

Second Quarter Highlights

- Africa Oil Corp. (the “Company”) completed the acquisition of a large portfolio of East African oil exploration projects from Lundin Petroleum AB. The projects are located within a vastly underexplored region of the highly prospective East African rift basin petroleum system. The projects acquired include an 85% working interest in Blocks 2, 6, 7 and 8 and a 50% working interest in the Adigala Block in Ethiopia plus a 100% interest in Block 10A and a 30% interest in Block 9 in Kenya. Africa Oil has assumed operatorship of these projects, excluding Block 9 in Kenya.
- During the quarter, the Company raised CAD\$35.5 million by way of a private placement of 37.4 million subscription receipts at \$0.95 per unit. Each subscription receipt entitled the holder to receive one unit of the Company without further payment upon completion of the acquisition of the East African properties from Lundin Petroleum AB. One unit comprised one common share plus one share purchase warrant exercisable at CAD \$1.50 per share for a period of three years. In the event that Africa Oil trades at or above CAD \$2.00 for a period of 20 consecutive days, a forced exercise provision will come into effect.
- The Company signed a farmout agreement with Black Marlin Energy Limited's East Africa Exploration Limited ("EAX") unit for their entry into the production sharing contracts in both Ethiopia and Kenya. In Ethiopia, Africa Oil will transfer a 30% license interest to EAX in the Blocks 2/6 and 7/8 Production Sharing Agreements located in the highly under-explored Ogaden Basin of southern Ethiopia. In Kenya, Africa Oil will transfer a 20% license interest to EAX in the prospective Block 10A Production Sharing Contract, located in the Anza Basin of northern Kenya. EAX, in both areas, will pay a disproportionate share of costs associated with the planned 2D seismic programs to be carried out in 2009-10 as well as paying a portion of Africa Oil's past costs and future operational costs. Africa Oil has executed a seismic contract with Upstream Petroleum Services Limited (UPSL) to undertake the seismic acquisition in both Ethiopia and Kenya. This farmout transaction is subject to approvals of the appropriate regulatory authorities from the Government of the Federal Democratic Republic of Ethiopia and Republic of Kenya in addition to waiver of pre-emptive rights by an existing partner in the Ethiopian licenses.
- Subsequent to the end of the quarter, the Company completed the acquisition of all of the issued and outstanding shares of Turkana Energy Inc., a privately held oil and gas exploration company. Turkana's principal asset was a 100% interest Block 10BB (subject to a 20% back-in right in favor of the Kenyan government), a highly prospective oil exploration block in northwestern Kenya. Turkana was acquired by way of a plan of arrangement in consideration for 7.5 million common shares of Africa Oil. In addition, existing Turkana convertible loans owing to Turkana shareholders, to a maximum of CAD \$1 million, were exchanged into common shares of Africa Oil on the basis of CAD\$1.27 per share. Block 10BB is a large block encompassing approximately 13,000 square kilometers located in the Rift Valley of northwestern Kenya. The block is within the Tertiary rift trend of East Africa which has recently yielded major oil discoveries by operators such as Heritage and Tullow which are active in the Lake Albert region of Uganda. Block 10BB is located immediately west of Africa Oil's Kenyan Block 10A and Block 9 and further consolidated the Company's holdings in the highly prospective Anza Basin petroleum system.
- In addition, the Company signed a farmout letter of intent with Raytec Metals Corp. ("Raytec")

for their entry into the Production Sharing Contracts in the State of Puntland, Somalia and the Republic of Kenya. In Puntland, Somalia, Africa Oil will transfer a 15% license interest to Raytec in the Nogal and Dharoor Petroleum Production Sharing Agreements. In Kenya, Africa Oil will transfer a 10% interest in the Block 9 Production Sharing Agreement, a 20% license interest in Block 10BB and a 25% license interest in Block 10A. Raytec will pay a disproportionate share of costs associated with the planned work programs to be carried out in 2009 and 2010. This farmout transaction is subject to government, exchange, and partner approvals if required.

• Assuming completion of all farm-out agreements, the Company's interests in the various blocks will be:

Country	Concession	Working Interest	Paying Interest
Somalia	Dharoor	65%	50%
	Nogal	65%	70%
Ethiopia	2, 6, 7, 8	55%	30%
	Adigala	50%	0%
Kenya	10A	55%	20%
	10BB	80%	60%
	9	20%	26.67%

Looking Forward

- A 500 kilometre 2D seismic acquisition program is currently underway in the Adigala block in Ethiopia. Processing and interpretation will continue into the fall.
- In the Ogaden area (Blocks, 2, 6, 7, 8), a 500 kilometre 2D seismic program will commence in the fall with processing and interpretation expected to be completed by the spring of 2010.
- During the fourth quarter of 2009 the Bogal well in Block 9 in Kenya is expected to spud.
- In the Dharoor block in Somalia, interpretation of newly acquired seismic is nearing completion. Drilling of the first well is anticipated in the first quarter of 2010.
- Africa Oil's mission is to build a leading oil exploration and production company focused on the outstanding opportunities available in Africa. The Company and its internationally recognized exploration team will seek large-scale opportunities that exhibit world-class potential that will create shareholder value and create positive economic and social impacts on the local communities where we operate.