# Africa Oil Provides Operational Update and Year-End Results

March 27, 2014 (Source: Marketwired) – **Africa Oil Corp. (TSX VENTURE:AOI)(OMX:AOI)** ("Africa Oil" or the "Company") is pleased to provide year-end financial results and an update on its operations in Kenya and Ethiopia.

Seven rigs are currently active on the Company's blocks including four rigs on Blocks 13T and 10BB in the Tertiary Lokichar Basin in Western Kenya, one rig on Block 9 in the Cretaceous Anza rift in Northern Kenya, one rig in the South Omo Block in the Tertiary basin in Southern Ethiopia and one rig in Block 8 in the Jurassic/Triassic basin in the Somali region of Ethiopia.

In the Lokichar Basin, two rigs are drilling exploration/appraisal wells and two rigs are conducting testing operations. Africa Oil Kenya BV holds a 50% working interest in these blocks along with partner Tullow Oil plc who holds the remaining interest and is operator.

The Weatherford 804 rig has completed drilling operations on the Emong prospect. The well was located approximately four kilometres northwest of the Ngamia-1 field discovery and was drilled to a total depth of 1,394 metres. It encountered oil and gas shows while drilling, however the Auwerwer sandstones that are the primary reservoirs in the Ngamia field were thin and poorly developed in Emong-1 and the well was plugged and abandoned. It is believed that the reservoir was poorly developed due to its proximity to the basin bounding fault and its location within what appears to be a local isolated slumped fault margin. The results are not expected to impact the thickness and quality of reservoir throughout the main

Ngamia field area. This rig will now move to the Ekunyuk prospect on the eastern flank play which is on trend with recent discoveries at Etuko and Ewoi.

The Sakson PR-5 rig is continuing drilling operations on the Twiga-2 updip appraisal well and is expected to be completed in mid-April. This rig will then move to drill a downdip appraisal of the Amosing discovery, which appears to have high quality reservoir and may be one of the largest discoveries in the basin to date.

Testing operations have been completed on the Ekales-1 well using the SMP-5 rig and have confirmed this significant discovery. Two DST's were completed and flowed a combined rate of over 1,000 barrels of oil per day from a combined 41 metre net pay interval. The upper zone had a very high productivity index of 4.3 stb/d/psi. This rig will next test the Agete discovery.

The Etuko-2 well was drilled by the PR Marriott 46 rig as an exploration well to test the upper Auwerwer sands overlying the previously announced Etuko discovery. The well penetrated a potential significant oil column identified from formation pressure data and oil shows while drilling and in core, with good quality reservoir, but flowed only water on drill stem test. The results are considered inconclusive and analysis is underway to consider further options to evaluate this reservoir. This rig will next drill the Ngamia-2 appraisal well.

The Great Wall 190 rig is drilling ahead on schedule and budget at the Sala prospect in the Cretaceous Anza graben. This well is operated by Africa Oil Kenya B.V. which holds a 50% interest and operatorship with partner Marathon Kenya Limited B.V., a subsidiary of Marathon Oil Corporation holding the remaining 50%. The well is currently at approximately 1500 metres depth and drilling ahead. Results of this well are expected to be announced in the second quarter.

The Shimela prospect in the South Omo Block in Ethiopia is expected to spud before the end of March and will target a new basin in the Tertiary trend, the Chew Bahir Basin. Numerous potential hydrocarbon indicators have been observed on seismic in this basin and if this well is successful in proving up an active petroleum system and thus “opening” the basin, numerous other prospects identified in the basin will be de-risked. This rig will next drill the Gardim prospect in the southern portion of the basin. Both wells are basin bounding fault prospects similar to the Ngamia/Amosing/Twiga discoveries in the Lokichar basin.

The El Kuran-3 well, in the Somali region of Ethiopia, has reached a total depth of 3,528 metres and is currently undergoing logging and evaluation prior to taking a decision on the way forward on the well. There have been numerous oil and gas shows in the well which is a follow up to a discovery made by Tenneco in the 1970’s. There appears to be a significant amount of oil and gas in several intervals and the primary issues are the quality of the reservoir and potential commerciality given the remote location.

Keith Hill, President and CEO of Africa Oil, commented, “We are very pleased that all wells in the Lokichar Basin continue to find hydrocarbons indicating a very rich prolific source rock. We continue to gather key reservoir data through drilling and testing, with particular emphasis on understanding the distribution of the most productive reservoirs in the basin. This understanding should be enhanced with the addition of the 3D seismic survey which should allow us to develop a comprehensive reservoir model which will be essential for moving the Lokichar basin into development. We are on track to drill six very exciting potential basin-opening wells in 2014 including wildcat wells in the Chew Bahir, West Turkana, and South Kerio Basins, and along the eastern flank of the Anza Basin in addition to at least three additional exploration targets in the Lokichar Basin.”

The Company is also actively pursuing pre-development studies in the Block 10BB/13T area including commencement of the front end engineering design (FEED) and environmental and social impact assessment (ESIA) studies for the pipeline, export terminal and field facilities. It is the goal of the partnership to conclude these studies and achieve project sanction by the end of 2015/early 2016.

**Significant Events in 2013**

- Africa Oil ended the year with cash of $493.2 million and working capital of $439.8 million. In October, the Company completed a brokered private placement issuing an aggregate of
  56,505,217 common shares at a price of 51.75 Swedish Kronas ("SEK") per common share for net proceeds of $440 million significantly improving the Company's liquidity and capital resource position.
- During 2013, the Company completed seven exploration wells and two multi-zone well tests across its blocks and exited the year with three wells drilling and one well under test.
- During the first half of the 2013, the Company completed a series of well tests at both Twiga South-1 and Ngamia-1 on Blocks 13T and 10BB in Kenya, respectively. These successful well tests confirmed over 5,000 barrels of oil per day ("bopd") flow potential per well and doubled the previous estimates of net oil pay. Transient Pressure Analysis has been conducted on the Twiga South-1 and Ngamia-1 well tests. No pressure depletion was recorded over the duration of the tests.
- In July 2013, the Company announced a new oil discovery at Etuko-1. Etuko-1 is located 14 kilometres east of Twiga South-1 in Block 10BB and was the first test of the Basin Flank Play in the eastern part of the South Lokichar Basin. The well encountered approximately 40 metres of net oil pay in the Auwerwer and Upper Lokhone

targets and approximately 50 metres of additional potential net pay in the Lower Lokhone interval based on log analysis. In February 2014, the Company announced the results of five well tests conducted on five Lokhone pay intervals in Etuko-1. Light 36 degree API waxy crude oil was successfully flowed from three zones at a combined average rate of over 550 barrels of oil equivalent per day.

- In September 2013, the Company announced a new oil discovery at Ekales-1 located in the Basin Bounding Fault Play between the Ngamia-1 and Twiga South-1 discoveries. Logs indicated a potential pay zone of 60 to 100 metres to be confirmed by flow testing.
- In November 2013, the Company announced a new oil discovery at Agete-1 located seven kilometres north of the Twiga South-1 discovery along the Basin Bounding Fault Play in Block 13T. Logs indicated a significant oil column with an estimated 100 metres of net oil pay in good quality sandstone reservoirs. Well testing will commence imminently and an appraisal well is planned in the first half of 2014.
- In January 2014, the Company announced a new oil discovery at Amosing-1 located seven kilometres southwest of the Ngamia-1 discovery along the Basin Bounding Fault Play in Block 10BB. Logs indicate 160 to 200 metres of potential net oil pay in good quality sandstone reservoirs. Well testing and an appraisal well are planned for the first half of 2014.
- Also in January 2014, the Company announced a new oil discovery at Ewoi-1 located four kilometres to the east of the Etuko-1 discovery in the Basin Flank Play on the eastern side of the South Lokichar Basin in Block 10BB. Logs indicate potential net pay of 20 to 80 metres to be confirmed by well testing.
- Given the significant volumes discovered and the extensive exploration and appraisal program planned to fully assess the upside potential of the basin, the

Tullow-Africa Oil joint venture has agreed with the Government of Kenya to commence development studies. In addition, the partnership is involved in a comprehensive pre-FEED study of the export pipeline. The current ambition of the Government of Kenya and the joint venture partnership is to reach project sanction for development, including an export pipeline, by the end of 2015 or early 2016.

- To facilitate these development activities in parallel with exploration and appraisal, an "Area of Interest" (AOI) encompassing the South Lokichar Basin discoveries and further prospects in
  Blocks 10BB and 13T, was agreed with the Government of Kenya in February 2013. This agreement allows a multiple field approach to development of the resources while permitting the continued focus on exploration to increase the resource base while concurrently appraising discoveries.
- All operations in Block 10BB and Block 13T in Northern Kenya were temporarily suspended for approximately 12 days beginning on October 28, 2013 as a precautionary measure following demonstrations by members of local communities. Operations resumed after successful discussions relating to the operating environment with central and regional government and local community leaders. These discussions led to the signing of a Memorandum of Understanding which clearly lays out a plan for the Government of Kenya, county government, local communities in Northern Kenya and the Tullow-Africa Oil joint venture to work together inclusively over the long-term and to ensure operations can continue without disruption in the future.
- In the first quarter of 2013, the Tullow-Africa Oil joint venture tested a Cretaceous play in the Anza Basin with the Paipai-1 commitment well in Block 10A (Kenya), encountering light hydrocarbon shows. Due to concerns over economic viability, the Company and its partners

have relinquished Block 10A. As a result, the Company recorded a $22.9 million impairment of intangible exploration assets in the fourth quarter of 2013.

- In December 2013, the Company reported that the Bahasi-1 well on Block 9 in Kenya, had only encountered minor shows of gas. The rig then moved to drill Sala-1 on the northeastern flank of the basin to test a large prospect in the Cretaceous Anza rift, which is up-dip of two wells that had significant hydrocarbon shows. The Sala-1 well is currently drilling and is expected to complete in the second quarter of 2014.
- In July 2013, the Company reported that the Sabisa-1 well on the South Omo Block in Ethiopia, the most northerly well drilled on the Tertiary rift trend to date, had confirmed a viable hydrocarbon system with oil and heavy gas shows. In December 2013, the Company announced that the potential hydrocarbon bearing sands in Sabisa-1 were not present at the Tultule-1 well location. There were gas shows in the section, which point to a potential hydrocarbon source, and the results of these two wells will be analyzed to determine the future exploration program direction in the North Turkana Basin. Preparations are underway to drill two exploration wells in the Chew Bahir Basin, located to the east of the South Omo Block, in 2014. The first of these wells, Shimela-1, will spud imminently.
- The Company and its partners continued to actively acquire, process and interpret an extensive 2D seismic program totaling approximately 3,044 kilometres during 2013 over Blocks 10BA, 10BB, 12A, 13T in Kenya and the South Omo Block in Ethiopia with two onshore and one offshore 2D seismic crews operating through the year. A third onshore 2D seismic crew operating in the South Omo Block was released in May 2013 after completing 1,174 kilometres of 2D seismic. During 2014, the Company is planning to acquire 1,270 kilometres 2D seismic over the North Lokichar and Kerio Basins covering Blocks 10BB,

10BA and 13T. In addition, the Company and its partner in Blocks 10BB and 13T have commenced the acquisition a 550 square kilometre 3D seismic survey over the discoveries and prospects along the western basin bounding fault in the South Lokichar Basin.

- In September 2013, the Company announced details of an updated independent assessment of the Company's contingent and prospective resources on its Kenyan and Ethiopian exploration properties. The effective date of this assessment was 31 July 2013 and it was carried out in accordance with the standards established by the Canadian Securities Administrators in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. The assessment confirmed that the discovered South Lokichar Basin in Northern Kenya contains gross contingent resources of 368 million barrels of oil in the first three of seven discoveries in the basin, an increase of 557% over the assessment conducted in mid 2012. In addition, gross risked prospective resources of 1,213 million barrels of oil are estimated for the South Lokichar Basin. Net Contingent Resources for the Company are estimated at 231 million barrels of oil. Net Unrisked Prospective Resources for the Company are estimated at 9,647 million barrels of oil (excluding Puntland) and Net Risked Prospective Resources at 1,294 million barrels of oil (excluding Puntland). Please refer to the Company's press release dated September 3, 2013 for details of the prospective and contingent resources by prospect and lead, including the geologic chance of success. Plans are underway to update this independent resource assessment to include well results since July 2013 for release in the second quarter of 2014. The Company has a significant exploration and appraisal program set out for 2014 which will see over 20 wells completed. The program is focused on drilling out the remaining prospect inventory in the South Lokichar Basin, appraising existing and future discoveries with the aid of the new 3D Seismic survey, drilling six new basin opening wells and progressing the South Lokichar Basin development studies towards project sanction. This significant program in 2014 is fully funded.

**2013 Financial and Operating Highlights**

**Consolidated Statement of Net Income (Loss) and Comprehensive Income (Loss)**
(Thousands of United States Dollars)

| For the years ended | | December 31, | December 31, |
|---|---|---|---|
| | | 2013 | 2012 |
| Operating expenses | | | |
| | Salaries and benefits | $ 5,040 | $ 3,665 |
| | Stock-based compensation | 12,746 | 4,943 |
| | Travel | 1,588 | 1,469 |
| | Office and general | 1,160 | 1,012 |
| | Donation | 1,151 | 2,313 |
| | Depreciation | 55 | 48 |
| | Professional fees | 786 | 4,187 |
| | Stock exchange and filing fees | 969 | 916 |
| | Impairment of intangible exploration assets | 22,874 | 3,127 |
| | | 46,369 | 21,680 |
| Finance income | | (4,141) | (1,727) |
| Finance expense | | 9,210 | 164 |
| Net loss and comprehensive loss | | 51,438 | 20,117 |
| Net income and comprehensive income attributable to non-controlling interest | | (1,222) | (2,676) |

| | | | |
|---|---|---|---|
| Net loss and comprehensive loss attributable to common shareholders | | 52,660 | 22,793 |
| Net loss attributable to common shareholders per share | | | |
| | Basic | $ 0.20 | $ 0.10 |
| | Diluted | $ 0.20 | $ 0.10 |
| Weighted average number of shares outstanding for the purpose of calculating earnings per share | | | |
| | Basic | 263,081,763 | 220,664,278 |
| | Diluted | 263,081,763 | 220,664,278 |

Operating expenses increased $24.7 million for the year ended December 31, 2013 compared to the prior year. The Company recorded a $22.9 million impairment of intangible exploration assets relating to Block 10A in Kenya in 2013, while in 2012, the Company recorded a $3.1 million impairment of intangible exploration assets relating to Blocks 7 and 11 in Mali. The increase of $7.8 million in stock -based compensation is attributable to an increase in the number of options granted in 2013 compared to 2012. The $3.4 million decrease in professional fees was mainly the result of 420,000 common shares issued in 2012 as a settlement of claimed professional fees relating to previously completed farmout transactions. The $1.4 million increase in salary and benefits is the result of increased operational activity and increased headcount in 2013. The Company made $1.2 million donation in 2013 and a $2.3 million donation in 2012, both to the Lundin Foundation.

Financial income and expense is made up of the following items:

| **For the years ended** | **December 31,** | **December 31,** |
|---|---|---|
| | **2013** | **2012** |
| | | |
| Loss on marketable securities | – | (124) |

| | | |
|---|---|---|
| Fair value adjustment – warrants | 3,115 | 832 |
| Interest and other income | 1,026 | 326 |
| Bank charges | (24) | (40) |
| Foreign exchange gain (loss) | (9,186) | 569 |
| Finance income | 4,141 | 1,727 |
| Finance expense | (9,210) | (164) |

The loss on revaluation of marketable securities is the result of a decrease in the value of 10 million shares held in Encanto Potash Corp which were acquired as part of the acquisition of Lion. These shares were sold during the first quarter of 2012.

At December 31, 2013, nil warrants were outstanding in AOC and 9.5 million warrants were outstanding in Horn. AOC holds 2.2 million of the warrants outstanding in Horn. The Company recorded a $3.1 million gain on the revaluation of warrants for the year ended December 31, 2013 due to a reduction in the number of Horn warrants outstanding, a reduction of the remaining life of the Horn warrants that remain outstanding, and a reduction in the volatility of the Horn's share price. The Company will record fair market value adjustments on the Horn warrants until they are exercised or they expire (all expire in June 2014).

Interest income increased in 2013 due to a significant increase in cash late in the fourth quarter of 2012 and in the fourth quarter of 2013 as a result of cash received from the non-brokered private placement in December 2012 and the brokered private placement in October of 2013, respectively.

During October of 2013, the Company entered into an economic hedge in an effort to mitigate exposure to fluctuations in the US dollar versus the Swedish Krona exchange rate between the date the private placement was announced and the date the private placement closed, in which the Company issued shares for Swedish Krona. As a result, the Company incurred foreign exchange losses on the foreign currency instrument of $7.4 million in the fourth quarter of 2013. The remaining foreign exchange gains and losses are primarily related to changes in the value of the Canadian dollar in comparison to the US dollar. Historically, the Company has recorded foreign exchange gains when the Canadian dollar has strengthened versus the US dollar, and has recorded losses when the Canadian dollar has weakened versus the US dollar.

**Consolidated Balance Sheets**
(Thousands United States Dollars)

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and cash equivalents | $ 493,209 | $ 272,175 |
| Marketable securities | – | – |
| Accounts receivable | 3,195 | 2,848 |
| Prepaid expenses | 1,379 | 1,124 |
| | 497,783 | 276,147 |
| Long-term assets | | |
| Restricted cash | 1,250 | 1,119 |
| Property and equipment | 103 | 82 |
| Intangible exploration assets | 488,688 | 282,109 |
| | 490,041 | 283,310 |
| Total assets | $ 987,824 | $ 559,457 |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 57,976 | $ 36,188 |
| Current portion of warrants | 1 | 2,288 |

| | | |
|---|---|---|
| | 57,977 | 38,476 |
| Long-term liabilities | | |
| Warrants | – | 828 |
| | – | 828 |
| Total liabilities | 57,977 | 39,304 |
| Equity attributable to common shareholders | | |
| Share capital | 1,007,414 | 558,555 |
| Contributed surplus | 24,396 | 12,123 |
| Deficit | (150,736) | (98,076) |
| | 881,074 | 472,602 |
| Non-controlling interest | 48,773 | 47,551 |
| Total equity | 929,847 | 520,153 |
| Total liabilities and equity | $ 987,824 | $ 559,457 |

The increase in total assets from 2012 to 2013 is due to the brokered private placement in October 2013 which raised $440 million net of issuance costs and related foreign exchange.

**Consolidated Statement of Cash Flows**

(Thousands United States Dollars)

| | **December 31,** | **December 31,** |
|---|---|---|
| | **2013** | **2012** |
| Cash flows provided by (used in): | | |
| Operations: | | |
| Net loss and comprehensive loss for the year | $ (51,438) | $ (20,117) |
| Items not affecting cash: | | |
| Stock-based compensation | 12,746 | 4,943 |
| Share-based expense | – | 3,763 |
| Depreciation | 55 | 48 |

| | | | | |
|---|---|---|---|---|
| | | Loss on marketable securities | – | 124 |
| | | Impairment of intangible exploration assets | 22,874 | 3,127 |
| | | Fair value adjustment – warrants | (3,115) | (832) |
| | | Foreign exchange loss related to financing | 7,396 | – |
| | | Unrealized foreign exchange loss | 25 | 1,055 |
| | | Changes in non-cash operating working capital | (756) | (657) |
| | | | (12,213) | (8,546) |
| Investing: | | | | |
| | | Property and equipment expenditures | (76) | (91) |
| | | Intangible exploration expenditures | (229,453) | (133,823) |
| | | Farmout proceeds | – | 34,259 |
| | | Proceeds from sale of marketable securities | – | 2,442 |
| | | Changes in non-cash investing working capital | 21,942 | 12,373 |
| | | | (207,587) | (84,840) |
| Financing: | | | | |
| | | Common shares issued | 448,386 | 255,169 |
| | | Foreign exchange loss related to financing | (7,396) | – |
| | | Deposit of cash for bank guarantee | (1,250) | (375) |
| | | Release of bank guarantee | 1,119 | 2,175 |

| | | |
|---|---|---|
| | 440,859 | 256,969 |
| Effect of exchange rate changes on cash and cash equivalents denominated in foreign currency | (25) | (966) |
| Increase in cash and cash equivalents | 221,034 | 162,617 |
| Cash and cash equivalents, beginning of year | 272,175 | $ 109,558 |
| Cash and cash equivalents, end of year | 493,209 | $ 272,175 |
| Supplementary information: | | |
| Interest paid | Nil | Nil |
| Income taxes paid | Nil | Nil |

The increase in cash for the year ended December 31, 2013 is mainly the result of the brokered private placement in October 2013 which raised $440 million in cash net of issuance costs and related foreign exchange, offset partially by intangible exploration expenditures and cash-based operating expenditures.

**Consolidated Statement of Equity**
(Thousands United States Dollars)

| | **December 31, 2013** | **December 31, 2012** |
|---|---|---|
| **Share capital:** | | |
| Balance, beginning of year | $ 558,555 | $ 306,510 |
| Private placement, net | 447,355 | 226,446 |
| Exercise of warrants | – | 14,340 |
| Shares issued in lieu of professional fees | – | 3,763 |
| Exercise of options | 1,504 | 7,496 |
| Balance, end of year | 1,007,414 | 558,555 |

| | | |
|---|---|---|
| **Contributed surplus:** | | |
| Balance, beginning of year | $ 12,123 | $ 8,425 |
| Exercise of Horn warrants | – | 1,148 |
| Stock based compensation | 12,746 | 4,943 |
| Exercise of options | (473) | (2,393) |
| Balance, end of year | 24,396 | 12,123 |
| **Deficit:** | | |
| Balance, beginning of year | $ (98,076) | $ (75,283) |
| Dilution loss through equity | – | – |
| Net loss and comprehensive loss attributable to common shareholders | (52,660) | (22,793) |
| Balance, end of year | (150,736) | (98,076) |
| Total equity attributable to common shareholders | $ 881,074 | 472,602 |
| **Non-controlling interest:** | | |
| Balance, beginning of year | $ 47,551 | $ 36,296 |
| Non-controlling interest on issuance of Horn shares | – | 8,579 |
| Net income and comprehensive income attributable to non-controlling interest | 1,222 | 2,676 |
| Balance, end of year | 48,773 | 47,551 |
| Total equity | $ 929,847 | $ 520,153 |

The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the year ended December 31, 2013 and the 2013 Annual Information Form have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.africaoilcorp.com).

**Outlook**

The Company has increased the pace of exploration significantly during 2013. Seven rigs are currently operating. Completion of the brokered private placement in October 2013 has increased the Company's liquidity and capital resource position which is expected to fund the Company's portion of exploration, appraisal and development activities until mid 2015.

The near term focus of exploration is to continue drilling and testing wells in the South Lokichar Basin in Northern Kenya improving on recent cost efficiencies realized while continuing to grow the Company's contingent resource base, and to drill potential basin-opening wells in the Turkana, Chew Bahir, Kerio, and Anza basins within Kenya and Ethiopia.

The results to date onshore Kenya are an important step towards understanding the potential and commerciality of the South Lokichar Basin. Resources discovered to date are of a scale that the Tullow-Africa Oil joint venture has initiated discussions with the Government of Kenya and other relevant stakeholders regarding development options including an export pipeline. It is understood that discussions are ongoing between the Governments of Kenya, Uganda and Sudan regarding a regional crude oil pipeline export system to Lamu in Kenya and the Government of Kenya has indicated that it will issue an Expression of Interest within the next few months seeking parties willing to fund, build and operate the pipeline system.

In 2014, the Company expects to drill six new basin opening wells, drill all key prospects in the South Lokichar Basin, fully appraise the Ngamia and Twiga discoveries, and have a defined understanding of development.

***Cautionary Statements regarding Well Test Results***

Drill stem tests are commonly based on flow periods of 1 to 5 days and build up periods of 1 to 3 days. Pressure transient analysis has not been carried out on all well tests and the results should therefore be considered as preliminary. Well test results are not necessarily indicative of long-term performance or of ultimate recovery.

***Forward Looking Statements***

Certain statements made and information contained herein constitute “forward-looking information” (within the meaning of applicable Canadian securities legislation). Such statements and information (together, “forward looking statements”) relate to future events or the Company’s future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions) are not statements of historical fact and may be “forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

*Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia as well as Puntland (Somalia) through its 45% equity interest in Horn Petroleum Corporation. Africa Oil's East African holdings are within a world-class exploration play fairway with a total gross land package in this prolific region in excess of 215,000 square kilometres. The East African Rift Basin system is one of the last of the great rift basins to be explored. Seven new significant discoveries have been announced in the Northern Kenyan basin in which the Company holds a 50% interest along with operator Tullow Oil plc. The Company is listed on the TSX Venture Exchange and on First North at NASDAQ OMX-Stockholm under the symbol "AOI".*

ON BEHALF OF THE BOARD

Keith C. Hill, President and CEO

Africa Oil’s Certified Advisor on NASDAQ OMX First North is Pareto Securities AB.