



AFRICA OIL CORP.

**NOTICE OF MEETING
AND INFORMATION CIRCULAR**

ANNUAL GENERAL MEETING OF SHAREHOLDERS

To be held on May 30, 2011



NOTICE OF 2011 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2011 Annual General Meeting (the “**Meeting**”) of the shareholders of Africa Oil Corp. (the “**Corporation**”) will be held at the offices of the Corporation, Suite 2101, 885 West Georgia Street, Vancouver, British Columbia, on **Monday, May 30, 2011** at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. To receive the consolidated audited financial statements of the Corporation for the year ended December 31, 2010, together with the report of the auditors thereon;
2. To appoint PricewaterhouseCoopers, LLP as auditor of the Corporation to hold office until the next Annual General Meeting, at a remuneration to be fixed by the directors of the Corporation;
3. To elect directors to hold office until the next Annual General Meeting of the Corporation;
4. To consider and, if thought fit, approve an ordinary resolution ratifying and confirming the Corporation’s existing 10% Rolling Stock Option Plan, and related matters;
5. To consider amendments to or variations of any matter identified in this Notice of Meeting; and
6. To transact such other business as may properly be brought before the meeting.

Accompanying this Notice of Meeting are: (i) a Management Information Circular (the “Circular”); (ii) an Instrument of Proxy and Notes thereto; and (iii) a reply card for use by shareholders who wish to receive the Corporation’s interim financial statements. Reference is made to the Circular for details of the matters to be considered at the Meeting.

If you are a *registered shareholder* of the Corporation and are unable to attend the Meeting in person, please complete, sign, date and return the enclosed form of Proxy either in the addressed envelope enclosed to Proxy Department, Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax to 1-866-249-7775. Proxies must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof.

If you are a *non-registered shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting, either in person or by proxy.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253, by fax at 1-866-249-7775 or by e-mail at service@computershare.com.

DATED at Vancouver, British Columbia the 21st day of April, 2011.

BY ORDER OF THE BOARD

“Keith C. Hill”

Keith Hill, President and
Chief Executive Officer



MANAGEMENT INFORMATION CIRCULAR

(all information as of April 21, 2011, unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies being made by the management of Africa Oil Corp. ("Africa Oil" or the "Corporation") for use at the Annual General Meeting of the Corporation's shareholders (the "Meeting") to be held on Monday, May 30, 2011 at 10:00 a.m. (Pacific Standard Time) at Suite 2101, 885 West Georgia Street, Vancouver, British Columbia and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

It is anticipated that this Circular, together with the accompanying Notice of Meeting and form of proxy will first be mailed to shareholders of the Corporation on or about May 9, 2011.

Unless otherwise indicated, all monetary amounts referred to herein are stated in United States dollars, the Corporation's reporting currency.

APPOINTMENT OF PROXYHOLDER AND VOTING BY PROXY

The individuals named in the accompanying form of proxy (the "Proxy") are directors or officers of the Corporation (the "Management Proxyholders"). **A shareholder wishing to appoint a person or company other than Management Proxyholders to attend and act for the shareholder and on the shareholder's behalf at the meeting has the right to do so, by striking out the names of the Management Proxyholders and by inserting the desired person's or company's name in the blank space provided in the proxy, or by executing a proxy in a form similar to the enclosed form. In either case, the completed form of proxy must be delivered to Computershare prior to the Meeting or any adjournment thereof. A proxyholder need not be a shareholder.**

You can choose to vote your common shares by proxy by mail, by telephone or on the Internet. If you vote your common shares by proxy by mail, completed forms of proxies must be delivered to the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare"), at Proxy Department, at 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, in the envelope provided for that purpose. Telephone and Internet voting can also be completed 24 hours a day, 7 days a week. For telephone voting call 1-866-732-VOTE (8683) (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. International holders wishing to vote by telephone can dial 312-588-4290 to place their vote. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. For internet voting, go to www.investorvote.com and follow the instructions on the screen. For either telephone or internet voting, you will need your 15 digit control number which is noted on your proxy form. Duly completed forms of proxy or a vote using the telephone or over the Internet must be completed no later than forty-eight (48) hours (excluding Saturdays and holidays) before the time of the Meeting, or any adjournment thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies subsequently received.

If you are a beneficial shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided by your broker or other intermediary.

ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold securities of the Corporation in their own name. Shareholders who hold their securities through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their securities in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who

appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of voting securities will be recognized and acted upon at the Meeting. If voting securities are listed in an account statement provided to a Beneficial Shareholder by a broker, those voting securities will, in all likelihood, not be registered in the shareholder's name. Such voting securities more likely will be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Voting securities held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their voting securities are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Corporation and is commonly referred to as a "**voting instruction form**". However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (formerly, ADP Investor Communications, Canada)("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their securities directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted. If you have any questions respecting the voting of securities held through a broker or other intermediary, please contact that broker or other intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting securities registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the securities in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their securities as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

ADVICE TO HOLDERS OF EUROCLEAR SWEDEN REGISTERED SHARES

The information set forth in this section is of significance to shareholders who hold their securities ("Euroclear Registered Securities") through Euroclear Sweden AB, which securities trade on the NASDAQ OMX First North Exchange.

Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depository for Securities.

Holders of Euroclear Registered Securities will receive a voting instruction form (the "VIF") by mail directly from Euroclear Sweden AB. Additional copies of the VIF, together with the Corporation's Management Information Circular, can also be obtained from Euroclear Sweden AB and are available on the Corporation's website (www.africaoilcorp.com). The VIF cannot be used to vote securities directly at the Meeting. Instead, the VIF must be completed and returned to Euroclear Sweden AB, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the VIF.

If you have any questions concerning how to complete the VIF or respecting the voting of Euroclear Registered Securities, please contact Euroclear Sweden AB at:

Mail: *Africa Oil Corp.*
c/o Euroclear Sweden AB
PO Box 191
SE – 101 23 Stockholm
Sweden
Telephone: *+46 – (0) 8 – 402 90 78*
E-mail: *africaoil@procuratia.com*

REVOCATION OF PROXIES

A registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation, at Suite 2610 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 (Attention: Kevin Hisko, Corporate Secretary) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Secretary of the Corporation or the chairman of the Meeting prior to the time of voting at the Meeting. Only registered shareholders have the right to revoke a proxy. **Beneficial Shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

EXERCISE OF DISCRETION

The enclosed Proxy, when properly completed and delivered and not revoked, gives discretionary authority to the persons named therein with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, management of the Corporation knows of no such amendment, variation or other matter that may be presented to the Meeting.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

RECORD DATE

Shareholders registered as at April 25, 2011 (the "Record Date") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

INTEREST OF CERTAIN PERSONS and COMPANIES IN MATTERS TO BE ACTED UPON

Except as may be disclosed herein, no director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and confirmation of the Corporation's stock option plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares of which 196,045,042 common shares are issued and outstanding as at the date hereof. Each common share is entitled to one vote.

To the knowledge of the directors and executive officers of the Corporation, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation.

BUSINESS OF THE ANNUAL GENERAL MEETING

Financial Statements and Auditors' Report

The Corporation's consolidated financial statements for the year ended December 31, 2010 and the report of the auditors thereon will be placed before the Meeting. Copies of the consolidated financial statements, the auditors' report and management's discussion and analysis have been mailed to all registered shareholders and non-registered shareholder (or beneficial) shareholders who have opted to receive such materials. These documents can also be found on the Corporation's website at www.africaoilcorp.com and are also available on SEDAR at www.sedar.com. No vote by the shareholders is required to be taken with respect to the consolidated financial statements.

ELECTION OF DIRECTORS

The Corporation's Articles stipulate that the Board consist of the greater of three and the most recently set of the number of directors set by ordinary resolution. Currently, the number of directors set by ordinary resolution is five. Accordingly, the five persons named hereunder will be proposed for election as directors of the Corporation (the "Nominees"). Unless authority to vote is withheld, the common shares represented by the proxies hereby solicited will be voted by the persons named therein **FOR** the election of the Nominees whose names are set forth below. All of the Nominees are presently members of the Board and the dates on which they were first elected or appointed are indicated below. Management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote **FOR** another nominee in their discretion, unless the shareholder has specified in the accompanying form of proxy that such shareholder's shares are to be withheld from voting on the election of directors.

The following table sets out the names of the Nominees, the offices they hold within the Corporation, their principal occupations, the length of time they have served as directors of the Corporation, and the number of shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

| Name, residence and current position(s) held in the Company | Period of service as a director | Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾ | Principal Occupation of the Nominee during the past five years |
|--|---------------------------------|---|--|
| Keith C. Hill British Columbia, Canada <i>President and Chief Executive Officer</i> | Director since October 16, 2006 | 626,316 | Chairman of BlackPearl Resources Ltd., ShaMaran Petroleum Corp., Petrovista Energy Corp. and Tyner Resources Ltd.; formerly the President and Chief Executive Officer of Pearl Exploration and Production Ltd. (now BlackPearl Resources Ltd.), Valkryies Petroleum Corp. and Bayou Bend Petroleum (now ShaMaran Petroleum Corp.). |
| J. Cameron Bailey Alberta, Canada | Director since May 3, 1994 | 286,630 | Mr. Bailey is currently the President and CEO of Fortress Energy Inc. Mr. Bailey was previously a Managing Director of Network Capital Inc. and is a Chartered Financial Analyst. |
| Gary S. Guidry Alberta, Canada | Director since June 23, 2008 | Nil | President and Chief Executive Officer of Orion Oil & Gas Corporation. Previously, Mr. Guidry was President and CEO of Tanganyika Oil Company Ltd. |

| Name, residence and current position(s) held in the Company | Period of service as a director | Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾ | Principal Occupation of the Nominee during the past five years |
|---|-----------------------------------|---|--|
| Bryan M. Benitz London, United Kingdom | Director since September 29, 2009 | Nil | Mr. Benitz is the Chairman of Kirrin Resources and Longreach Oil and Gas Ventures. |
| John H. Craig Ontario, Canada | Director since June 19, 2009 | Nil | Mr. Craig is a practicing securities lawyer and a partner of the firm Cassels Brock & Blackwell LLP. |

⁽¹⁾ The information as to common shares beneficially owned or controlled has been provided by the directors themselves.

Each of the above nominees was elected to his present term of office by a vote of shareholders of the Corporation at a prior meeting, the notice of which was accompanied by a management information circular.

Except as otherwise described above, the nominees have had the principal occupation described above during the five preceding years or have previously disclosed their principal occupations during the five preceding years in a prior management information circular.

The Board of Directors does not have an executive committee. There are presently four committees of the Board; namely, the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Reserves Committee. The following table sets out the members of such Committees:

| Audit Committee | Compensation Committee | Corporate Governance and Nominating Committee | Reserves Committee |
|---------------------------|---------------------------|---|------------------------|
| J. Cameron Bailey (Chair) | J. Cameron Bailey (Chair) | Gary S. Guidry (Chair) | Gary S. Guidry (Chair) |
| Gary S. Guidry | Keith C. Hill | J. Cameron Bailey | Keith C. Hill |
| Bryan M. Benitz | John H. Craig | John H. Craig | Bryan M. Benitz |

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

CEASE TRADE ORDERS

Other than as disclosed below, no director or officer or person holding a sufficient number of securities of the Corporation to affect materially the control of the Company, is, or within the past ten years before the date of this Circular has been, a director or officer of any other issuer that, while such person was acting in that capacity: (i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted in such an order after the person ceased to be a director or officer; (iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or (iv) was subject to such bankruptcy proceedings within a year of that person ceasing to act in that capacity.

Mr. J. Cameron Bailey is a director of Fortress Energy Inc. ("Fortress"). On March 2, 2011, the Court of Queen's Bench of Alberta granted an order (the "Order") under the *Companies' Creditors Arrangement Act* (Canada) staying all claims and actions against Fortress and its assets and allowing Fortress to prepare a plan of arrangement for its creditors if necessary. Fortress took such steps in order to enable Fortress to challenge a reassessment issued by the Canada Revenue Agency ("CRA"), which reassessment is in the amount of approximately \$18 million. As a result of the reassessment, if Fortress took no action, it would be compelled to immediately remit \$9 million to the CRA and Fortress does not have the necessary funds to remit, although Fortress has \$18 million of assets in excess of its liabilities with sufficient liquid assets to pay all other liabilities and trade payables. Fortress believes that the CRA's position is not sustainable and intends to vigorously

dispute the CRA's claim. On March 3, 2011 the TSX suspended trading in the securities of Fortress due to Fortress having been granted a stay under the *Companies' Creditors Arrangement Act* (Canada).

PERSONAL BANKRUPTCIES

During the ten years preceding the date of this Circular, no director, officer or shareholder holding a sufficient number of shares of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold his or her assets.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the respective directors, officers and any control shareholder of the Corporation individually.

PENALTIES OR SANCTIONS

No director or officer of the Corporation, or shareholder holding a sufficient number of shares of the Corporation to materially affect control of the Corporation, has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

The Corporation's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and the financial position at that time.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act (British Columbia)* and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed above, the directors and officers of the Corporation are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving the Corporation.

AUDIT COMMITTEE AND NATIONAL INSTRUMENT 52-110

Certain information regarding the Audit Committee of the Board that is required to be disclosed in accordance with the requirements of National Instrument 52-110, *Audit Committees*, including the text of the Audit Committee's charter and the fees paid to the Corporation's external auditor, is contained in the Corporation's Annual Information Form for the year ended December 31, 2010, which is available on SEDAR under the Corporation's profile at www.sedar.com.

APPOINTMENT AND REMUNERATION OF AUDITORS

The common shares represented by the proxies solicited in respect of the Meeting on any ballot that may be called for, unless authority to do so is withheld, will be voted by the persons named therein **FOR** the appointment of the firm of PricewaterhouseCoopers LLP (“PwC”), Chartered Accountants, as auditors of the Corporation until the next annual general meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors. PwC have been the Corporation’s auditors since October 8, 2008.

STATEMENT OF EXECUTIVE COMPENSATION

During the financial year ended December 31, 2010, the Corporation had three Named Executive Officers of the Corporation, being: Mr. Keith Hill, President and Chief Executive Officer, Mr. Ian Gibbs, Chief Financial Officer, and Mr. James R. Phillips, Vice President of Exploration.

“*Named Executive Officer*” (“NEO”) means: (a) each Chief Executive Officer, (b) each Chief Financial Officer, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD\$150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Oversight

The Corporation’s executive compensation program is administered by the Compensation Committee of the Board. The Compensation Committee is comprised of three directors; namely, Messrs. J. Cameron Bailey (Chair), Keith C. Hill and John H. Craig, a majority of whom are independent. The Compensation Committee’s mandate includes reviewing and making recommendations to the Board of Directors (the “Board”) in respect of compensation matters relating to the “Named Executive Officers” which are identified in the “Summary Compensation Table” below. As well, the Compensation Committee determines the general compensation structure, policies and programs of the Corporation, including the extent and level of participation in incentive programs in conjunction with the Board. The Compensation Committee also reviews the adequacy and form of the compensation of directors to ensure that such compensation realistically reflects the responsibilities and risk involved in being an effective director. The Compensation Committee meets at least annually. The Compensation Committee also meets at other times during the year as necessary, such as when a component of the Corporation’s overall compensation package, including the stock option plan or the annual bonus program, is being amended or reviewed.

Compensation Discussion & Analysis

The Corporation’s compensation structure is designed to attract highly qualified and motivated individuals, reward performance and to be competitive with the compensation arrangements of other Canadian resource companies of similar size and scope of operations. The Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation, individual performance and contribution towards meeting corporate objectives, responsibilities, length of service and levels of compensation provided by industry competitors.

Compensation for executive officers is composed primarily of two components; namely, base salary and participation in the Corporation’s stock option plan (the “Stock Option Plan”); however, cash bonuses are awarded on an occasional and discretionary basis. Cash bonuses, if awarded, are paid once per year in the first quarter and reflect the Compensation Committee’s assessment of the immediately preceding financial year’s performance.

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation Committee, but management has a key role in helping support the committee in fulfilling its obligations. For example, the CEO and other senior executives make recommendations to the Compensation Committee regarding executive officer base salary adjustments, stock option grants and bonus awards. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The CEO does not make a recommendation to the Compensation Committee with respect to his own remuneration package.

As the Corporation has not generated significant revenues from operations during the recently-completed fiscal year, traditional corporate and NEO performance standards such as earnings per share are not considered relevant by the Compensation Committee in NEO performance evaluation. The Compensation Committee is satisfied that the Corporation's compensation structure appropriately takes into account the factors relevant to the industry, the Corporation's performance within that industry, and the individual contributions to the Corporation's performance made by its NEOs.

Each element of the Corporation's executive compensation program is described in more detail below.

Base Salaries

An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each executive officer is determined by the Compensation Committee based on an assessment of his sustained performance and consideration of competitive compensation levels for the markets in which the Corporation operates. In making its recommendations to the Board, the Compensation Committee also considers the particular skills and experience of the individual. The base salaries of executive officers are reviewed annually. There were no changes to the base salaries of the NEO's in 2010.

Short Term Incentive Compensation – Cash Bonuses

The Corporation may award discretionary cash bonuses to executive officers and employees of Corporation from time to time. The amount of the bonus that each individual may be eligible for is not set in relation to any formula or specific criteria, but is the result of a subjective determination of the Corporation's performance, overall industry conditions, as well as the individual's performance and his or her contribution to overall corporate goals. The payment of bonuses is subject to the final approval of the Board and the Board has the discretion to amend or veto bonuses in its sole discretion. The Corporation paid cash bonuses to each of the NEO's. These amounts are reflected in the Summary Compensation Table below under the heading "All Other Compensation".

Long Term Incentive Compensation – Stock Options

The stock option component of an NEO's compensation, which includes a vesting element to ensure retention, serves to both motivate the executive toward increasing share value and to enable the executive to share in the future success of the Corporation. Individual stock options are granted by the Board on the recommendation of senior management, in the case of employees, and by the Compensation Committee, in the case of executive officers, including the Chief Executive Officer. Options are normally awarded by the Board upon the commencement of an individual's employment with the Corporation based on the level of responsibility within the Corporation. Additional option grants may be made periodically to ensure that the number of stock options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. In considering additional grants, a number of factors are considered including, the role the individual plays in the Corporation, the number of stock options an individual has been granted, the exercise price and the value of the options and the term remaining on those options. During 2010, the NEO's were awarded stock options. These grants are reflected in the Summary Compensation Table below under the heading "Option-based Awards".

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid during the Corporation's most recently completed financial year to the Corporation's NEOs:

| Name and principal position | Year | Salary ⁽¹⁾ | Option-based awards ⁽²⁾ | All other compensation | Total compensation |
|---|------|-----------------------|------------------------------------|------------------------|--------------------|
| Keith Hill ⁽³⁾ <i>President & CEO</i> | 2010 | 242,733 | 103,746 | 121,366 | 467,845 |
| | 2009 | 210,639 | 190,870 | Nil | 401,509 |
| | 2008 | Nil | 269,230 | Nil | 269,230 |
| Ian Gibbs ⁽⁴⁾ <i>Chief Financial Officer</i> | 2010 | 242,733 | 51,873 | 121,366 | 415,972 |
| | 2009 | 65,535 | 196,488 | Nil | 262,023 |
| | 2008 | Nil | 269,230 | Nil | 269,230 |
| James Phillips ⁽⁵⁾ <i>Vice President of Exploration</i> | 2010 | 282,000 | 181,555 | 186,600 | 604,555 |
| | 2009 | 188,000 | 119,293 | 28,057 | 335,350 |
| | 2008 | Nil | Nil | Nil | Nil |

Notes:

- ⁽¹⁾ Salaries for the NEOs are paid in Canadian dollars and converted to United States dollars for reporting purposes in the Summary Compensation Table for the financial year ended 2010 at the exchange rate of US\$1.00 = CAD\$1.02993, being the Bank of Canada average annual exchange rate, except for Mr. Phillips who is paid in United States dollars. Salaries for the NEOs for fiscal 2009 were paid in Canadian dollars and converted to United States dollars at the exchange rate of USD\$1.00 = CAD\$1.14198, being the Bank of Canada average annual exchange rate, except for Mr. Phillips who is paid in United States dollars. Salaries were paid in Canadian dollars and converted for reporting purposes for the financial year ended 2008 at the exchange rate of CAD\$1.00 = US\$0.944, being the Bank of Canada average annual exchange rate.
- ⁽²⁾ These amounts represent the value of stock options granted to the respective NEO. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Corporation's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.
- ⁽³⁾ Mr. Hill became Chief Executive Officer on March 30, 2009 and President on October 20, 2009. Amounts reflected for the fiscal year ended December 31, 2008 represent compensation paid to Mr. Hill in his capacity as a director of the Corporation. Amounts reflected under the column "All Other Compensation" reflect the cash bonus received by Mr. Hill in the amount of US\$121,366 (CAD\$125,000) on account of the financial year ended December 31, 2009. During the fiscal year ended December 31, 2010, Mr. Hill was awarded an incentive stock option to purchase up to 200,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.13 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column "Option-based Awards".
- ⁽⁴⁾ Mr. Gibbs resigned as Chief Financial Officer of the Corporation on March 31, 2008 but was re-appointed on September 15, 2009. Amounts reflected for the fiscal year ended December 31, 2008 represent compensation paid to Mr. Gibbs in his capacity as a director of the Corporation. Mr. Gibbs was a director of the Corporation during the period June 23, 2008 to September 15, 2009. Amounts reflected under the column "All Other Compensation" reflect the cash bonus received by Mr. Gibbs in the amount of US\$121,366 (CAD\$125,000) on account of the financial year ended December 31, 2009. During the fiscal year ended December 31, 2010, Mr. Gibbs was awarded an incentive stock option to purchase up to 100,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.13 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column "Option-based Awards".
- ⁽⁵⁾ Mr. Phillips was appointed as Vice President of Exploration of the Corporation on September 15, 2009 but has been employed by Africa Oil Ethiopia B.V. ("AOE") since April 1, 2008. On April 29, 2009, the Corporation completed the acquisition of AOE at which time AOE became a subsidiary of the Corporation. Amounts reflected in the table for fiscal 2009 represent amounts paid during the period April 29, 2009 to December 31, 2009. Amounts under the column "All Other Compensation" for fiscal 2009 represent housing costs. Amounts reflected under the column "All Other Compensation" reflect the cash bonus received by Mr. Phillips in the amount of US\$141,000 on account of the financial year ended December 31, 2009 and housing costs in the amount of US\$45,600. During the fiscal year ended December 31, 2010, Mr. Phillips was awarded an incentive stock option to purchase up to 350,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.13 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column "Option-based Awards".
- ⁽⁶⁾ Other than as set out above, perquisites have not been included as they do not reach the prescribed threshold of the lesser of CAD\$50,000 and 10% of total salary for the financial year.

Narrative Discussion

The Corporation has entered into employment agreements with its NEOs. The agreements specify the terms and conditions of employment, the duties and responsibilities of the executive during this term, the compensation and benefits to be provided by the Corporation in exchange for the executive's services, the compensation and benefits to be provided by the Corporation in the event of a termination of employment.

Following are the significant terms of the employment agreements of each of the Corporation's NEOs:

Keith C. Hill, President and Chief Financial Officer

Pursuant to the terms of an executive employment agreement dated January 15, 2009, Mr. Hill was employed by the Corporation as Chief Executive Officer for a fixed period of one year commencing January 15, 2009 at a base annual salary of CAD\$250,000, plus benefits. This agreement was superceded and replaced by an executive employment agreement made effective January 15, 2010 pursuant to which the Corporation has engaged Mr. Hill as Chief Executive Officer of the Corporation at an annual base salary of CAD\$250,000, plus benefits, for no fixed term. Pursuant to the terms of his employment agreement, Mr. Hill was granted incentive stock options to purchase up to 400,000 common shares of the Corporation over a period of three (3) years at an exercise price of CAD\$1.18, subject to vesting. Reference is made to the heading "Termination and Change of Control Benefits" for information regarding the termination provisions of Mr. Hill's employment agreement.

Ian Gibbs, Chief Financial Officer

Pursuant to the terms of an executive employment agreement made effective September 14, 2009, the Corporation engaged Mr. Gibbs as Chief Financial Officer of the Corporation for no fixed term. In accordance with the terms of Mr. Gibbs' employment agreement, he is entitled to a base annual salary of CAD\$250,000 per annum, plus benefits. In addition, Mr. Gibbs was granted incentive stock options to purchase up to 400,000 common shares of the Corporation over a period of three (3) years at an exercise price of CAD\$0.89, subject to vesting. Reference is made to the heading "Termination and Change of Control Benefits" for information regarding the termination provisions of Mr. Gibbs' employment agreement.

James R. Phillips – Vice President of Exploration

On April 29, 2009, following the acquisition of the Corporation's subsidiary Africa Oil Ethiopia B.V. ("AOE"), the Corporation assumed the contractual obligations of AOE in relation to Mr. Phillips' employment agreement as Vice President of Exploration of AOE. Under this contract of employment, Mr. Phillips received a base annual salary of US\$282,000, plus benefits. This agreement was superseded and replaced by an executive employment agreement made effective April 1, 2010 which provided for the same annual base salary plus benefits for no fixed term. Reference is made to the heading "Termination and Change of Control Benefits" for information regarding the termination provisions of Mr. Phillips' employment agreement.

Outstanding Option-Based Awards

The following tables set forth the outstanding option-based awards held by the NEOs at the end of the most recently completed financial year:

| Name | Option-based Awards | | | |
|---|---|-----------------------|------------------------|---|
| | Number of securities underlying unexercised options (#) | Option exercise price | Option expiration date | Value of unexercised in-the-money options ⁽¹⁾⁽²⁾ |
| Keith C. Hill <i>President and Chief Executive Officer</i> | 50,000 | CAD\$6.25 | June 23, 2011 | Nil |
| | 400,000 | CAD\$1.18 | March 30, 2012 | 329,781 |
| | 200,000 | CAD\$1.13 | April 7, 2013 | 174,945 |
| Ian Gibbs <i>Chief Financial Officer</i> | 100,000 | CAD\$6.25 | June 23, 2011 | Nil |
| | 100,000 | CAD\$1.18 | March 30, 2012 | 82,445 |
| | 400,000 | CAD\$0.89 | September 14, 2012 | 446,411 |
| James R. Phillips <i>Vice President of Exploration</i> | 100,000 | CAD\$1.13 | April 7, 2013 | 87,472 |
| | 250,000 | CAD\$1.18 | March 30, 2012 | 206,113 |
| | 350,000 | CAD\$1.13 | April 7, 2013 | 306,153 |

NOTES:

⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on December 31, 2010 of CAD\$2.00 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

⁽²⁾ Converted to United States dollars using the exchange rate on December 31, 2010.

Option Based-Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

| Name | Option-based awards – Value vested during the year ⁽¹⁾⁽²⁾ |
|---|--|
| Keith C. Hill <i>President & Chief Executive Officer</i> | Nil |
| Ian Gibbs <i>Chief Financial Officer</i> | 59,651 |
| James R. Phillips <i>Vice President of Exploration</i> | Nil |

Notes:

⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on the dates on which stock options vested during the financial year ended December 31, 2010, and subtracting the exercise price of in-the-money stock options.

⁽²⁾ Converted to United States dollars using the exchange rate in effect as at the date options vested.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation and its subsidiaries have not entered into any compensatory plan or arrangement in respect of compensation received or that may be received by any of the NEOs during the Corporation's most recently completed or current financial year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the NEOs the value of such compensation exceeds CAD\$100,000, except for those disclosed below.

Executive Employment Agreement – Keith Hill, President and Chief Executive Officer

On January 15, 2010 the Corporation entered into an executive employment agreement with Mr. Keith Hill, the current President and Chief Executive Officer of the Corporation at an annual salary of CAD\$250,000. For further information regarding Mr. Hill's agreement, refer to the disclosure under the heading "*Summary Compensation Table – Narrative Discussion.*"

Pursuant to the terms of Mr. Hill's employment agreement, the Corporation may terminate Mr. Hill's employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Hill if Mr. Hill becomes permanently disabled. Upon the termination of Mr. Hill's employment for cause or if Mr. Hill voluntarily elects to terminate his agreement, Mr. Hill shall not be entitled to any severance payment other than compensation earned by Mr. Hill before the date of termination.

Mr. Hill may be terminated by the Corporation for any reason other than specified above, upon 60 days written notice.

In the event of a change of control, Mr. Hill is entitled to receive an amount equal to two years base salary plus continued benefits for two years should he be terminated without cause or resign within a stipulated period of time.

Executive Employment Agreement – Ian Gibbs, Chief Financial Officer

On September 14, 2009 the Corporation entered into an executive employment agreement with Mr. Ian Gibbs, the current Chief Financial Officer of the Corporation at an annual salary of CAD\$250,000. For further information regarding Mr. Gibbs' agreement, refer to the disclosure under the heading "*Summary Compensation Table – Narrative Discussion.*"

Under the terms of the agreement, the Corporation may terminate Mr. Gibbs' employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Gibbs if Mr. Gibbs becomes permanently disabled. Upon the termination of Mr. Gibbs' employment for cause or if Mr. Gibbs voluntarily

elects to terminate his agreement, Mr. Gibbs shall not be entitled to any severance payment other than compensation earned by Mr. Gibbs before the date of termination.

Mr. Gibbs may be terminated by the Corporation for any reason other than as specified above upon 60 days written notice.

In the event of a change of control, Mr. Gibbs is entitled to receive an amount equal to two years base salary plus continued benefits for two years should he be terminated without cause or resign within a stipulated period of time.

Executive Employment Agreement – James Phillips, Vice President of Exploration

Upon the acquisition of the subsidiary Africa Oil Ethiopia B.V. (formerly Lundin East Africa B.V.) on April 29, 2009, the Corporation assumed the contractual obligations of the subsidiary in relation to Mr. Phillips’ executive employment agreement as Vice President of Exploration of the subsidiary. Under the contract of employment with Africa Oil Ethiopia B.V., Mr. Phillips is entitled to a base annual salary of US\$282,000, plus benefits. On September 15, 2009, Mr. Phillips became the Vice President of Exploration of the Corporation and continued his employment under the same terms and conditions of his employment agreement with Africa Oil Ethiopia B.V.

Under the terms of his current employment agreement, made effective April 1, 2010, the subsidiary may terminate the agreement upon 60 days written notice. Additionally, the agreement may be terminated by the subsidiary without notice, on grounds, and without severance.

In the event of change of control, Mr. Phillips is entitled to receive an amount equal to two years base salary plus continued benefits for two years should he be terminated without cause or resign within a stipulated period of time.

DIRECTORS’ COMPENSATION

The compensation package for directors is intended to provide a competitive level of remuneration reflective of the responsibilities, accountability and time commitments of the Board members. Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers. Fees paid to non-executive directors for their service to board of directors were approved at CAD\$20,000 per annum, audit committee members were approved at CAD\$5,000 per annum with the chair of the audit committee paid an additional CAD\$2,000 per annum, all other non-executive committee members belonging to the Compensation Committee, the Corporate Governance and Nominating Committee and the Reserves Committee are paid fees of CAD\$2,000 per annum. To encourage directors to align their interests with shareholders, directors are also granted incentive stock options pursuant to the Corporation’s Stock Option Plan.

Directors’ Compensation Table

The following table sets forth the details of compensation provided to the non-executive directors, who were not NEOs during the Corporation’s most recently completed financial year:

| Name | Fees Earned/Paid (\$) ⁽¹⁾⁽²⁾ | Option-based Awards (\$) ⁽³⁾ | Non-Equity Incentive Plan Compensation (\$) | All Other Compensation (\$) | Total (\$) |
|-------------------|---|---|---|-----------------------------|------------|
| J. Cameron Bailey | 45,148 | 25,936 | Nil | Nil | 71,085 |
| Gary S. Guidry | 42,236 | 25,936 | Nil | Nil | 68,172 |
| Bryan M. Benitz | 32,769 | 25,936 | Nil | Nil | 58,705 |
| John H. Craig | 34,954 | 25,936 | Nil | Nil | 60,890 |

NOTES:

⁽¹⁾ Fees earned by directors are paid in Canadian dollars and converted to United States dollars for reporting purposes at the exchange rate of USD\$1.00 = CAD\$1.02993, being the Bank of Canada average annual exchange.

⁽²⁾ These amounts include directors' fees earned during the period July 1 – December 31, 2009, which fees were paid during the first quarter of fiscal 2010.

⁽³⁾ These amounts represent the value of stock options granted to the respective director. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Corporation's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.

⁽⁴⁾ Information pertaining to Mr. Keith C. Hill is included under "Statement of Executive Compensation - Summary Compensation Table".

Outstanding Option-Based Awards

The following table sets forth the outstanding option-based awards held by the directors of the Corporation at the end of the most recently completed financial year:

| Name | Option-based Awards | | | |
|-------------------|---|----------------------------|------------------------|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) ⁽¹⁾⁽²⁾ |
| J. Cameron Bailey | 50,000 | CAD\$6.25 | June 23, 2011 | Nil |
| | 100,000 | CAD\$1.18 | March 31, 2012 | 82,445 |
| | 50,000 | CAD\$1.13 | April 7, 2013 | 43,736 |
| Gary S. Guidry | 100,000 | CAD\$6.25 | June 23, 2011 | Nil |
| | 100,000 | CAD\$1.18 | March 31, 2012 | 82,000 |
| | 50,000 | CAD\$1.13 | April 7, 2013 | 43,500 |
| Bryan M. Benitz | 100,000 | CAD\$1.00 | September 29, 2012 | 100,543 |
| | 50,000 | CAD\$1.13 | April 7, 2013 | 43,736 |
| John H. Craig | 100,000 | CAD\$1.05 | August 19, 2012 | 95,516 |
| | 50,000 | CAD\$1.13 | April 7, 2013 | 43,736 |

NOTES:

⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on December 31, 2010 of CAD\$2.00 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

⁽²⁾ Converted to United States dollars using the exchange rate on December 31, 2010.

⁽³⁾ Information pertaining to Mr. Keith C. Hill is included under "Statement of Executive Compensation - Summary Compensation Table.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

| Name | Option-based awards – Value vested during the year ⁽¹⁾⁽²⁾ |
|-------------------|--|
| J. Cameron Bailey | Nil |
| Gary S. Guidry | Nil |
| Bryan M. Benitz | 22,334 |
| John H. Craig | 1,282 |

Notes:

⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on the dates on which stock options vested during the financial year ended December 31, 2010, and subtracting the exercise price of in-the-money stock options.

⁽²⁾ Converted to United States dollars using the exchange rate in effect as at the date options vested.

⁽³⁾ Information pertaining to Mr. Keith C. Hill is included under "Statement of Executive Compensation - Summary Compensation Table.

Directors' and Officers' Liability Insurance

The Corporation maintains insurance for the benefit of its directors and officers and the directors and officers of its subsidiaries, as a group, in respect of the performance of them of the duties of their offices. The total amount of insurance coverage available is up to \$10,000,000, depending on the type of claim, with a deductible of up to \$25,000, depending on

the type of claim, for each claim for which the Corporation grants indemnification. The Corporation bears the entire cost of the premiums payable pursuant to this coverage.

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of the Corporation, proposed nominees for directors, or associates or affiliates of said persons, have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

Equity Compensation Plan Information (as at March 31, 2011)

The Corporation's 10% Rolling Stock Option Plan, described herein, is the only compensation plan under which equity securities of the Corporation are authorized for issuance.

| Plan Category | Number of securities to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options (CAD\$) | Number of securities remaining available for future issuance under the Plan (excluding securities reflected in column (a)) |
|---|---|---|---|
| Equity Compensation Plans approved by securityholders | 6,850,001 | 1.84 | 11,419,159 |
| Equity Compensation Plans not approved by securityholders | N/A | N/A | N/A |
| Total | 6,850,001 | | 11,419,159 |

Notes:

- ⁽¹⁾ The only compensation plan under which equity securities are authorized for issuance is the Stock Option Plan, see "Executive Compensation – Stock Option Plan".
- ⁽²⁾ Based on 10% of the issued and outstanding share capital of the Corporation as at March 31, 2011 of 182,691,609.

10% Rolling Stock Option Plan

The Corporations' current 10% Rolling Incentive Stock Option Plan (the "Plan") governing the issuance of stock options was initially adopted by shareholders at the annual and special meeting held on June 23, 2008 and most recently ratified and approved by shareholders on May 27, 2010. In order to bring the Plan in compliance with the current rules and policies set forth for such plans by the TSX Venture Exchange (the "Exchange"), and to reflect changes to the treatment of stock option exercises brought about by recently enacted tax legislation on April 15, 2011, the Board approved certain housekeeping amendments to the Plan.

The material terms of the Plan remain unchanged and can be summarized as follows:

Purpose

Management of the Corporation believes that incentive stock options serve as an important function in furnishing directors, officers, employees and consultants of the Corporation with an opportunity to invest in the Corporation in a simple and effective manner and in aligning the interests of such persons with those of the Corporation and its shareholders. The purpose of the Plan is to ensure that the Corporation is able to continue to provide an incentive-based benefits program to its directors, officers, employees and consultants that provides flexibility in the structuring of incentive benefits so as to allow the Corporation to remain competitive in the recruitment and retention of key personnel.

Administration

The Plan is administered by the secretary of the Corporation, or such director or senior officer or employee of the Corporation as may be designated as the administrator of the Plan from time to time, on the instructions of the Board.

Number of Shares

The aggregate number of shares issuable upon the exercise of all stock options granted under the Stock Option Plan is not to exceed 10% of the issued and outstanding share capital of the Corporation on a non-diluted basis at any time, and such aggregate number of shares shall automatically increase or decrease as the number of issued and outstanding shares changes. If any option granted under the Plan expires or terminates for any reason in accordance with the terms of the Plan without being exercised, the un-purchased shares will again be available for the purpose of the Stock Option Plan.

Eligible Participants

Pursuant to the Plan, stock options may be granted to an employee, director, officer or management company, employee of the Corporation, or other persons who perform management or consulting services or investor relations services for the Corporation or any of its subsidiaries on an ongoing basis.

Expiry of Option

In the event that an option holder should die while he or she is still a director or employee of the Corporation, the expiry date of the option is one year from the date of death of the option holder.

In the event that an option holder who has received stock options in his or her capacity as a director of the Corporation ceases to be a director of the Corporation other than by reason of death, the expiry date of the options will be the 30th day following the date the option holder ceases to be a director of the Corporation unless the option holder continues to be engaged by the Corporation as an employee, in which case the expiry date will remain unchanged, subject to the terms and conditions of the Plan.

In the event that an option holder who has received stock options in his or capacity as a employee of the Corporation ceases to be an employee of the Corporation other than by reason of death, or if the employee is a party providing investor relations services or management or consulting services to the Corporation and ceases to continue providing such services to the Corporation, the expiry date of the option will be the 30th day following the date the option holder ceases to be an employee of the Corporation or ceases to continue providing such investor relations, management and consulting services to the Corporation, subject to the terms and conditions of the Plan.

Exercise Price

The exercise price per share is determined by the Board at the time the options are granted provided that the exercise price cannot be lower than the lowest exercise price permitted by the Exchange.

Term

The term of any option granted is fixed by the Board and may not exceed five years from the date of grant.

Vesting

Options granted pursuant to the Plan will vest and become exercisable by an option holder at such time or times as may be determined by the Board at the date of the option grant and as indicated in the option grant and related option agreement. Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restrictions shall exist. Notwithstanding the foregoing, options granted to consultants providing investor relations services will vest in stages over a 12 month period with a maximum of one-quarter of such options vesting in any three month period.

Transferability

Options may not be assigned or transferred other than by will or by the applicable laws of descent and may only be exercised by the option holder.

Change of Control

In the event that a Change of Control, as defined in the Plan, occurs, each option will become fully vested and may be exercised by the option holder.

Substantive Amendments to Plan

Any substantive amendments to the Plan will be subject to the Corporation first obtaining the approval of the Corporation's shareholders at a general meeting (which may, require disinterested shareholder approval) and, if required, any stock exchange on which the Corporation's shares may be listed for trading. Without limiting the generality of the foregoing, any proposed amendment to the Plan which involves an option held by an Insider of the Corporation (as that term is defined by the policies of the Exchange and relevant securities laws) shall first require approval from the disinterested shareholders of the Corporation at a general meeting provided that such approval is required by the Exchange.

Termination

The Board may terminate the Plan at any time provided that such termination will not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option awarded prior to the date of such termination and notwithstanding such termination the Corporation, such options, option holders, directors and employees and shares shall continue to be governed by the provisions of the Plan.

MANAGEMENT CONTRACTS

Other than as disclosed herein, management functions of the Corporation and its subsidiaries are performed by directors, executive officers or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

During the fiscal year ended December 31, 2010, none of the insiders of the Corporation nor any proposed nominee for election as director, nor any associate or affiliate of said persons has had any material interest, direct or indirect, in any transaction, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate Governance Practices

National Policy 58-201 Corporate Governance Guidelines ("NP 58-201") sets out guidelines for effective corporate governance. These guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of the corporate governance practices must be included in its management information circular.

The Board of Directors has considered the guidelines set out in NP 58-201 and believes that its approach to corporate governance is appropriate and works effectively for the Corporation and its shareholders and are consistent with the overall business of the Corporation and its stage of development. The following is a description of the Corporation's corporate governance practices which have been approved by the Board.

The Board of Directors

The Board of Directors is currently comprised of J. Cameron Bailey, Keith C. Hill, Gary S. Guidry, Bryan M. Benitz and John H. Craig. One member of the Board of Directors, Mr. Hill, is not considered to be independent within the meaning of NI 58-

101. The remaining directors are considered independent as that term is defined under National Instrument 52-110 *Audit Committees* (“NI 52-110”).

The Board of Directors has the responsibility to (i) supervise and evaluate management (ii) oversee the conduct of the Corporation’s business; (iii) adopt, supervise and provide guidance to management on the Corporation’s strategic planning process; (iv) identify the principal risks of the Corporation’s business and ensure management’s implementation and assessment of appropriate risk management systems; (v) ensure that the Corporation has highly qualified management and adequate and effective succession plans for senior management; (vi) oversee the Corporation’s communications policy with its shareholders and with the public generally; (vii) place limits on managements authority; and (viii) assess directly and through its Audit Committee, the integrity of the Corporation’s internal control and management information systems.

Directorships

Each of the directors of the Corporation are currently directors of the other reporting issuers as set forth below:

| Name | Directorships with Other Reporting Issuers |
|--------------------------|--|
| J. Cameron Bailey | <ul style="list-style-type: none"> • Fortress Energy Inc. • Phoenix Technology Income Fund • Phoenix Technology Services Inc. (formerly, Nevis Energy Services Ltd.) • PHX Energy Services Corp. • ShaMaran Petroleum Corp. |
| Keith C. Hill | <ul style="list-style-type: none"> • ShaMaran Petroleum Corp. • BlackPearl Resources Inc. • Petro Vista Energy Corp. • Tyner Resources Ltd. |
| Gary S. Guidry | <ul style="list-style-type: none"> • ShaMaran Petroleum Corp. • TransGlobe Energy Corporation • Orion Oil & Gas Corporation • Zodiac Exploration Inc. |
| Bryan M. Benitz | <ul style="list-style-type: none"> • MagIndustries Corp. • Kirrin Resources Inc. |
| John H. Craig | <ul style="list-style-type: none"> • Denison Mines Corp. • BlackPearl Resources Inc. • Etrion Corporation • Corsa Capital Ltd. • Atacama Minerals Corp. • Lundin Mining Corporation • Consolidated HCI Holdings Corporation |

During fiscal year ended December 31, 2010, the Board and its committees held the following number of meetings:

| Directors | Board Committees | | | | | | | | | |
|-------------------|----------------------------------|------|-------------------------------|------|--------------------------------------|------|---|------|---------------------------------|------|
| | Board of Directors 7 meetings | | Audit Committee 4 meetings | | Compensation Committee 2 meetings | | Corporate Governance and Nominating Committee 1 meeting | | Reserves Committee 1 meeting | |
| | No. | % | No. | % | No. | % | No. | % | | |
| Keith C. Hill | 7 | 100% | - | - | 2 | 100% | - | - | 1 | 100% |
| J. Cameron Bailey | 6 | 86% | 3 | 75% | 2 | 100% | 1 | 100% | - | - |
| Gary S. Guidry | 7 | 100% | 4 | 100% | - | - | 1 | 100% | 1 | 100% |
| Bryan M. Benitz | 7 | 100% | 4 | 100% | - | - | - | - | 1 | 100% |
| John H. Craig | 6 | 86% | - | - | 2 | 100% | 1 | 100% | - | - |
| | | | | | | | | | | |

Orientation and Continuing Education

The measures that the Board of Directors takes in connection with orienting new Board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Corporation's business include providing each new member with information concerning the role and responsibilities of a public company director and discussing with new members the Corporation's operations.

The Corporation encourages continued education for its directors. The Board ensures that all directors are kept apprised of changes in the Corporation's operations and business and changes in the regulatory environment affecting the Corporation's day to day business.

Ethical Business Conduct

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards. Accordingly, the Corporation has adopted a written Code of Ethics (the "Code") applicable to directors, officers and all employees of the Corporation. Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporation's legal counsel. Following the receipt of any complaints submitted hereunder, the Corporation's legal counsel will investigate each matter so reported and report to the Board which will take corrective disciplinary actions, if appropriate, up to and including termination of employment. The Corporation encourages all directors, officers, and employees to report promptly any suspected violation of the Code to the Corporation's legal counsel. The Corporation does not tolerate any retaliation for reports or complaints regarding suspected violations of the Code that were made in good faith. There has been no departure from the Code during the Corporation's most recently completed financial year.

All directors, officers and employees have an obligation to act in the best interest of the Corporation. Any situation that presents an actual or potential conflict between a director, officer or employee's personal interests and the interests of the Corporation are to be reported to the Corporation's legal counsel.

The Code is available under the Corporation's profile on SEDAR at www.sedar.com.

The Corporation has also established an Internal Employee Alert Policy to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment.

Nomination of Directors

The Corporate Governance and Nominating Committee consists of three directors Gary S. Guidry (Chair), J. Cameron Bailey and John H. Craig, all of whom are independent within the meaning of the Governance Guidelines. The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies individuals qualified to become new Board members and recommends to the Board the director nominees at each annual meeting of shareholders and, with the assistance of the Board and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions. The Corporate Governance and Nominating Committee meet at least annually.

Compensation

As of the fiscal year ended December 31, 2010 the Compensation Committee was comprised of three directors, namely, Messrs. J. Cameron Bailey (Chair), Keith C. Hill and John H. Craig, a majority of whom were independent. The Compensation Committee evaluates the CEO's performance and establishes executive and senior officer compensation, determines the general compensation structure, policies and programs of the Corporation, including the extent and level of participation in incentive programs in conjunction with the Board, and delivers an annual statement on executive compensation. The Compensation Committee has also been mandated to review the adequacy and form of annual compensation for non-executive directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director. The Compensation Committee meets at least annually. The Compensation Committee did not retain a compensation consultant or advisor at any time since the beginning of the Corporation's most recently completed financial year to assist in determining compensation for any of its directors and officers.

Other Board Committees

In addition to the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee, the Corporation has recently established a Reserves Committee that is comprised of a majority of independent directors; namely, Messrs. Keith C. Hill, Gary S. Guidry and Bryan M. Benitz. The Reserves Committee has generally been given the responsibility for developing the Corporation's approach to the reporting of oil and gas resources and/or reserves and the valuation of those resources/reserves.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of 10% Rolling Stock Option Plan

The Corporations' current 10% Rolling Stock Option Plan (the "Plan") governing the issuance of stock options was initially adopted by shareholders at the annual and special meeting held on June 23, 2008 and most recently ratified and confirmed by shareholders on May 27, 2010. In order to bring the Plan in compliance with the current rules and policies set forth for such plans by the TSX Venture Exchange (the "Exchange"), and to reflect changes to the treatment of stock option exercises brought about by recently enacted tax legislation on April 15, 2011, the Board approved certain housekeeping amendments to the Plan. The full text of the Plan will be available for review at the Meeting.

The policies of the Exchange require that rolling plans be approved by shareholders on a yearly basis. Accordingly, shareholders are being asked to pass an ordinary resolution to ratify and confirm the Plan as adopted by the Board which permits the issuance of up to 10% of the issued and outstanding common shares of the Corporation from time to time. To be effective, the resolution must be passed by a simple majority of the votes cast thereon by shareholders present in person or by proxy at the Meeting. If the resolution to approve the Plan is not approved by shareholders of the Corporation, all unallocated stock options will be cancelled and the Corporation will not be permitted to make any further grants until shareholder approval is obtained. The following is the text of the ordinary resolution to be considered at the Meeting:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) the 10% Rolling Stock Option Plan of the Corporation, as adopted by the Board of Directors, be and is hereby approved and ratified, and the Corporation be and is hereby authorized to reserve for issuance pursuant to the 10% Rolling Stock Option Plan up to 10% of the issued and outstanding common shares of the Corporation from time to time;
- (b) the Board of Directors be and is hereby authorized on behalf of the Corporation to make any amendments to the 10% Rolling Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Corporation, in order to ensure the adoption and efficient function of the 10% Rolling Stock Option Plan; and

- (c) any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the 10% Rolling Stock Option Plan.”

The directors of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that shareholders of the Corporation vote in favour of the resolution.

The persons named as proxies in the enclosed Proxy intend to cast the votes represented by proxy in favour of the foregoing resolution unless the holder of common shares who has given such proxy has directed that the votes be otherwise cast.

OTHER MATTERS

Management of the Corporation knows of no other matters which will be brought before the Meeting, other than those referred to in the Notice of Meeting. Should any other matters properly be brought before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgment of the persons voting such proxies.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR under the Corporation’s profile at www.sedar.com. Financial information regarding the Corporation is provided in the consolidated annual financial statements and related management’s discussion and analysis (“MD&A”) for its most recently completed financial year.

Copies of the consolidated financial statements and related MD&A, as well as a copy of the Corporation’s Annual Information Form (“AIF”) for the fiscal year ended December 31, 2010, may be accessed on the Corporation’s website at www.africaoilcorp.com or shareholders may contact the Corporation to request copies of the consolidated financial statements, MD&A and AIF, as follows:

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|-----------------|---|
| (i) e-mail: | africaoilcorp@namdo.com |
| (ii) telephone: | 604-689-7842 |
| (iii) mail: | Africa Oil Corp. Suite 2101, 885 West Georgia Street Vancouver, B.C., V6C 3E8 Attn: Investor Relations |

CERTIFICATE

The contents and the distribution of this Circular have been approved by the Board.

DATED the 21st day of April, 2011.

BY ORDER OF THE BOARD

“Keith C. Hill”

(Signed) **Keith C. Hill**
President and Chief Executive Officer