TSX. Mr Downey also established a corporate advisory business during 2005 and was involved in a number of IPO and listing various resources companies as well as asset acquisitions and divestments. Mr Downey has held a number of public company directorships. Mr Downey is currently the chairman of Mount Ridley Mines Limited and non-executive director of Kairiki Energy

Limited, Instinct Energy Limited and Minex Resources NL. In October 2012, Mr Downey, in conjunction with two former colleagues formed Thompson Downey Cooper, where he acts for a select group of public companies, high net worth individuals and several South east Asian large private conglomerates.

Mr Glenn Whiddon, Non-Executive Director since June 2015, assumed the position of Non-executive Chairman on 17 September.

Financial

Equity Issues

There were no equity issues in the quarter.

Capital Structure at 30 September 2015

	Number
Shares	1,159,375,100
Unlisted options	20,776,817
Performance rights	140,569,489

Cash

Cash on hand at 30 September 2015 was A\$7.1 million (unaudited).