

## First Quarter 2010 Highlights

- CNOOC Africa's-operated Bogal-1-1 well in Block 9, Kenya reached a total depth of 5,085 metres in early May, 2010. Gas shows and petrophysical analysis of wireline logs indicate multiple gas pay zones totaling approximately 91 metres in Lowe Cretaceous sandstones. Seven inch casing has been set and testing equipment is currently being mobilized from China. Test results are expected to be available in the second quarter, 2010. Following evaluation of the test results, the Joint Venture partners will meet to discuss the plan going forward for Block 9 including possible appraisal work, further exploration, as well as reviewing marketing scenarios to best commercialize gas in East Africa. The Company holds a 20% working interest in this Block.
- A Letter of Intent to award a contract with the Bureau of Geophysical Prospecting was signed to acquire 1350 km of 2D seismic o Block 10BB and Block 10A in Kenya. Drilling in these blocks is expected to take place in 2011. The Company holds an 80% working interest in Block 10BB and a 55% working interest in Block 10A.
- In the Dharoor block in Somalia, interpretation of new 2D seismic acquired in 2008 is complete. Several large prospects have been identified. Drilling of the first well is anticipated to commence in the fourth quarter, 2010 following the region's annual wet season. The Company holds a 65% working interest in this Block.
- In the Adigala Block in Ethiopia, the Company completed 500 km of 2D seismic acquisition during the fourth quarter of 2009. The data processing has now been completed and interpretation is underway at the Company's technical office in Calgary. The basin prospectivity, at this early stage, appears excellent with a number of large structural leads having been identified from the seismic data. In addition, earlier completed surface geology and sampling has documented the presence of excellent quality source and reservoir along thebasin margin. The Company holds a 50% working interest in this Block.
- Seismic operations have been initiated in the Company's Ogaden area of Ethiopia. A base camp is under construction and supplies are being mobilized. Local labor has been hired and survey and line clearing crews are actively working. Seismic recording is planned to start during the second quarter of 2010. The Company's plans are to acquire 500 km of 2D data over previously identified leads in order to mature these leads into drilable prospects. The Company holds a 55% working interest in the Ogaden Blocks.
- In February, 2010 the Company signed a definitive agreement with Platform Resources Inc. ("Platform"), a wholly owned subsidiary of Alberta Oilsands Inc., to take an assignment of Platform's 100% interest in Blocks 12A and 13T in Kenya. The new contract areas are adjacent to the Company's Block 10BB which hosts the Loperot-1 oil discovery. Existing gravity data on Blocks 12A and 13T suggests that the proven Lokichar basin and other prospective sub-basins and known strong leads in Block 10BB may extend onto these new blocks. The assignment to Africa Oil is subject Kenyan Government approval.
- During the first quarter, the TSX Venture Exchange granted Lion Energy Corp ("Lion") final approval of the previously announced farmout between the Company and Lion. Under the farmout agreement Lion has the right to earn an interest in five of the Company's petroleum blocks located in Kenya nd Puntland (Somalia).

The Company is continuing to seek strategic farmouts for its projects. The current ownership status is as follows:

<b>Country</b>	<b>Block/Area</b>	<b>Net Working Interest %<sup>(1)</sup></b>
Puntland, Somalia	Dharoor Valley	65%
Puntland, Somalia	Nugaal Valley <sup>(2)</sup>	65%
Kenya	Block 10A	55%
Kenya	Block 9 (non-operated)	20%
Kenya	Block 10BB	80%
Ethiopia	Blocks 2/6	55%
Ethiopia	Blocks 7/8	55%
Ethiopia	Adigala	50%

<sup>1</sup> Net Working Interests are subject to back-in rights, if any, of the respective governments.

<sup>2</sup> Nugaal Valley net working interest is subject to AOC fulfilling its sole funding obligation during the exploration period.