

## Third Quarter 2010 Highlights

- Africa Oil applied for and was approved for a secondary listing of its common shares on the First North list of the NASDAQ OMX Stock Exchange (Stockholm). The Company's common shares commenced trading on First North on September 30, 2010 under the symbol "AOI".
- The assignment, from Platform Resources Inc. to Africa Oil, of Platform's 100% interest in Blocks 12A and 13T in Kenya received regulatory approval and the transaction was completed.
- The Company completed the farmout agreement with Agriterria Ltd. (formerly White Nile Ltd.). Under the farmout agreement, Africa Oil acquired an 80% participating interest in, and operatorship of, the South Omo Block in Ethiopia.
- The Company signed a definitive farmout agreement with Tullow Oil plc whereby Tullow will acquire a 50% interest in, and operatorship of Blocks 10B and 10A in Kenya and the South Omo block in Ethiopia. In consideration, Tullow will pay to Africa Oil approximately US\$10MM, representing 50% of Africa Oil's past costs in the blocks. Tullow will also fund Africa Oil's working interest share of future joint venture expenditures in these blocks until the cap of US\$23.75MM is reached. Once the expenditure cap has been met, Africa Oil will be responsible for its working interest share of future costs.
- In order to provide the necessary interest to Tullow, Africa Oil also amended its existing farmout agreement with Lion Energy Corp. The amendment of the Lion farmout agreement provides that Lion will reduce its interest in Block 10BB to 10% (originally 20%) and will not retain any interest in Block 10A (originally 25%). As consideration, Africa Oil has agreed to pay Lion US\$2.5 million in cash and to issue to Lion 2.5 million common shares of Africa Oil. Africa Oil has also agreed to the elimination of future expenditure promotes in Block 10BB and on the Company's projects in Puntland (Somalia).
- Tullow has also entered into an agreement with Africa Oil to acquire 50% of Africa Oil's interest in, and operatorship of, Blocks 12A and 13T in Kenya. Tullow will be responsible for paying Africa Oil its pro-rata share of back costs, including acquisition costs, and its respective share of future joint venture expenditures.
- Upon closing, the resultant interests in the blocks which are subject to the Tullow farmout agreement and the Lion amending agreement will be:

Block	Tullow	Africa Oil	Others
10BB (Kenya)	50%	40%	10%
10A (Kenya)	50%	30%	20%
12A (Kenya)	50%	50%	Nil
13T (Kenya)	50%	50%	Nil
South Omo (Ethiopia)	50%	30%	20%

- Completion of the Tullow farmout and Lion amending agreement is expected in Q4 2010.
- The Company signed a definitive farmout agreement with Red Emperor Resources NL pursuant to which Red Emperor will acquire a 20% participating interest in the Dharoor and Nugaal Valley Blocks located in Puntland (Somalia).
- Exploration activities continue, including:
  - 610km of 2D seismic has been recorded and a geochemical survey completed in Block

10BB. Processing of the seismic data is ongoing;

- The seismic crew is now mobilizing to Block 10A (Kenya), where a 750km 2D seismic program is planned;
  - The 500km 2D seismic program is ongoing in the Ogaden blocks (Ethiopia).
- The Company raised \$CAD 25 million in gross proceeds through a non-brokered private placement.