

A Lundin Group Company

A Major Emerging Oil Company in East Africa

Twiga South-1 Test, Block 13T, Kenya

Annual General Meeting
June, 2013

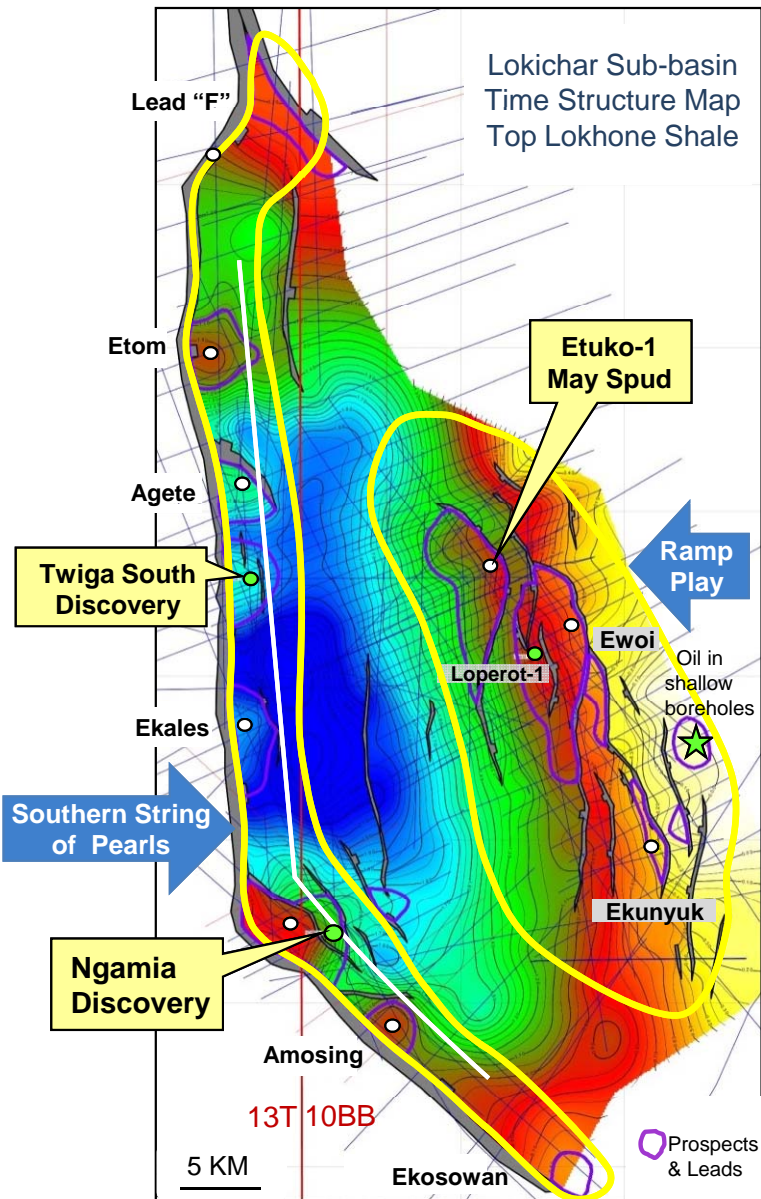


2013 – The Proof in the Pudding



- Drilling program opens 3 new basins – Lokichar, North Anza and North Turkana
- 2013 program now focused on 3 major areas
 - Drilling up exploration prospects in proven Lokichar Basin
 - Opening up new basins (Turkana, Chew Bahir, Anza, Kerio, etc.)
 - Testing and appraising existing discoveries in Lokichar (Ngamia-1) Basin to accelerate confirmation of commercial volumes
- Major ramp up in activity with 6 rigs expected operational by end of 3rd quarter, 3D seismic crew mobilizing and commencement of initial 2D and FTG programs in Rift Basin Area Block (Ethiopia) and Block 12A (Kenya)

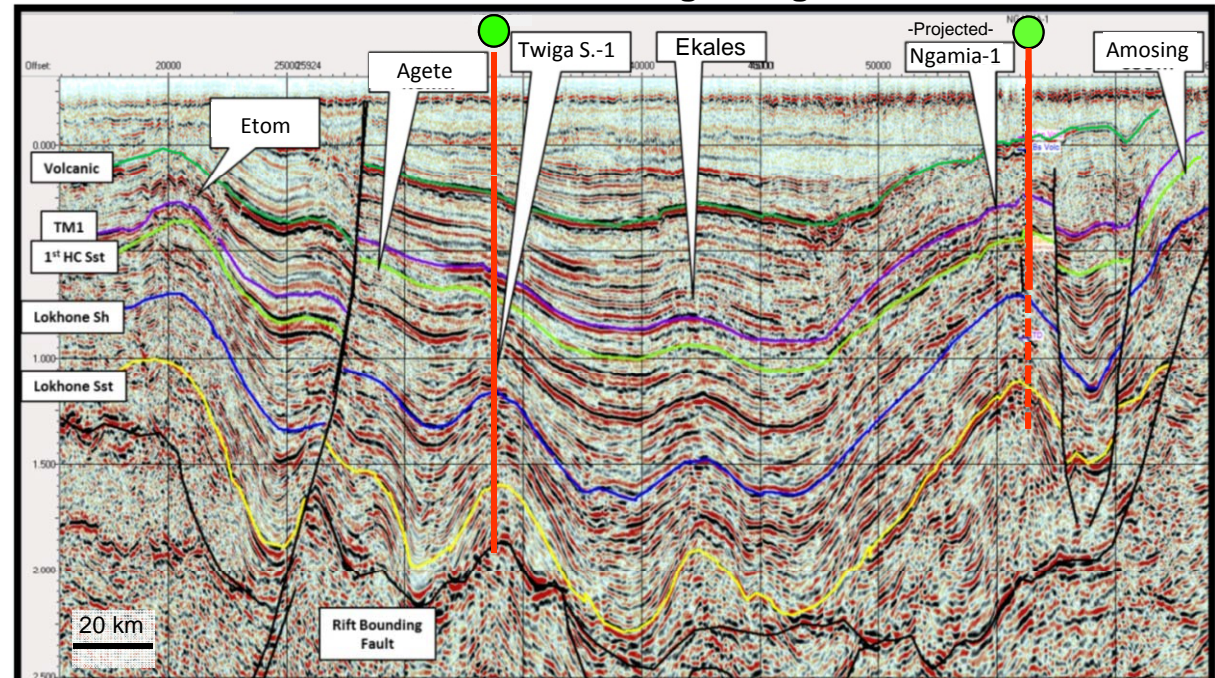
Lokichar Basin – Low Risk Proven Hydrocarbon System



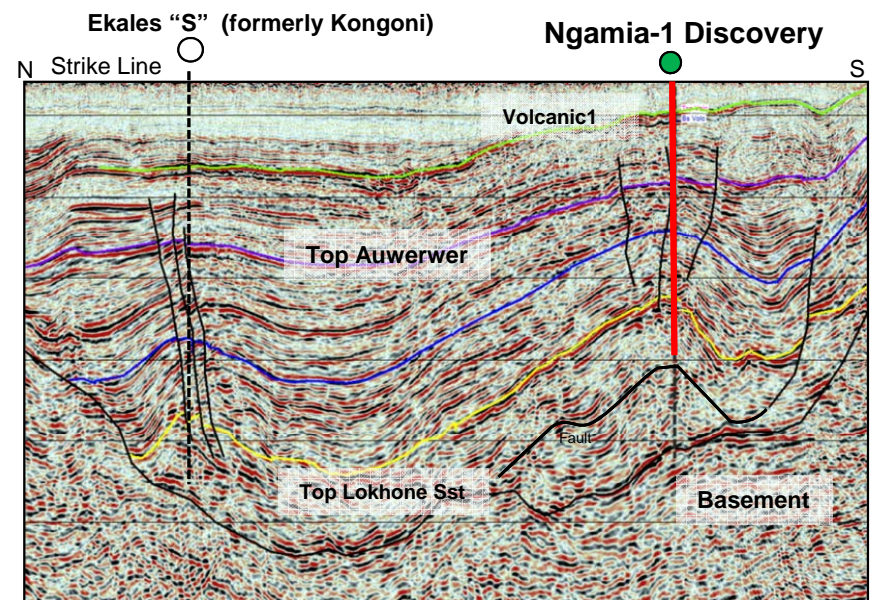
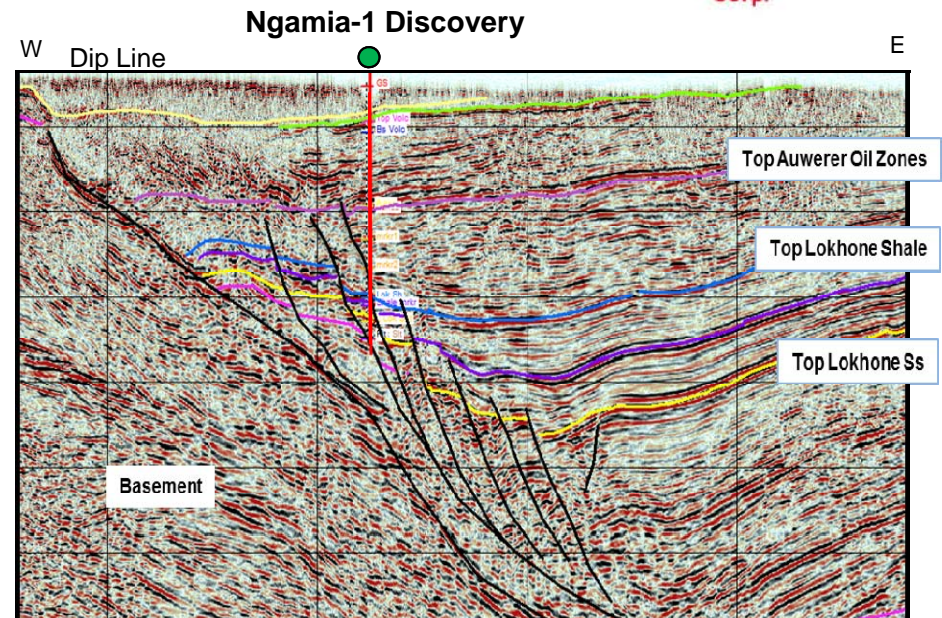
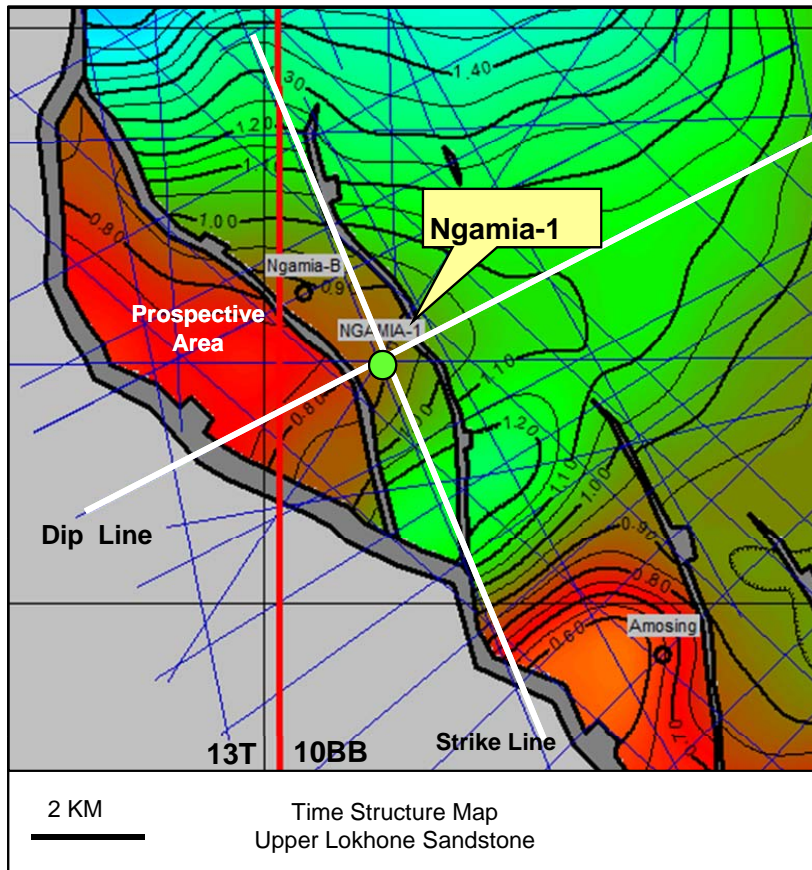
* Some prospects renamed to reflect local designations

- Discoveries at Ngamia and Twiga confirm highly prospective source rock, traps and reservoirs
- Numerous low risk prospects defined on trend with existing seismic
- Large potential ramp play to be tested with upcoming Etuko well

Seismic Section along String of Pearls



Ngamia-1 Discovery Block 10BB



Gross Oil Contingent Resources		
1C (MMBbl)	2C (MMBbl)	3C (MMBbl)
21	51	101

Gross Oil Prospective Resources (unrisked)		
Low (MMBbl)	Best (MMBbl)	High (MMBbl)
51	137	370

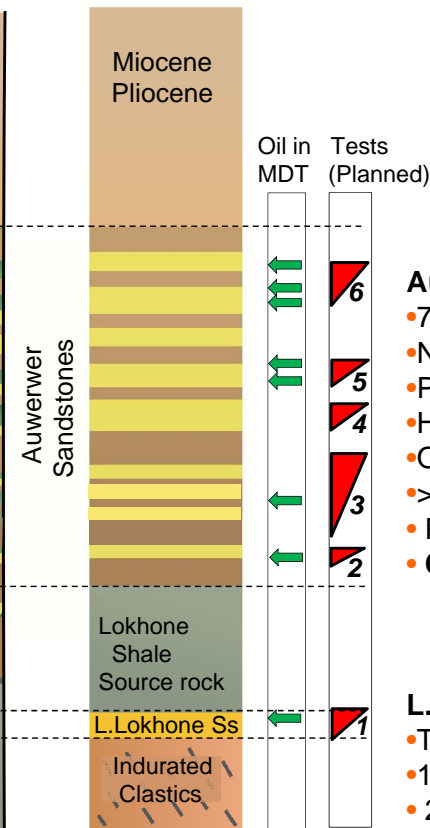
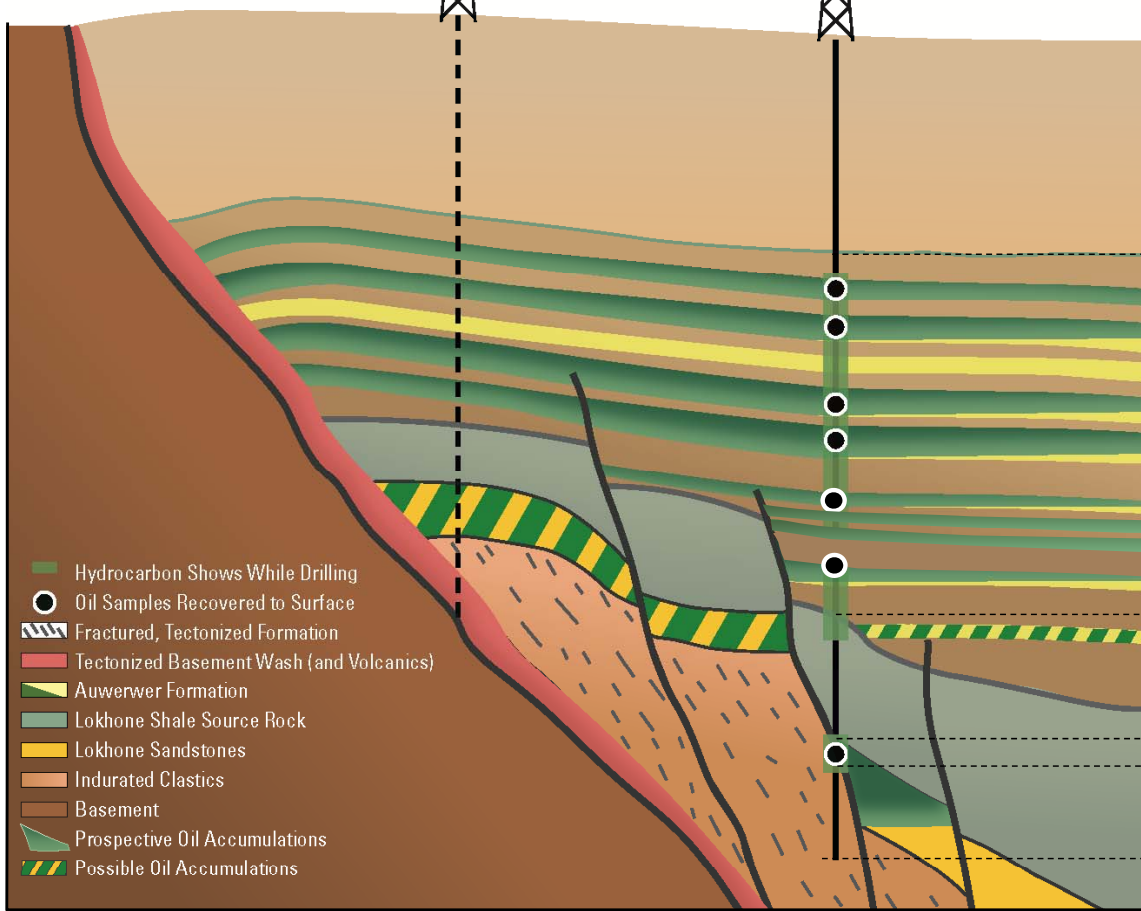
Chance of success: 62%

Ngamia-1 Cross Section



○
Updip Ngamia Appraisal
(Auwerwer & Lokhone Sandstone targets)

●
Ngamia-1



Auwerwer Sandstones

- 775m gross interval with shows
- Net pay greater than 100m
- Porosities: 23-29%
- High permeabilities
- Oil recovered from 7 MDT's
- >30 deg. API
- Pressures confirm 5+ oil pools
- **Currently Testing**

L. Lokhone Sandstones

- Tested 281 BOPD 30° API
- 175m gross interval with oil shows
- 21-43m possible net pay
- Porosities: 10-15%

DST- Planned

Twiga South-1 Cross Section

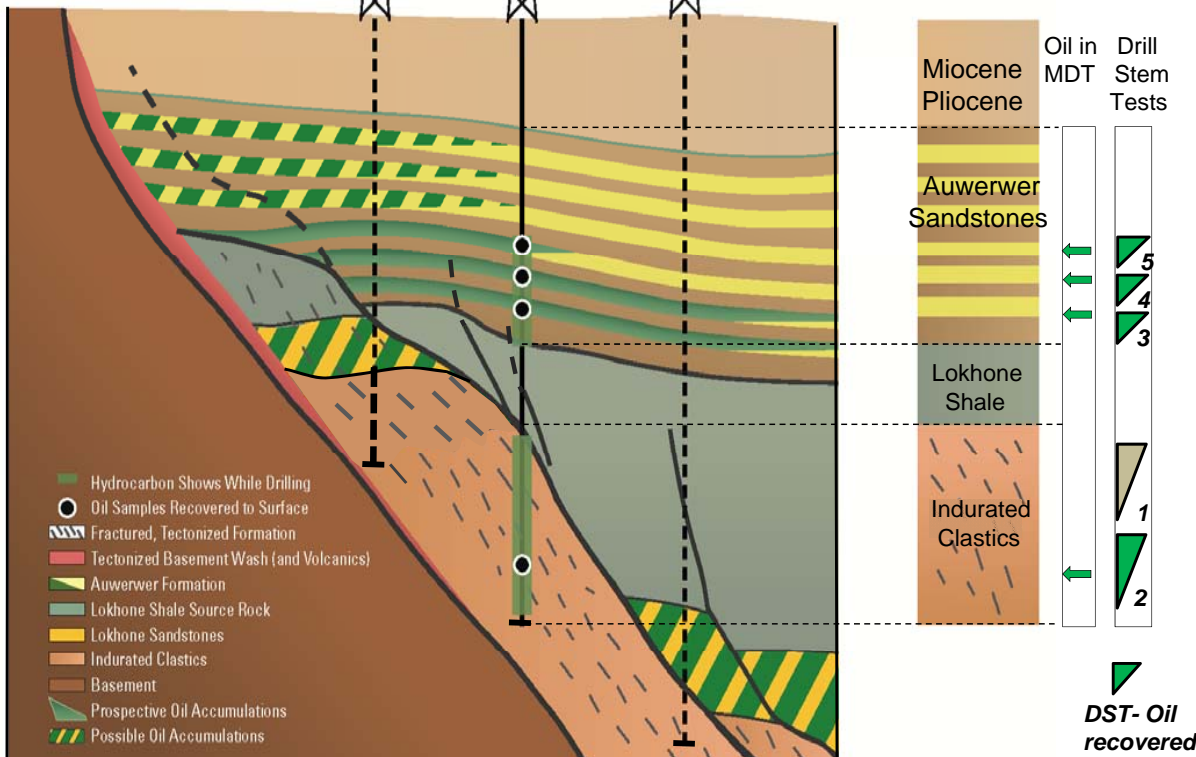


- Core and test data confirm excellent reservoirs in Upper Auwerwer sands:
 - 23-29% porosity
 - 100 md - 3 darcy permeability
- Well produced 2,812 bopd from 3 tests
- With optimized artificial lift equipment this rate would increase to a cumulative rate of around 5,200 bopd

○ Updip Twiga South Appraisal (Auwerwer & Lokhone Sandstone Targets)

● Twiga South-1 Discovery

○ Downdip Twiga South Appraisal (Auwerwer & Lokhone Sandstone Targets)



DST #5: Flowed 461 bopd of 37° API oil with a PCP (pump capacity limited)
Productivity Index ~ 1 bbl/day/psi
Potential with optimized artificial lift – 1,000 bopd

DST #4: Flowed 491 bopd of 37° API oil with a PCP (pump capacity limited)
Productivity Index ~ 1.1 bbl/day/psi
Potential with optimized artificial lift – 1,600 bopd

DST #3: Flowed 1,860 bopd naturally with 37° API oil
Productivity Index ~ 2.5 bbl/day/psi
Potential with optimized artificial lift – 2,600 bopd

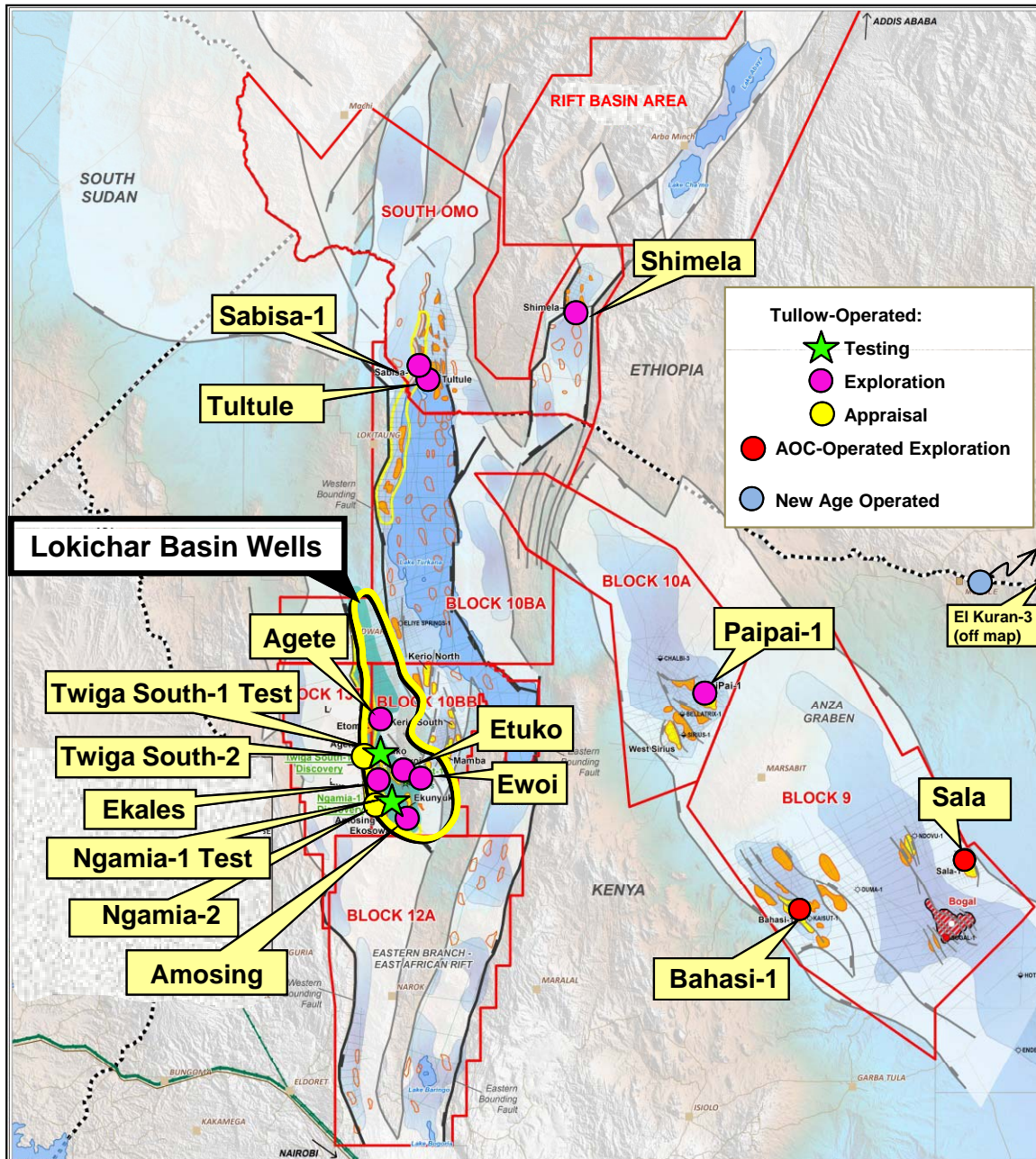
DST #2: Produced at sub-commercial flow rates, reconfirmed the presence of moveable oil.

DST #1: No inflow

PCP = Progressive Cavity Pump

DST-Oil recovered

2013 Potential Drilling Candidates



- ★ **Tullow-Operated: Testing:**
 - Twiga South-1
 - Ngamia-1
 - Additional testing in contingent budget
- **Exploration:**
 - Sabisa
 - Paipai
 - Shimela
 - Tultule
 - Agete (formerly North Twiga)
 - Ekales (Kongoni)
 - Amosing (Ngamia South)
 - Etuko (Kamba)
 - Ewui
- **Appraisal:**
 - Ngamia-2
 - Twiga South-2
- **AOC-Operated Exploration:**
 - Bahasi-1 (formerly Kinyonga)
 - Sala (Pundamilia)
- **New Age-Operated Exploration:**
 - El Kuran-3

Schedule subject to change as drilling results and seismic acquisition/processing dictate

Current Rig Schedule



Weatherford 804



- Currently testing Ngamia-1 well
- Plan to move to Ekales location next
- Likely to continue drilling Lokichar string of pearls

OGEC 75



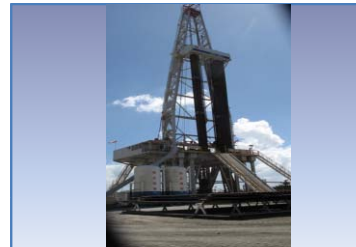
- Currently drilling Sabisa
- Plan to drill Tultule and Shimela wells

Sakson PR-5



- Mobilizing to Block 10BB to drill Etuko (Kamba) prospect
- Next location contingent but likely to stay in Lokichar Basin on ramp of string of pearls prospects

Great Wall 190



- Will mobilize over summer to Block 9
- Planned Bahasi spud end of 3rd quarter
- Contingent well Sala-1
- Considering use for PaiPai testing

PR Marriott



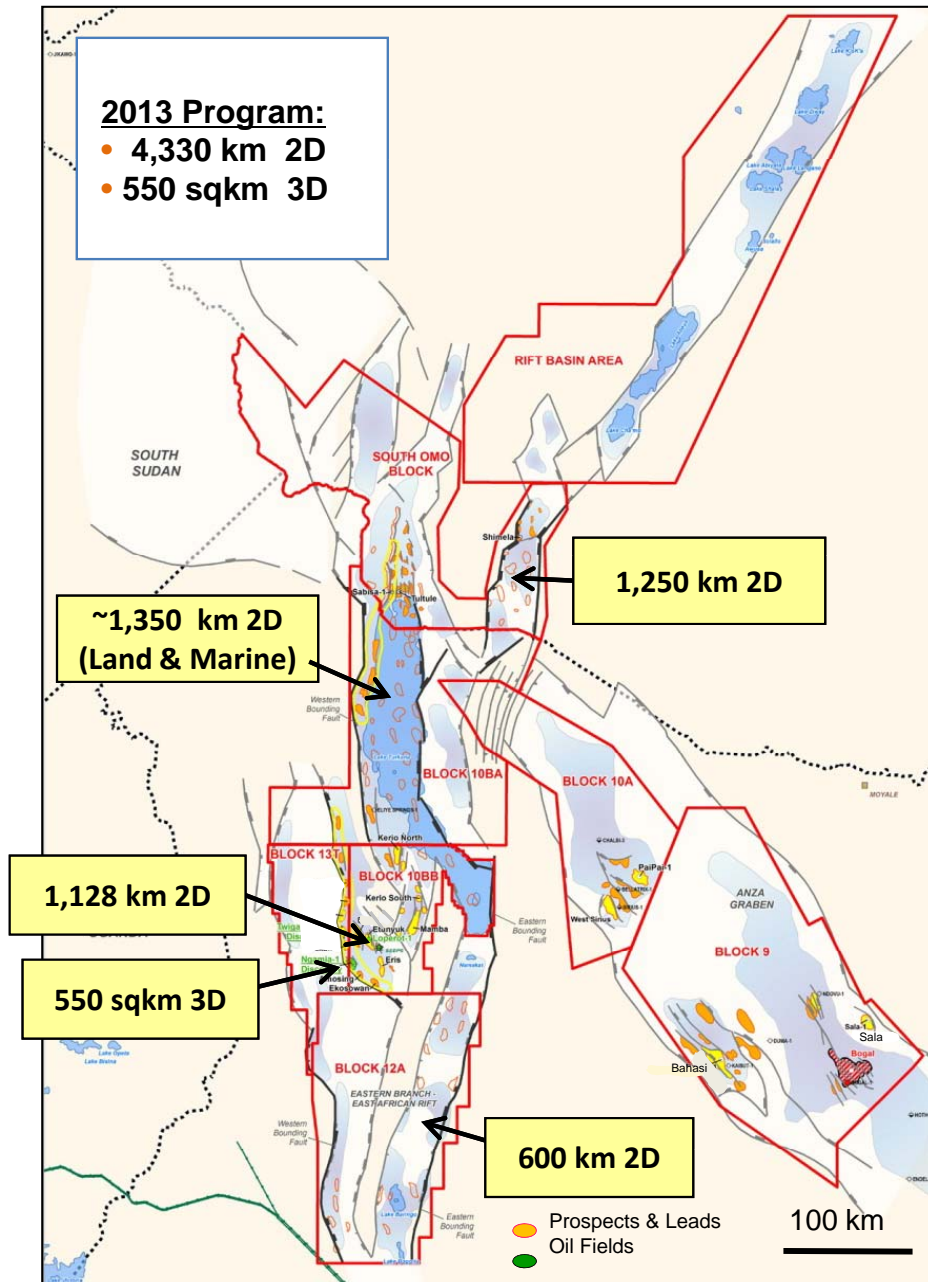
- Mobilizing 3rd quarter
- First well Twiga-2 updip appraisal
- Plan to use for testing and shallow drilling

Sakson 501



- Currently mobilizing into Ogaden Basin
- Expecting spud in June
- Further work undecided

Aggressive 2013 Seismic Program



- 3D seismic crew mobilizing into Lokichar Basin for detailed structural mapping
- Three 2D onshore seismic crews and one 2D offshore seismic crew to remain active throughout 2013 and into 2014
- Key is to grow prospect inventory to keep ahead of drilling rigs



Ekales (formerly Kongoni) Cross Section

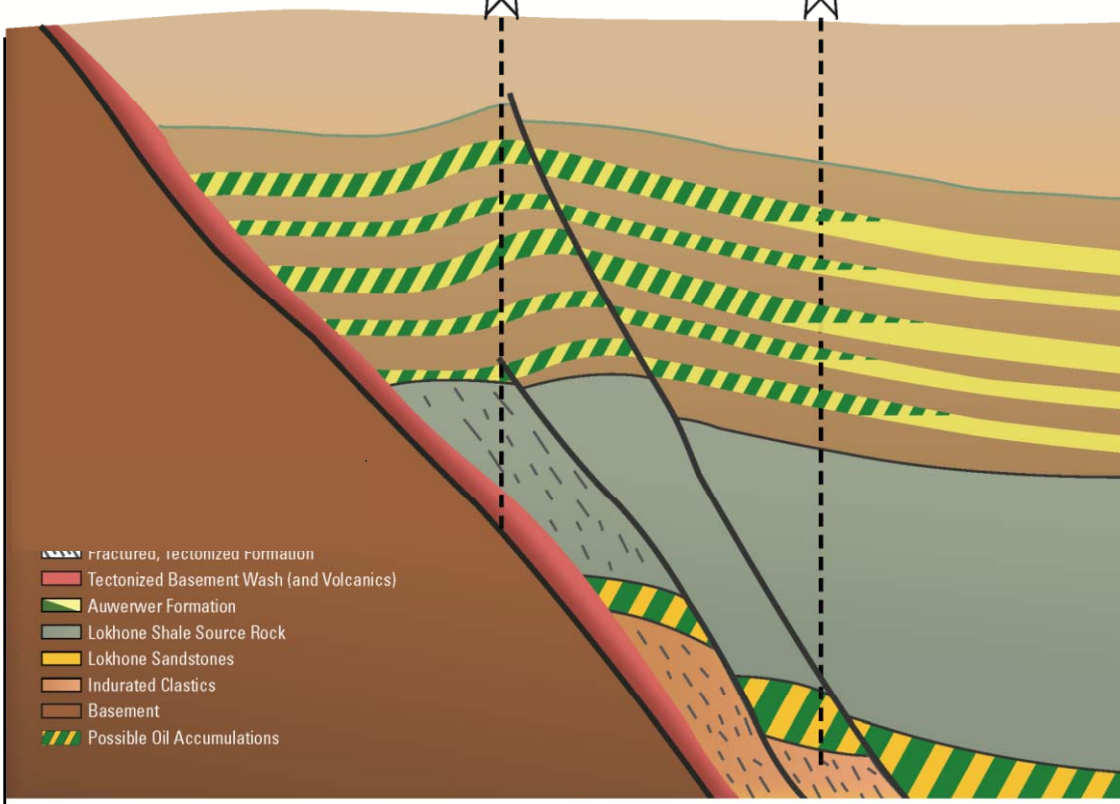
AfricaOil

Gross Oil Prospective Resources (unrisked)

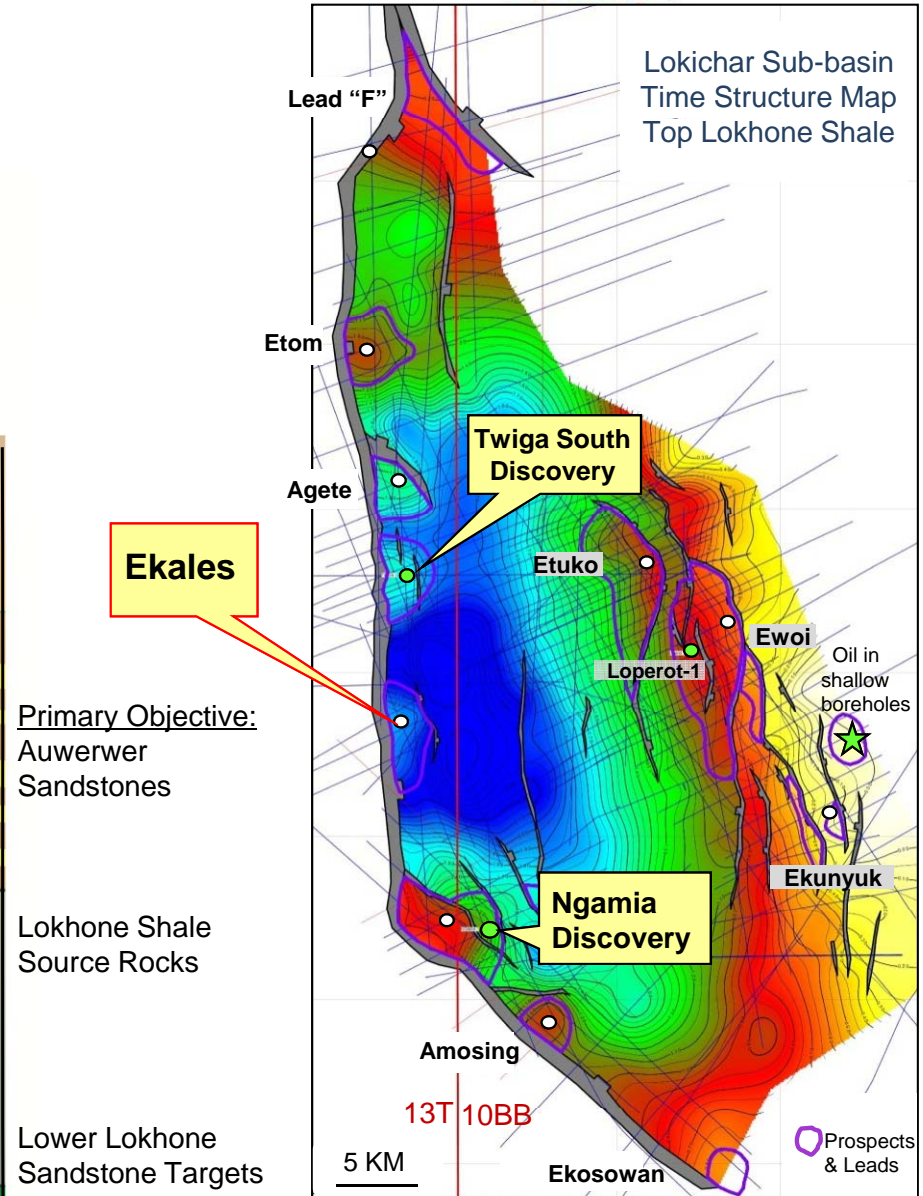
Low (MMBbl)	Best (MMBbl)	High (MMBbl)
24	64	144

Ekales-1

Future appraisal of Auwerwer & deeper targets



- Fractured, tectonized formation
- Tectonized Basement Wash (and Volcanics)
- Auwerwer Formation
- Lokhone Shale Source Rock
- Lokhone Sandstones
- Indurated Clastics
- Basement
- Possible Oil Accumulations



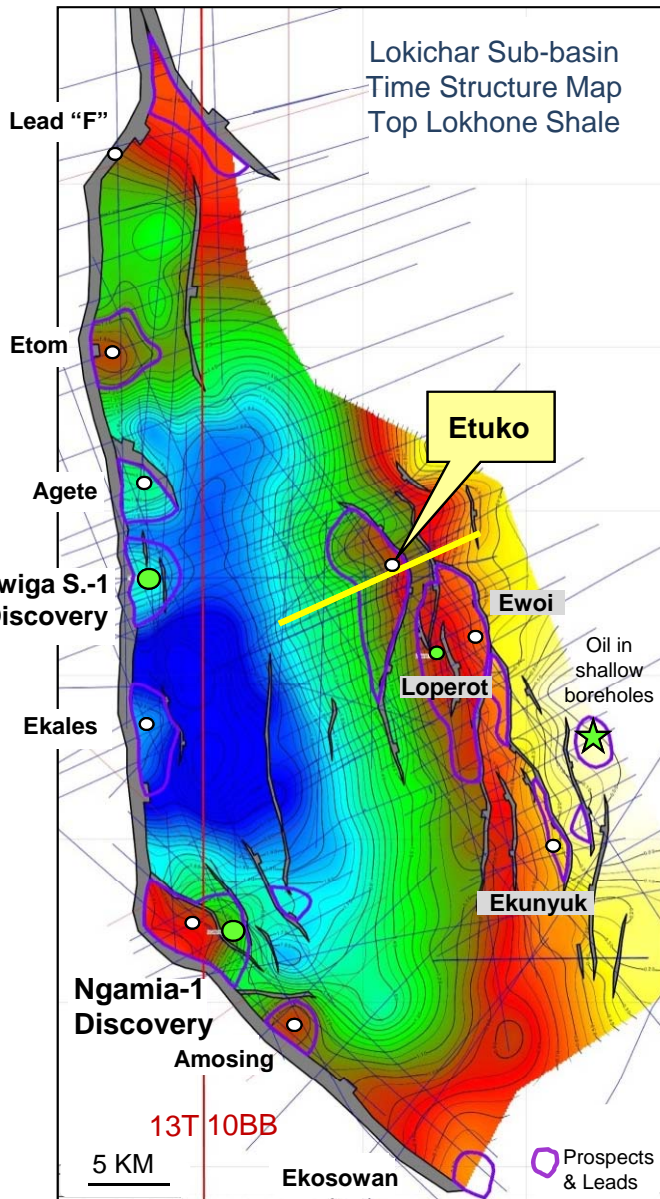
Ekales

Primary Objective:
Auwerwer Sandstones

Lokhone Shale Source Rocks

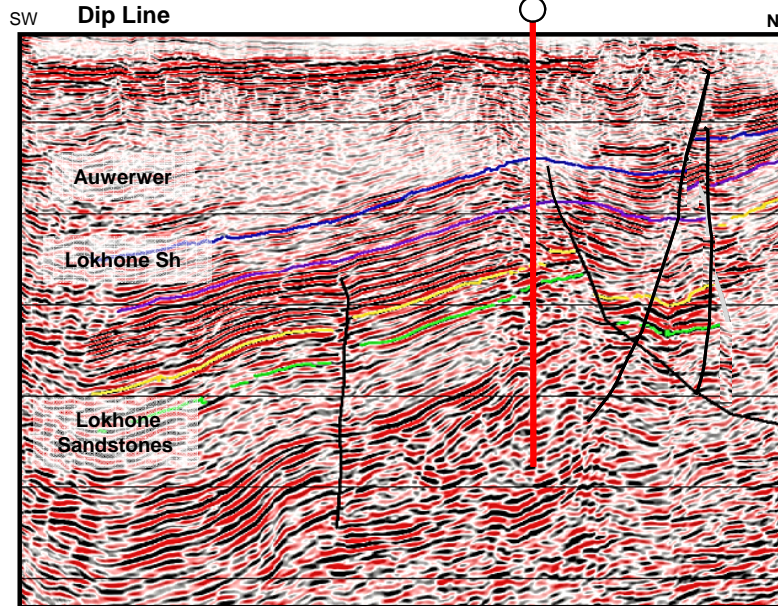
Lower Lokhone Sandstone Targets

Etuko Prospect (formerly Kamba), Block 10BB



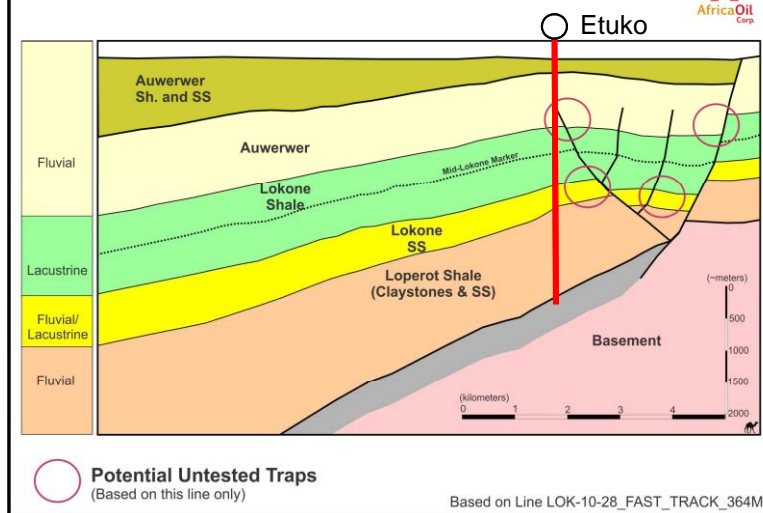
* Some prospects renamed to reflect local designations

Etuko Prospect (formerly Kamba)



- Large structures: 70 km² & 700 m relief
- Auwerwer & Lokhone sandstone targets
- Lower Lokhone reservoir proven by Ngamia test

East Lokichar Basin Cross-Section, Kenya



Etuko Prospect:

Gross Oil Prospective Resources (unrisked)		
Low (MMBbl)	Best (MMBbl)	High (MMBbl)
86	231	522

Chance of Success: 34%

Additional Lokichar Basin Ramp Prospects

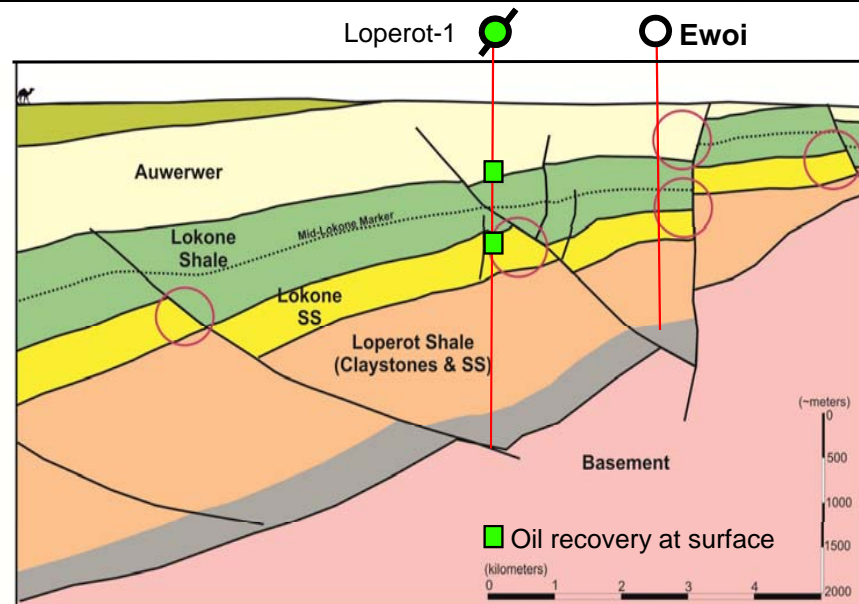
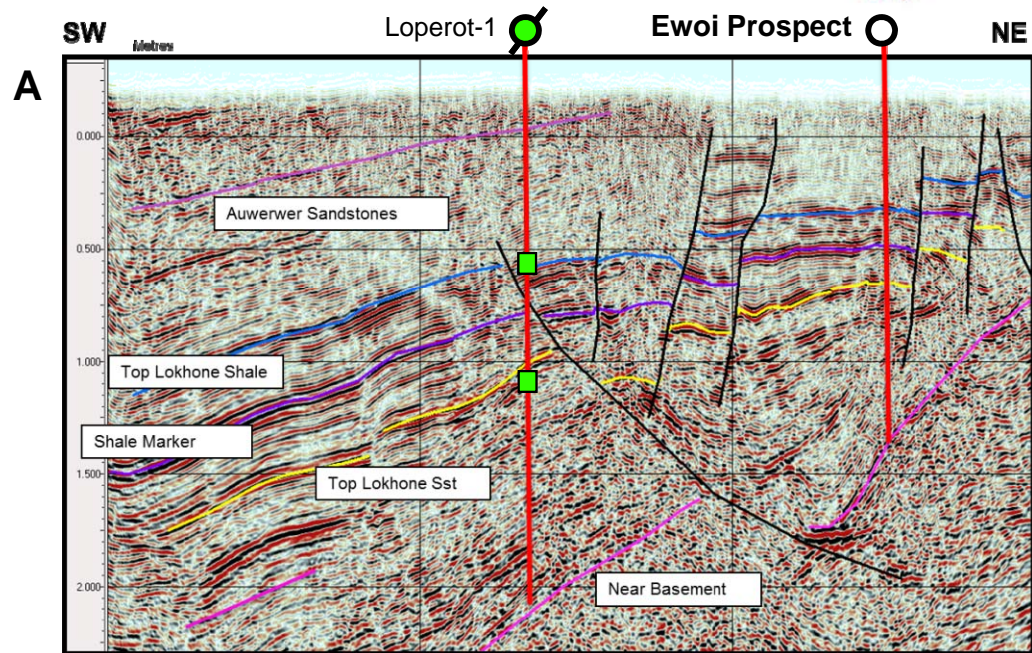
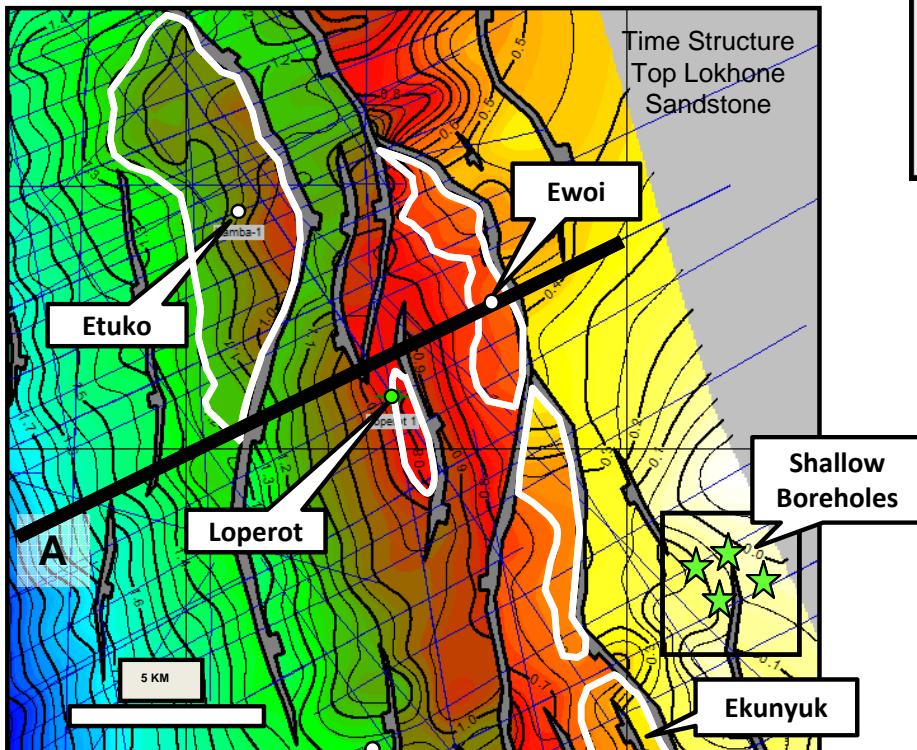


- Possible follow-up to Etuko Prospect
- Shallow (<2,000m) Auwerwer & Lokhone Sandstone targets

Ewoi Prospect (Updip Loperot)

Gross Oil Prospective Resources (unrisked)		
Low (MMBbl)	Best (MMBbl)	High (MMBbl)
75	201	455

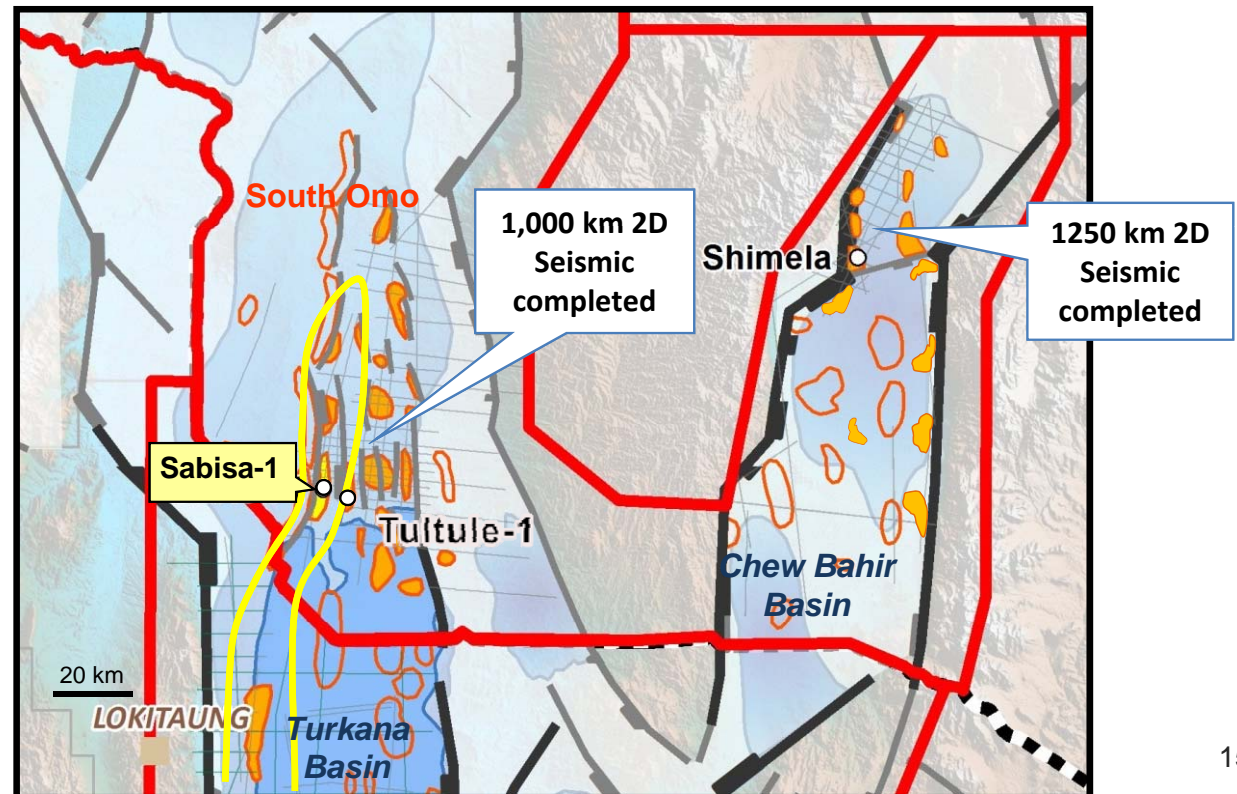
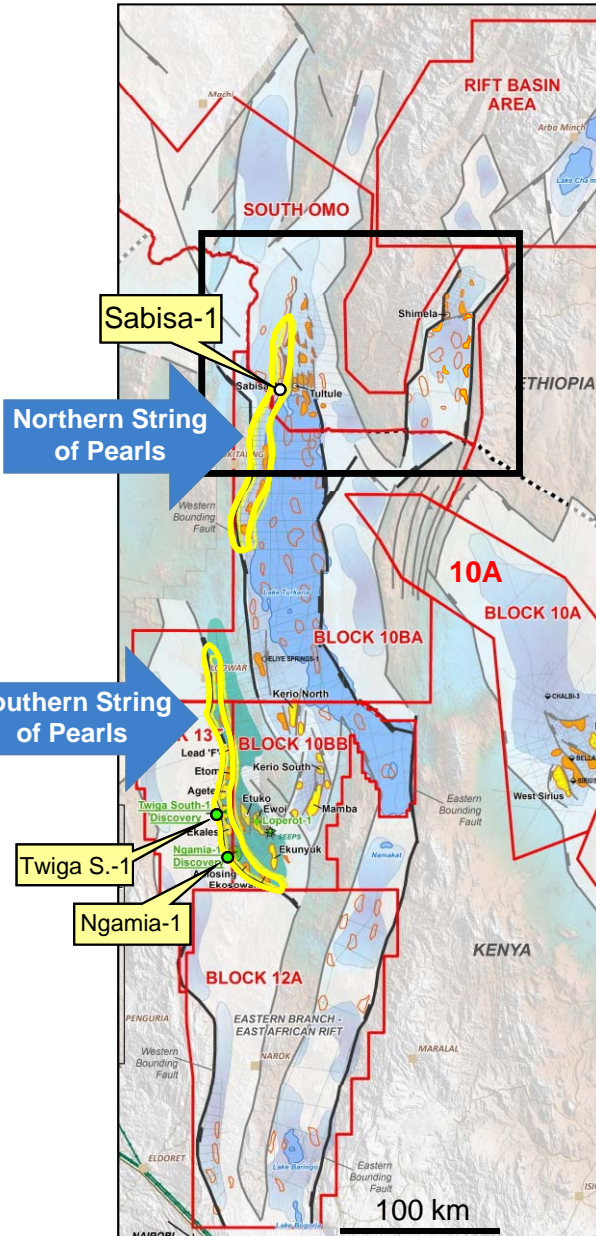
Chance of Success: 34%



South Omo Block – Northern String of Pearls



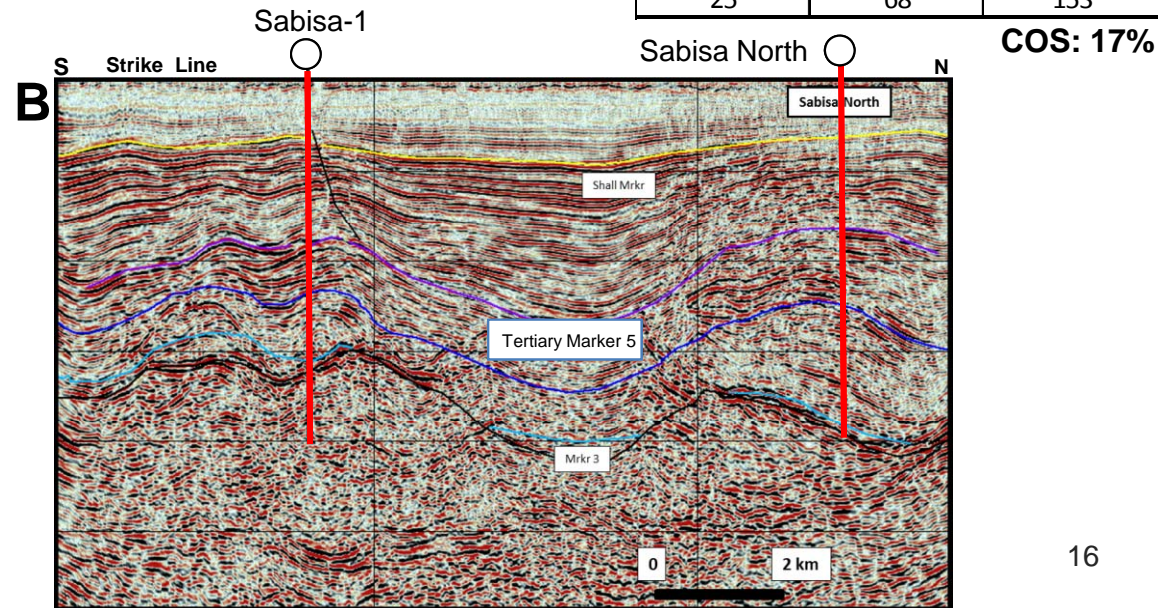
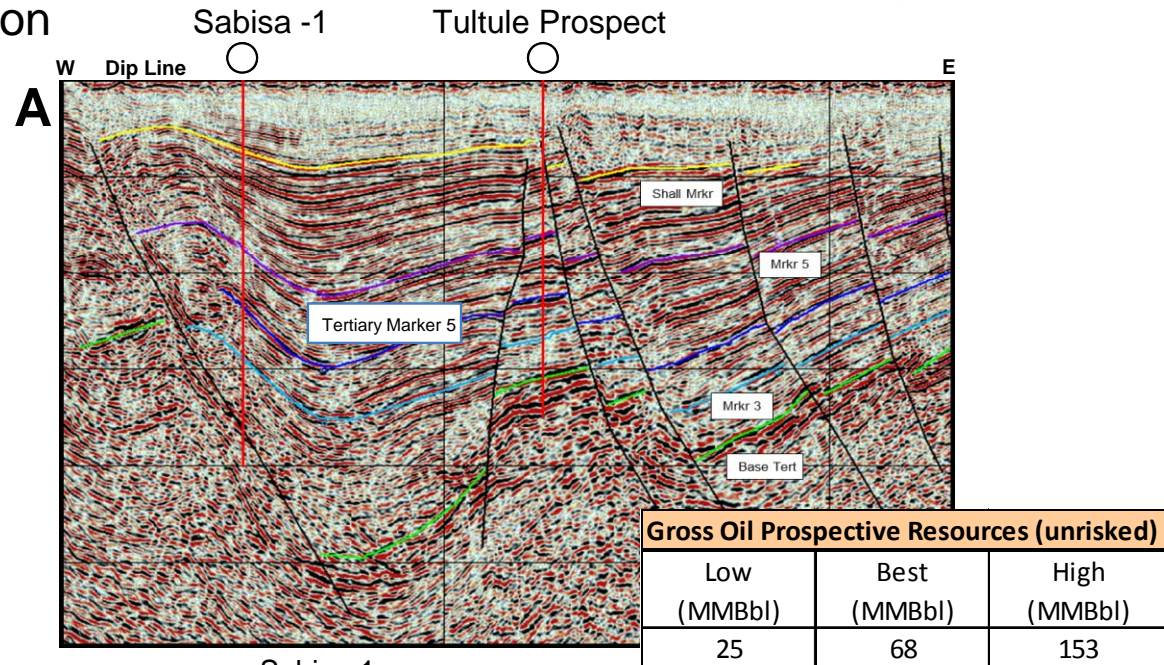
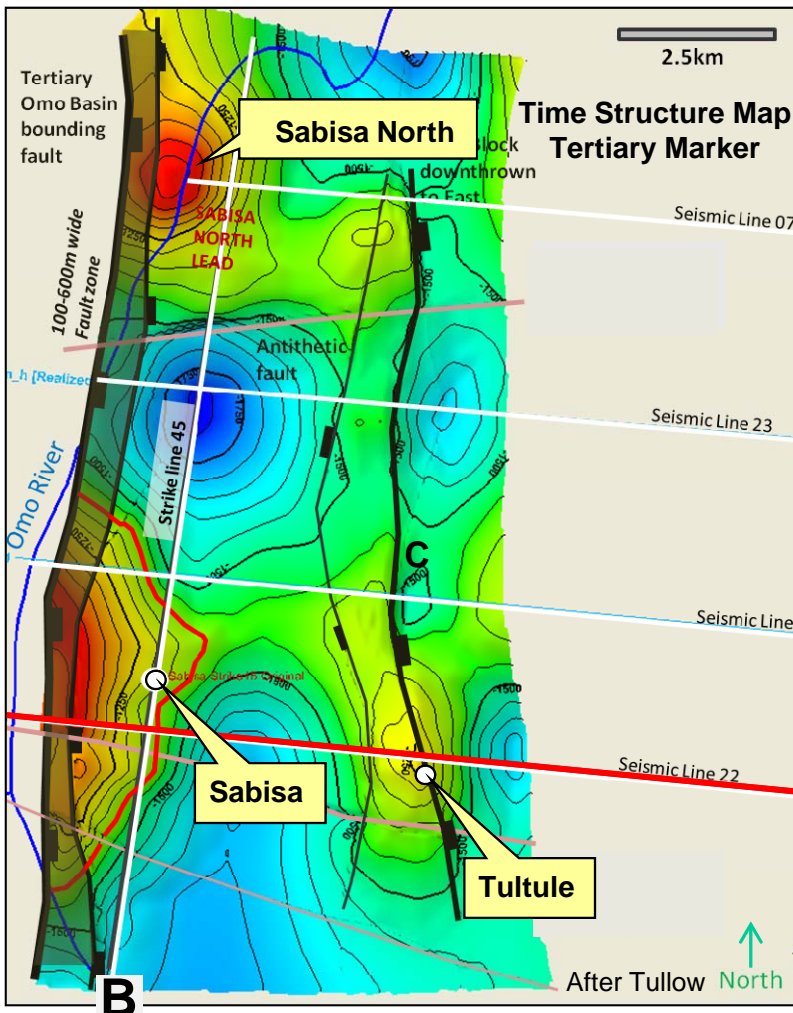
- AOC 30% WI, Tullow Operates with 50%
- Sabisa-1 spud Jan. 2013, potential 'Basin-Opener'
- Extension of Tertiary rift trend north of Lake Turkana
- Unexplored, no previous seismic or wells
- Completed FTG & 1,000 km 2D seismic in western basin
- 1,000 km 2D seismic underway in Chew Bahir basin



Sabisa-1, South Omo Block, Turkana Basin



- Sabisa-1 drilling ahead in Tertiary clastics
- Ngamia-style trap, younger Tertiary section
- Testing a new sub-basin



South Omo Basin 'Ramp Play'

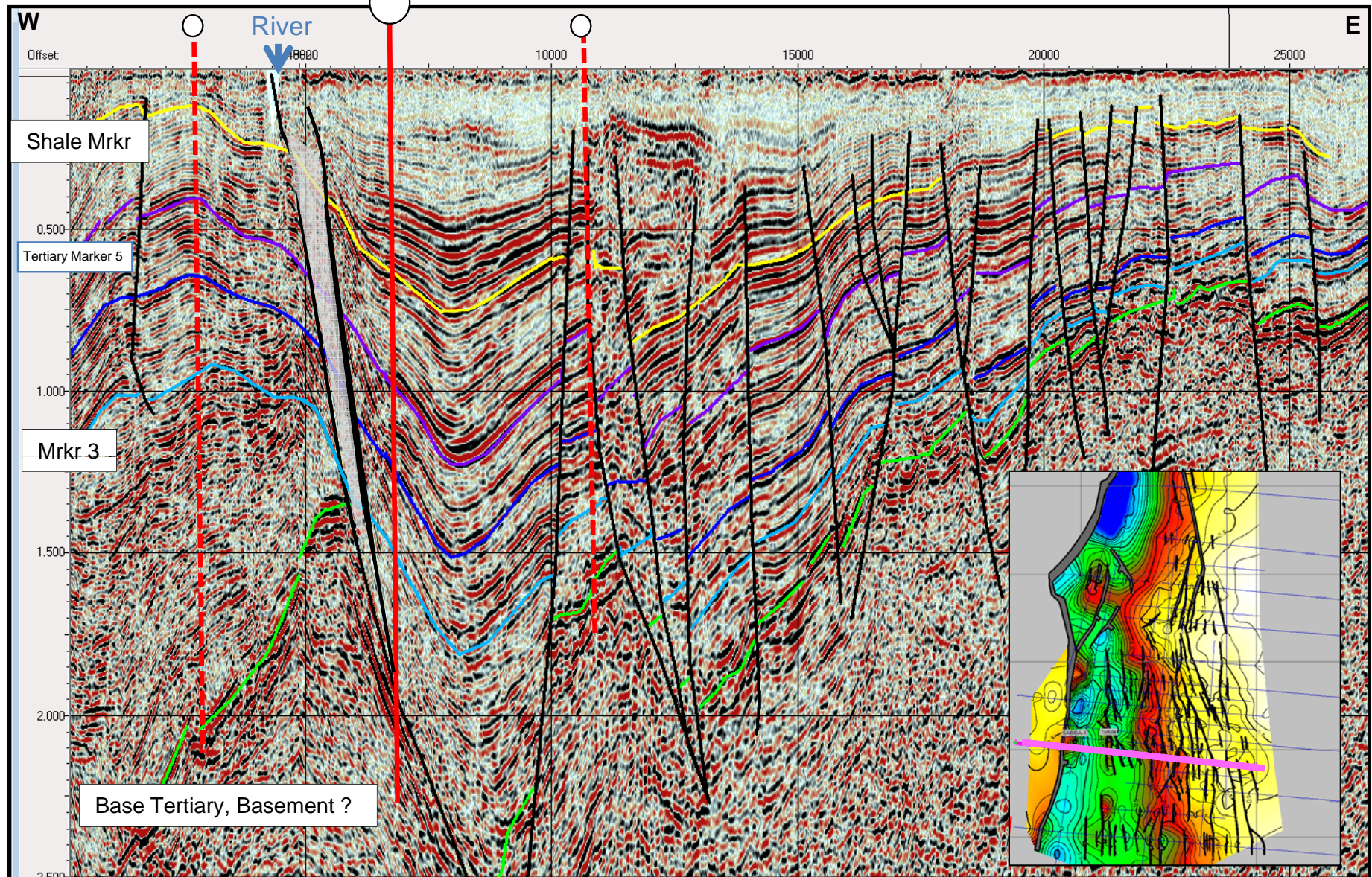


Sabisa West
Prospect

Sabisa-1
Projected

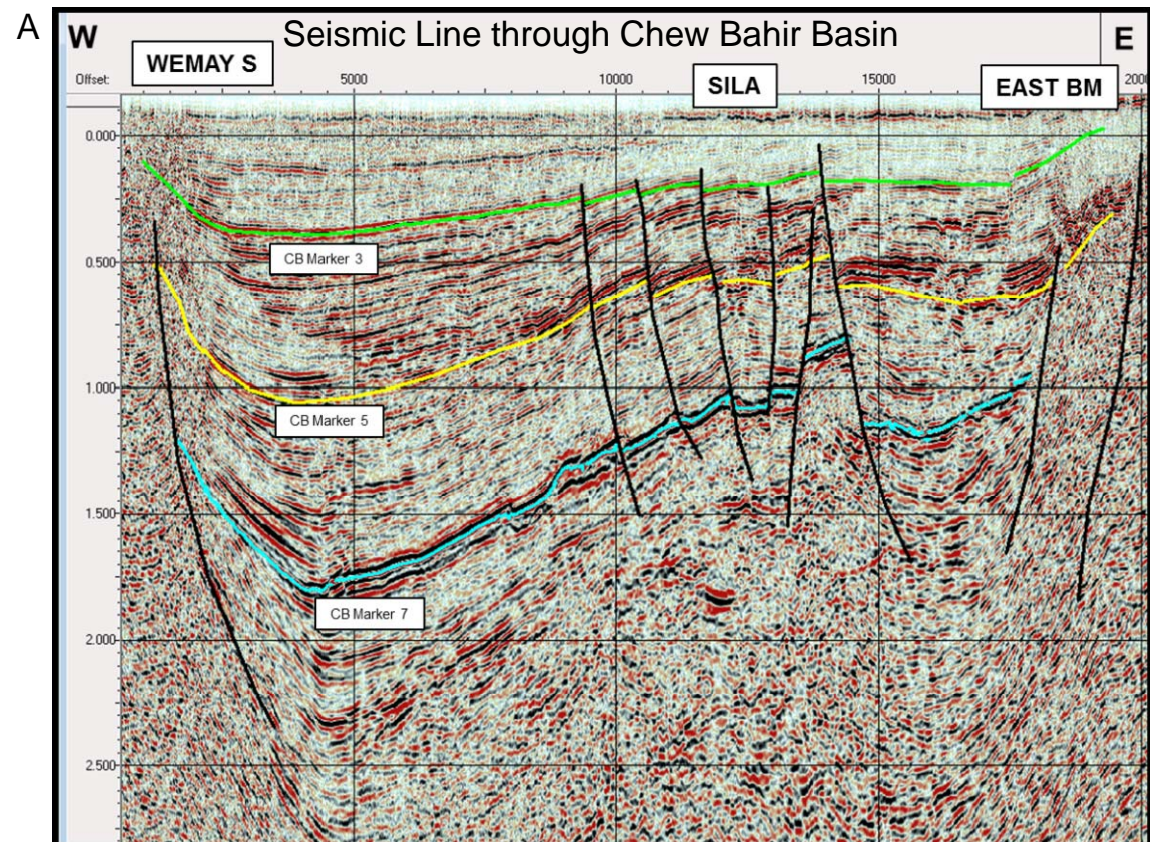
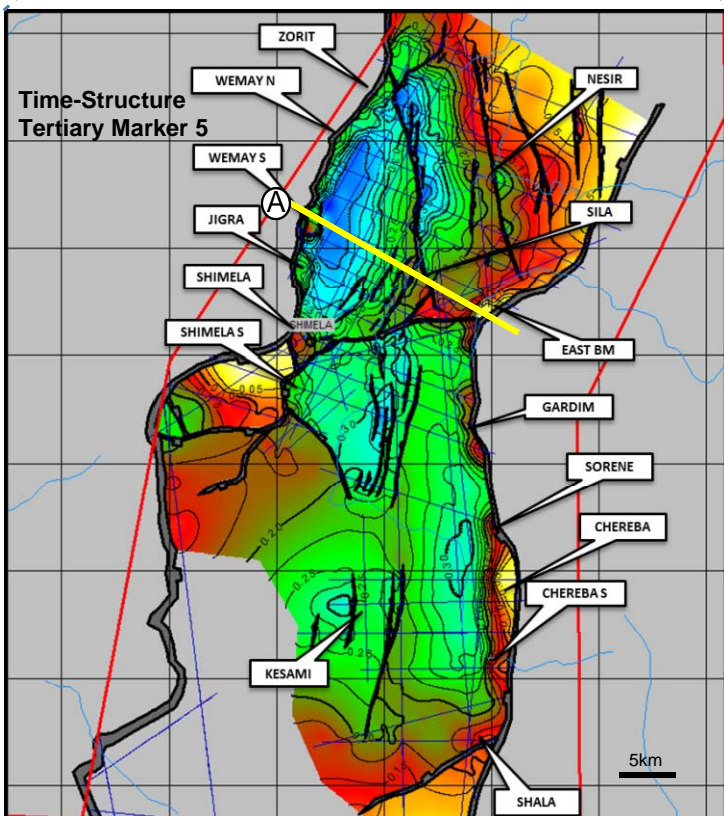
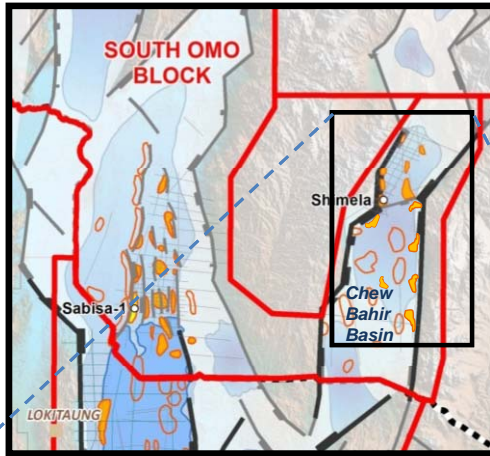
Tultule
Prospect

Ramp Play Prospects

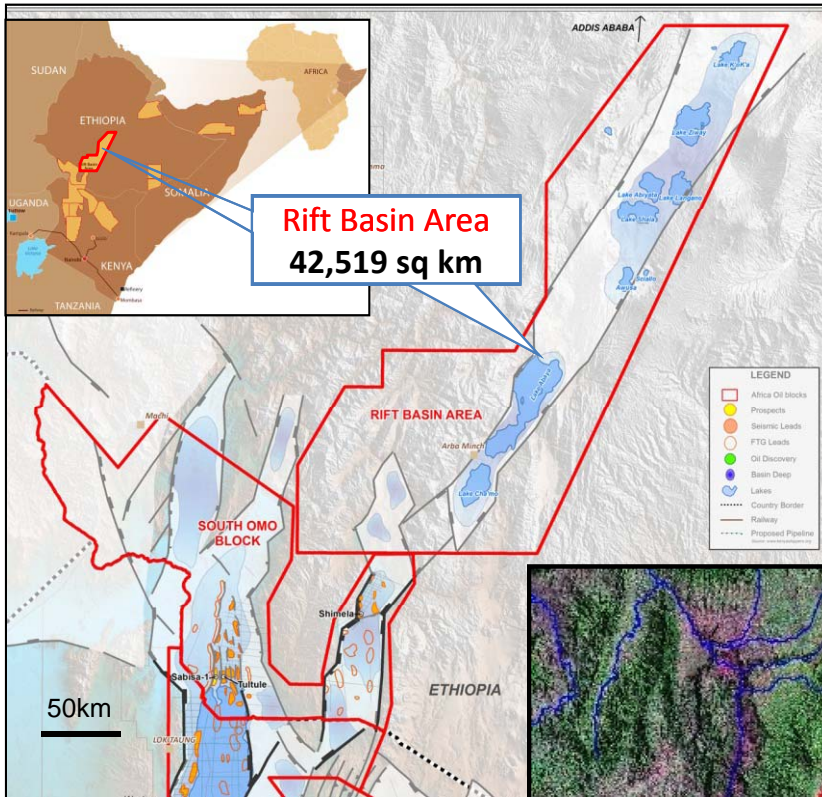


Chew Bahir Basin

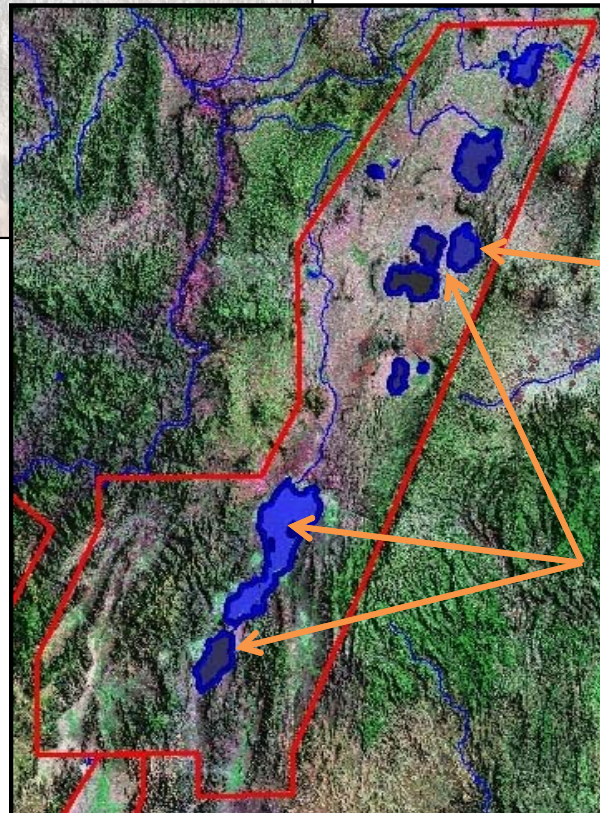
- Completed ~1,250 km 2D seismic
- Large number of prospects and leads
- AVO anomalies (hydrocarbon indicators) present
- First well in new sub-basin planned for end of 2013



Newly-Awarded Rift Basin Area PPSA

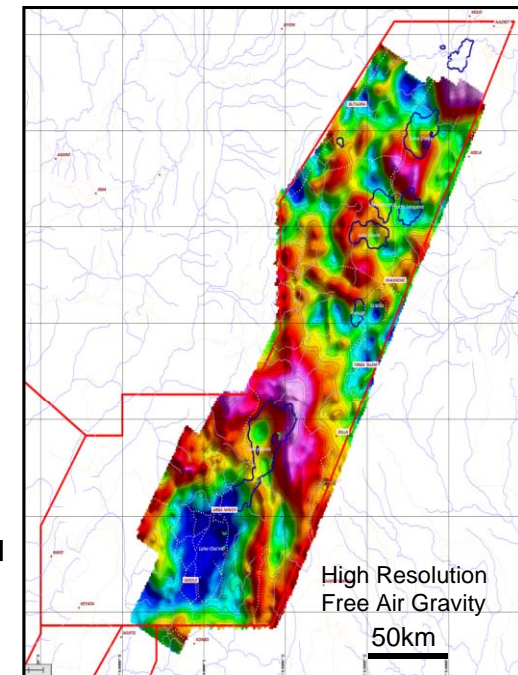


- PPSA award follows 3-year Joint Study
- Extends AOC position in Tertiary Rift Basins
- Frontier area, no existing seismic data or wells
- Initial exploration program includes Full Tensor Gravity survey, marine & onshore 2D seismic



Tar reported along shoreline

Multiple oil slicks identified on landsat

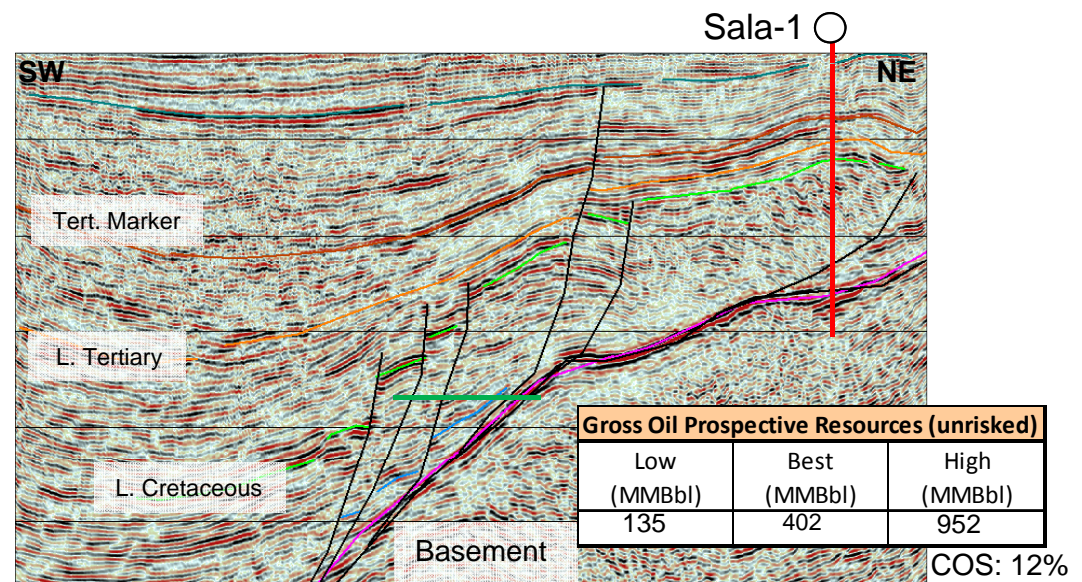
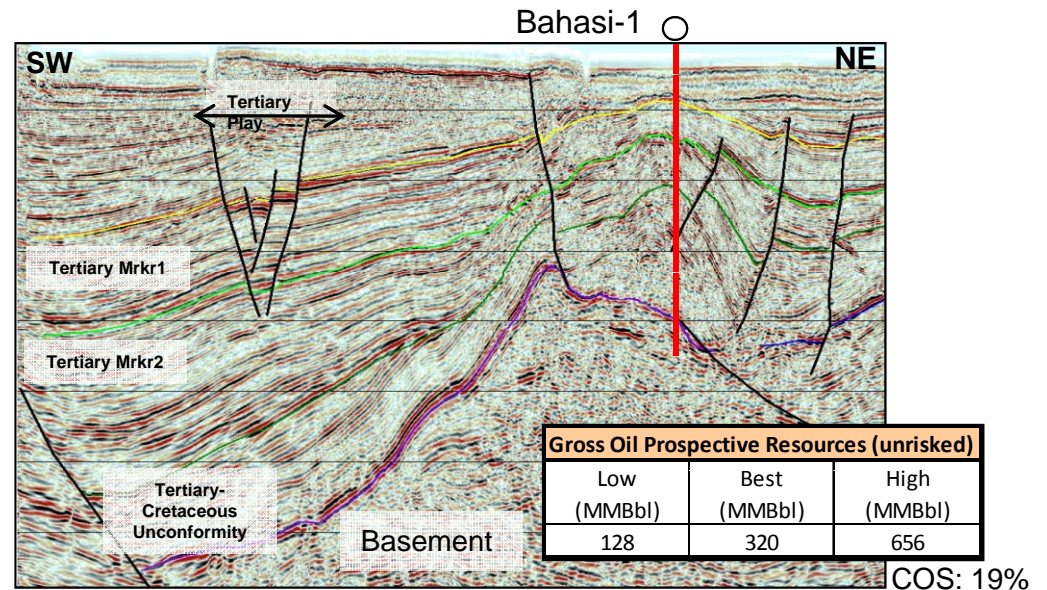
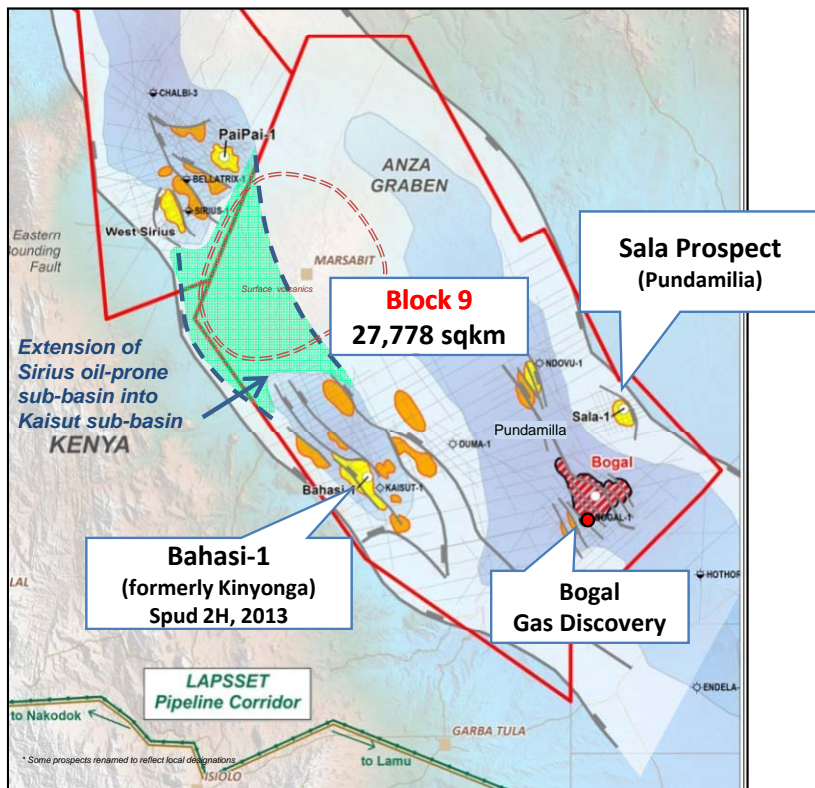


- Acquired block-wide high resolution airborne gravity & magnetics in 2011

South Anza Basin: Bahasi-1 Prospect (formerly Kinyonga) Block 9



- Cretaceous Basin on trend with South Sudan with over 6 billion barrels of oil discovered along trend
- Play concept confirmed at Pai Pai well
- Two major prospects – Bahasi and Sala with large volume potential
- Drilling to commence in 3rd quarter 2013
- AOC Operates (50% WI), Marathon (50%)



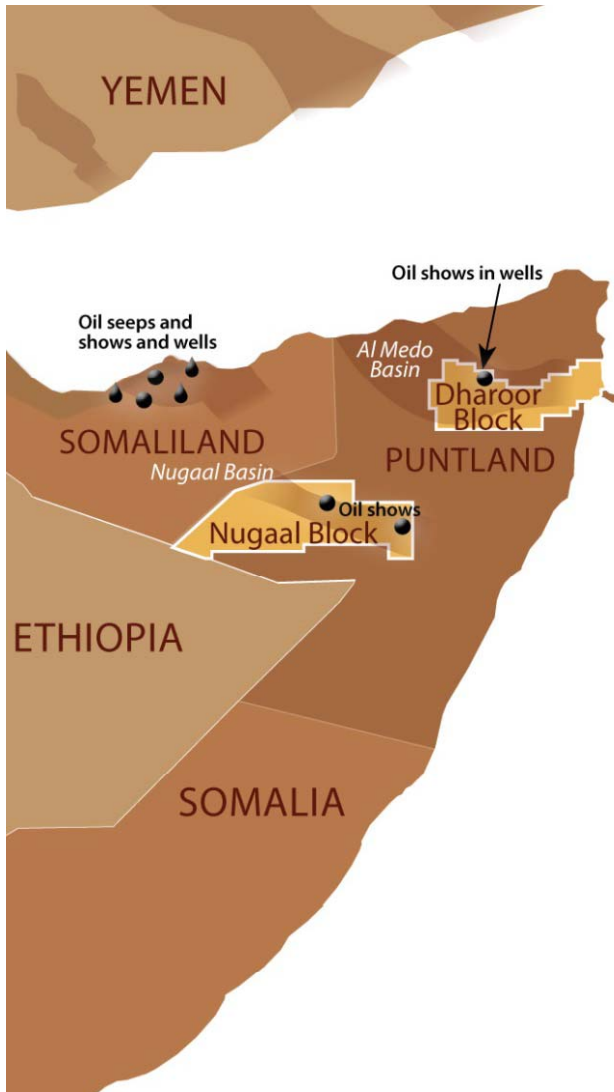


RIFT VALLEY EXPLORATION – East Africa



June 2013

Nugaal & Dharoor Blocks - Puntland, Somalia

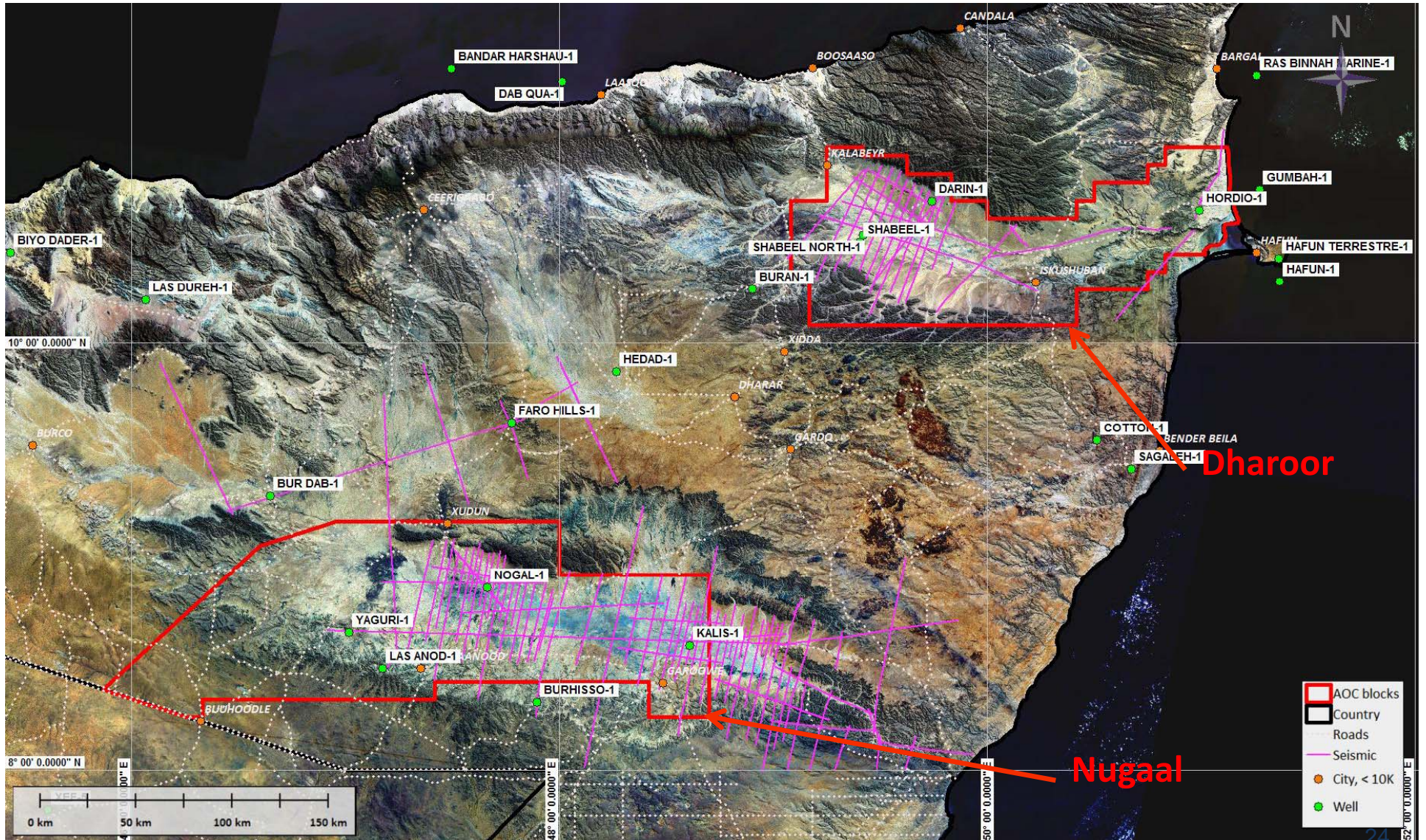


Horn Petroleum (Operator): 60%
Red Emperor: 20%
Range Resources: 20%

- Drilled two wells in 2012 in Dharoor Block
- Entered Second Exploration Period in October, 2012
 - Valid until January of 2016
- 2013 Work Program - planning additional 2D seismic



Location Map with Wells and Seismic



Somalia/Puntland political up-date

- New Somali Federal government was established in September 2012.
- Working with Federal Member States on division on powers and responsibilities
- Major issues include administration of natural resources and borders
- Puntland continues to support our efforts and validity of our Production Sharing Agreements.
- Major Western governments support a Federal Somalia with relatively autonomous Member States



Map source: Wikipedia 2013 (used for illustrative purposes only)



Shabeel – 1 Summary

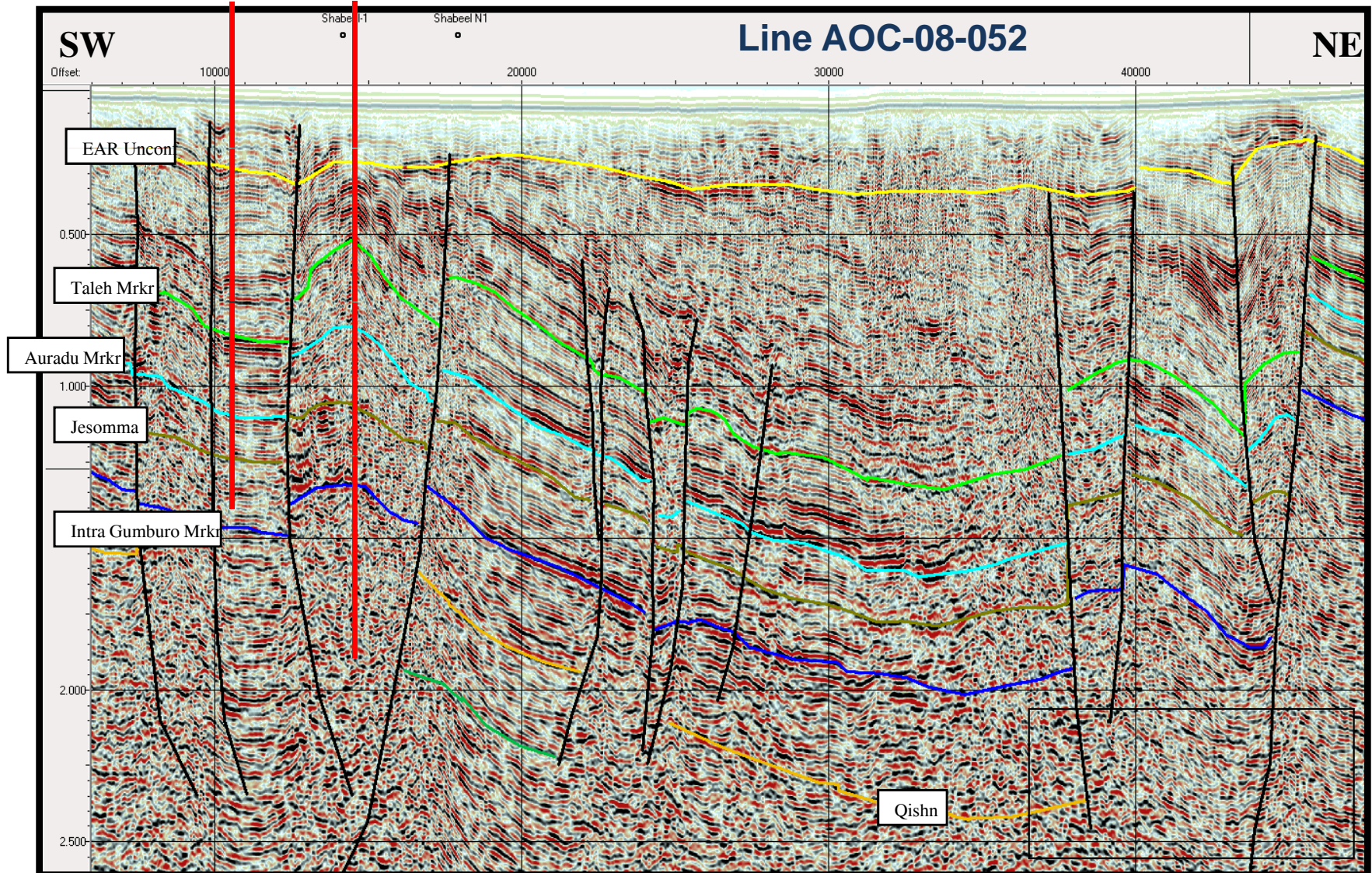
- Shabeel – 1 drilled to 3,470 m MD in basement.
- Evidence of hydrocarbons and reservoir is present throughout the Upper Cretaceous Jesomma and Tisje Formations.
- Wireline logging including pressure data indicated possible hydrocarbons in the Jesomma Sandstones.
- The primary target, the Lower Cretaceous Qishn sandstones appeared not to be present in the well.
- The deeper Jurassic/Triassic Adigrat sandstones were present but were water bearing.

Shabeel North-1 Summary

- Shabeel North–1 drilled to 3,945 m MD, total depth in basement.
- Evidence of hydrocarbons and reservoir was present throughout the Upper Cretaceous Jesomma and Tisje Formations.
- The main target in the Shabeel – 1 well, the Lower Cretaceous Qishn Sandstones were encountered in the Shabeel North – 1 well.
- The deeper Jurassic/Triassic Adigrat sandstones were present but were water bearing.

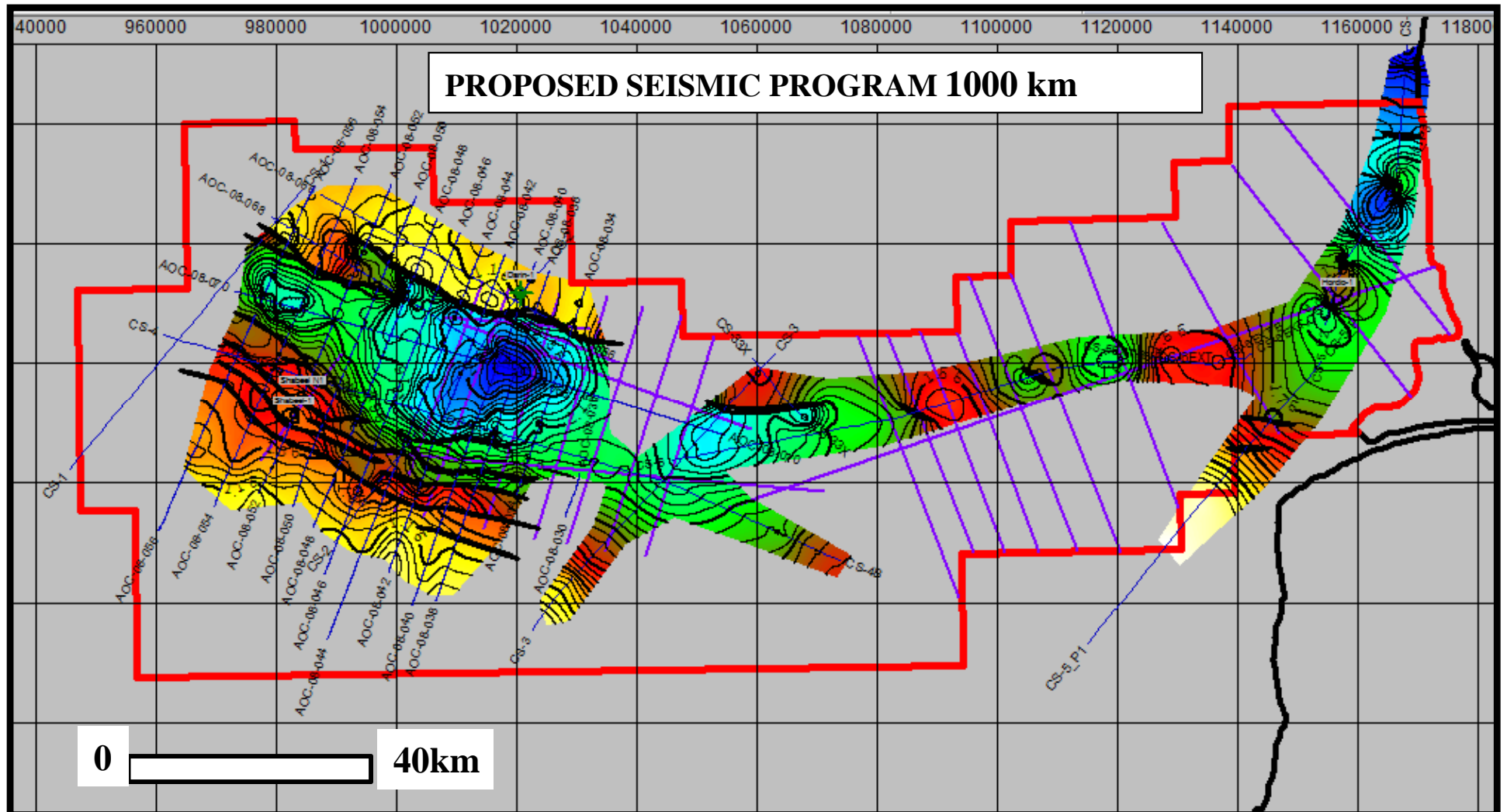


Shabeel Wells – Post Drill



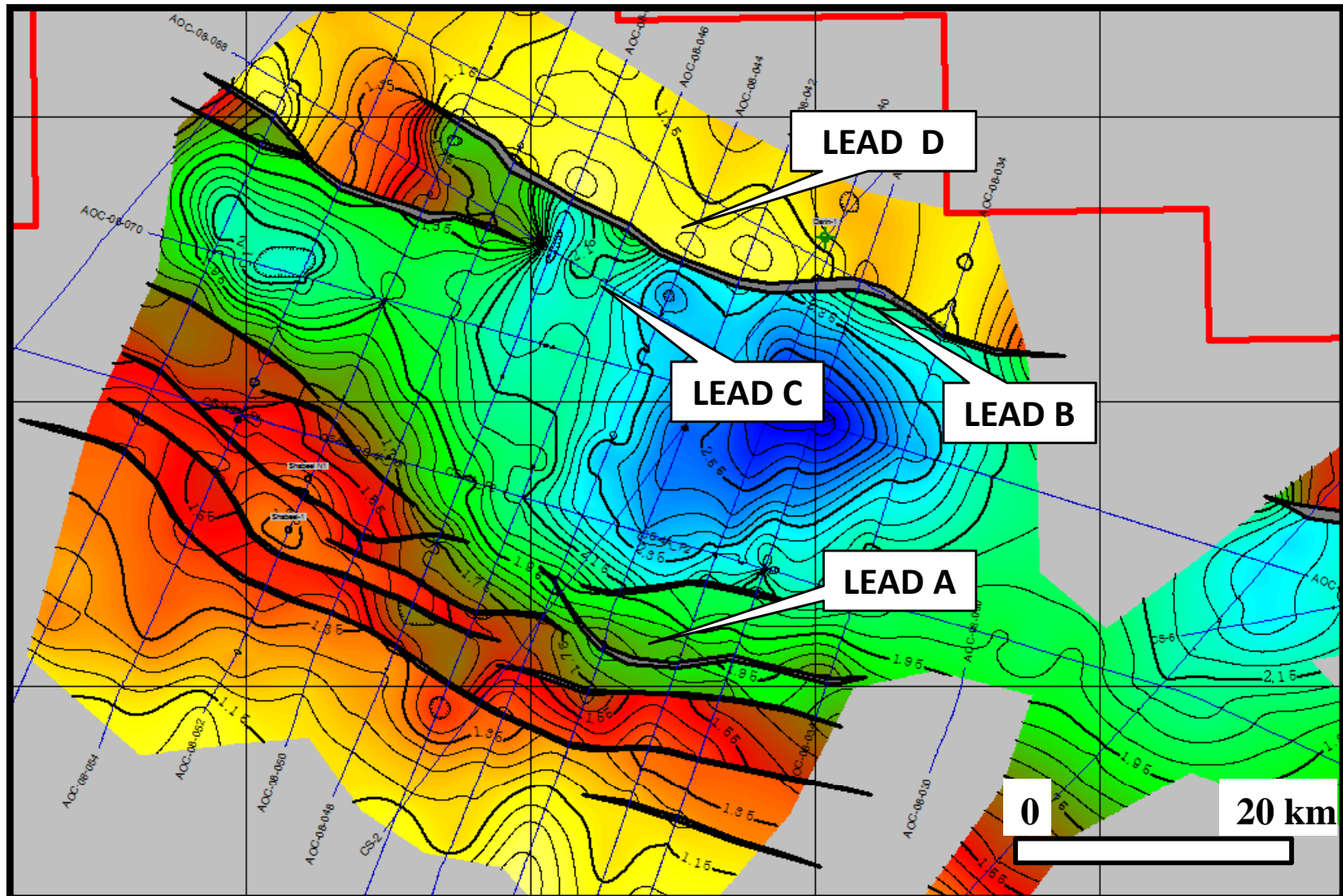


Dharoor – Proposed Seismic 2013



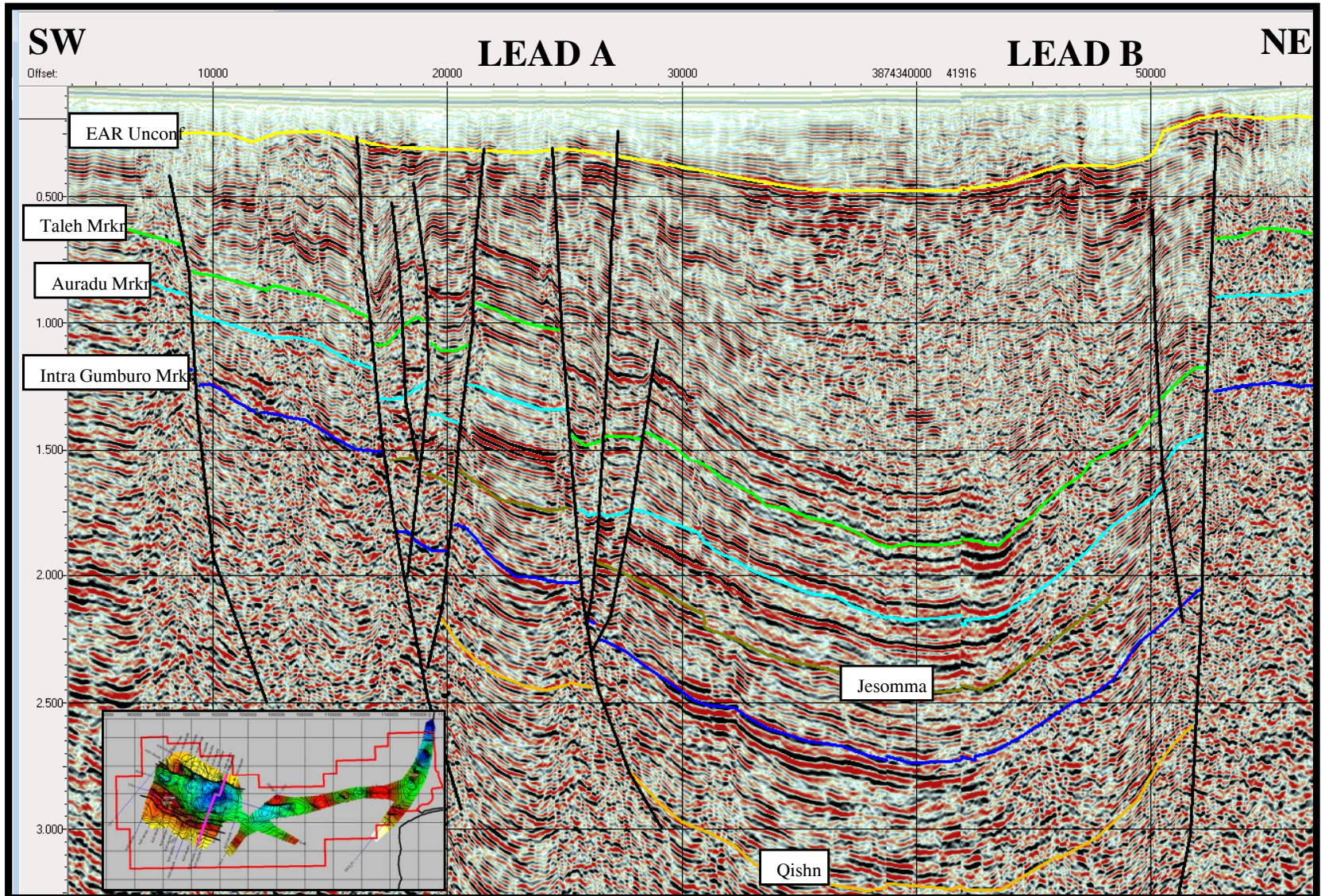


Dharoor – Proposed Seismic 2013





Dharoor – Proposed Seismic 2013



The Future

- Continue to work to resolve Puntland / Federal Government issues so that work program can continue
- Pursue new ventures in Southern Africa Tertiary Rift trend
- Build a exploration focused vehicle using the same principles proven successful at Africa Oil
 - First mover in frontier areas
 - Acquire initial FTG / Seismic data and then bring in larger industry partners on promoted basis

Estimated Prospective Oil Resources



SUMMARY OF PROSPECTIVE OIL RESOURCES¹

Current Working Interests

Geographic Region	PSC/PSA	Operator	UNRISKED Gross Best Estimate (MMBbl)	AOC Working Interest	UNRISKED Net Best Estimate (MMBbl)	RISKED ⁴ Net Best Estimate (MMBbl)
Kenya ²	10BB	Tullow	3,132	50.0%	1,566	290
Kenya ²	13T	Tullow	472	50.0%	236	83
Kenya ²	10BA	Tullow	9,885	50.0%	4,943	347
Kenya ²	12A	Tullow	4,582	20.0%	916	46
Ethiopia ²	South Omo	Tullow	2,700	30.0%	810	61
Kenya ²	Block 9	AOI	1,287	50.0%	644	89
Kenya ²	Block 10A	AOI	588	30.0%	176	22
			22,646		9,291	938
Puntland (Somalia) ⁶	Nugaal	AOI	4,083	27% ⁷	1,102	
Puntland (Somalia) ⁶	Dharoor	AOI	1,210	27% ⁷	327	
			27,939		10,720	

1 This summary table was prepared by Company management for the convenience of readers.

2 Please refer to the Company's press release dated August 22, 2012 for details of the prospective and contingent resources by prospect and lead, including the geologic chance of success.

4 Risked resources have been calculated and summed by the company after risking prospects and leads individually. Geological Chance of Success (GCOS) varies with each prospect or lead.

5 Due to the very immature nature of these Prospective and Contingent Resources, net estimates have not been computed as net entitlement volumes under the PSAs/PSCs. In this regard the volumes stated herein will exceed the volumes which will arise to AOC under the terms of the PSAs/PSCs.

5 Net Prospective Resources are stated herein in terms of the Company's net working interest in the properties. Due to the very immature nature of these Prospective and Contingent Resources, net estimates have not been computed as net entitlement volumes under the PSAs/PSCs. In this regard the volumes stated herein will exceed the volumes which will arise to AOC under the terms of the PSAs/PSCs.

6 Please refer to independent resource evaluation report, effective June 30, 2011, posted on Sept. 2, 2011 at www.sedar.com under Horn Petroleum Corporation.

7 Based on Africa Oil's 44.7% ownership of Horn Petroleum Corporation, who holds a 60% working interest in the PSA

8 There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is not certainty that the discovery will be commercially viable to produce any portion of the resources.

AOI Corporate Summary



• Funding

- 2013 work program fully funded
- \$272.2MM Cash (31-Dec-2012)
- \$43.5MM Marathon farmout carry – dedicated to Block 9, Block 12 and Rift Basin Area

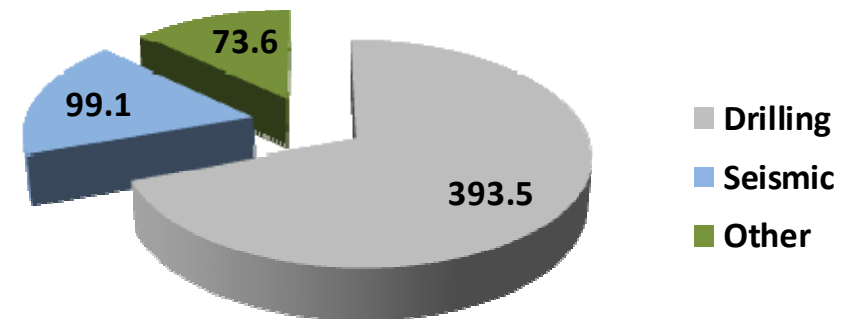
• Drilling focused exploration budget:

- Drilling: 69%
- Seismic/FTG: 17%
- Other: 13%

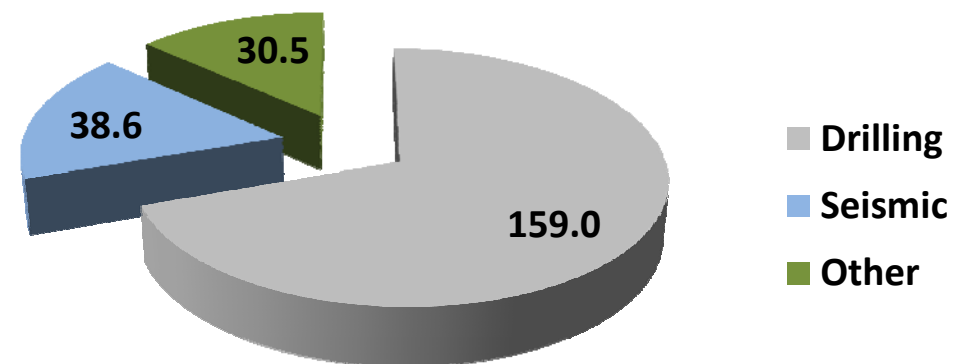
• Capital Structure

- 252.2MM shares
- 13.9MM options
- nil warrants
- nil debt

2013 Forecast O&G Expenditures (gross): \$566MM



2013 Forecast O&G Expenditures (net): \$228MM



A History of Value Creation



Company	2002	Recent	Notes
Tanganyika	\$0.55/share \$13.5 million MC	\$31.50/share \$1.9 billion MC	Sold to Sinopec 2008
Valkyries	\$0.45/share \$4 million MC	\$16.00/share \$750 million MC	Sold to Lundin Petroleum 2006
Red Back	\$1.35/share (2000) \$45.4 million MC	\$30.50/share \$8.98 billion MC	Sold to Kinross in 2010
Lundin Petroleum	U \$0.41/share U \$101 million MC	\$21.98/share \$6.9 billion MC + Enquest spin off US \$1.5 billion MC	Active
BlackPearl	\$0.25/share \$2.1 million MC	\$2.36/share \$692 million MC	Active
ShaMaran	\$0.175 (2003) \$6.7 million MC	\$0.40/share \$324 million MC	Active

9 Year value increase: \$173MM => \$21 Billion
Average share price increase: 32x

Corporate Social Responsibility Commitment

Africa Oil is committed to addressing the challenge of sustainability - delivering value to our shareholders, while providing economic and social benefits to impacted communities and minimizing our environmental footprint.

- To create a working environment such that we cause no harm to people, and where we minimize our impact on the environment.
- To create a secure and safe working environment for our people and assets
- To conduct our business in an honest and ethical manner.
- To enter into dialogue and engagement with key stakeholders, conducted in the spirit of transparency and good faith.
- To deliver tangible and sustainable benefits that contribute to the social and economic well being of citizens in our host countries.
- To support the development of financial transparency and good governance mechanisms.
- To support and protect internationally recognized human rights.



Opportunity Summary



- Africa Oil has the best onshore acreage position in East Africa, the world's hottest exploration location
- The Ngamia and Twiga discoveries have significantly de-risked the Lokichar sub-basin and more discoveries are expected in this trend
- The Company currently has 3 active rigs and are in process of mobilizing 3 additional rigs with 7 to 10 wells planned in 2013
- New wells in unexplored sub-basins have the chance of de-risking significant amounts of prospective resource and potentially adding large volumes of contingent resources
- Recent fund raising has strengthened balance sheet and will provide all required funding into 2014, even in accelerated case
- Research coverage from 21 analysts with an average target price of \$11.41/share

AOI has a Strong Management Team



Keith Hill, President and CEO

Mr. Hill has over 25 years experience in the oil industry including international new venture management and senior exploration positions at Occidental Petroleum and Shell Oil Company. His education includes a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University as well as an MBA from the University of St. Thomas in Houston. Prior to his involvement with Africa Oil, Mr. Hill was President and CEO of Valkyries where he led the company through rapid growth and ultimately a highly successful \$700 million takeover by Lundin Petroleum. In addition, Mr. Hill was one of the founding directors of Tanganyika Oil which was recently the subject of a \$2 billion takeover by Sinopec International Petroleum.

Ian Gibbs, CFO

Ian Gibbs is a Canadian Chartered Accountant and a graduate of the University of Calgary where he obtained a bachelor of commerce degree. Ian Gibbs has held a variety of prominent positions within the Lundin Group of Companies; most recently as CFO of Tanganyika Oil Company Ltd. where he played a pivotal role in the recent \$2 billion acquisition by Sinopec International Petroleum. Prior to Tanganyika, Mr. Gibbs was CFO of Valkyries Petroleum Corp which was the subject of a \$700 million takeover.

Nick Walker, COO

Mr. Walker has 27 years of industry experience including 17 years with Talisman Energy Inc. where he served as Executive Vice-President of International Operations West as well as country manager positions in the UK and Malaysia/Vietnam. He started his career as a petroleum engineer with BP plc. and also worked in senior management positions at Bow Valley Energy Inc. He previously served on the Board of Oil & Gas UK, the trade association representing the UK oil and gas business. His education includes a Bachelor of Science Degree in Mining Engineering from Imperial College in London, a Master of Science Degree in Computing Science from University College in London and an MBA from City University Business School, also in London.

James Phillips, VP Business Development

Before joining Africa Oil, Mr. Phillips was Vice President Exploration-Africa and Middle East for Lundin Petroleum AB where he played a pivotal role in securing the majority of Africa Oil's current portfolio. Mr. Phillips is a graduate of the University of California, Berkeley and San Diego State University where he obtained BS and MS degrees, both in Geology. He has over 25 years of experience in the oil industry including senior positions with Shell Oil company and Occidental including heading up Oxy's African exploration ventures.

Paul Martinez, VP Exploration

Dr. Martinez, most recently Director of International Business Development with Occidental Petroleum Corporation, has over 21 years of domestic US and international senior management experience in oil and gas exploration and development, including projects in the Texas Gulf Coast, Permian Basin, Rockies, Latin America, Africa, Middle East, and Russia. He has held overseas management positions for Oxy in Libya, Oman and Peru. Dr. Martinez holds a doctorate in petroleum geology from Stanford University and a Bachelor of Science degree in geology from the University of Texas at Austin. Dr. Martinez is based in the Africa Oil Calgary technical office and is responsible for all geological and geophysical activities of the Company.

Alex Budden, VP External Relations

Before joining Africa Oil Alex Budden served as a Diplomat for the British Foreign & Commonwealth Office for 21 years. His international experience has seen him serve in Africa, Asia, the Middle East, Russia, the Balkans and North America. Throughout his career he has focused on international security, conflict, governance, human rights, energy and environment issues and specializes in government and security relations, complex stakeholder management and strategic communications work.

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