

Africa Oil Corp.

To our shareholders,

Africa Oil has secured a major acreage position within the prolific petroleum systems of East Africa. Located in Somalia, Kenya and Ethiopia, the projects lie within a vastly underexplored tract of the petroleum-rich East African rift system. The projects include an 85% working interest in Blocks 2, 6, 7 and 8 and a 50% working interest in the Adigala Block in Ethiopia, a 100% interest in Block 10A and a 30% interest in Block 9 in Kenya as well as an 80% interest in the Dharoor and Nogal Blocks in Somalia. The Company's total land package in this prolific region is in excess of 200,000 square kilometers – an area roughly the size of Great Britain. Africa Oil is the operator of all of these projects except Block 9 in Kenya.

The East African Rift system contains some of the few remaining great rift basins yet to be explored. New discoveries have been announced on all sides of Africa Oil's virtually unexplored land position including the major Heritage/Tullow Albert Graben oil discovery in neighbouring Uganda. Similar to the Albert Graben play model, Africa Oil's concessions have older wells, a legacy database, and host numerous oil seeps indicating an active petroleum system. Good quality existing seismic data show robust leads and prospects throughout Africa Oil's project areas.

Although exploration activity is starting to pick up in the area, fewer than 200 wells have been drilled over the years in Ethiopia, Kenya and Somalia's hydrocarbon basins which occupy an area greater than 2.3 million square kilometers. For scale of reference, the North Sea basin encompasses 210,000 square kilometers and has seen over 4,600 wells (61 wells drilled before commercial oil). The North Sea reserve estimates are approximately 50 billion barrels of oil equivalent and current production is approximately 5.5 million barrels of oil equivalent per day. The Gulf of Suez has over 3,096 wells drilled within an area of 26,000 square kilometers. Reserves here are estimated at 8 billion barrels with production currently estimated at 700,000 barrels of oil per day.

Africa Oil has an aggressive exploration program planned for the next two years which will include seismic and drilling in both Ethiopia and Kenya, as well as a drill program on its blocks in Somalia. In Somalia, a seismic program was completed earlier in 2008 on the Dharoor block and, in fact, Africa Oil became the first operator to record seismic data in Somalia for over 20 years. The data is now in the final stages of interpretation and the Company's technical staff is extremely encouraged by the data so far. In the Nogal Basin, Africa Oil has acquired all of the more than 4,000 kilometres of good quality 2D data which was recorded in the late 1980's.

The newest additions to the Company's portfolio are the Kenyan and Ethiopian concessions. These are being acquired pursuant to a Share Purchase Agreement with Lundin Petroleum AB. Africa Oil will pay as consideration to Lundin Petroleum AB approximately US \$20 million which will be funded through a convertible loan from Lundin Petroleum AB maturing December 31, 2011 and at an interest rate of USD six-month LIBOR plus 3%. The loan, including any accrued and unpaid interest, will be convertible, at the option of either Africa Oil or Lundin Petroleum AB, into shares of Africa Oil on the basis of CAD \$0.90 per common share.

The Company's existing CAD \$6 million loan (plus accrued interest) from a shareholder of the Company will be converted to Units of the Company on the basis of CAD \$0.95 per Unit. Each Unit will comprise one common share and one share purchase warrant. Each warrant is exercisable into one common share of Africa Oil at a price of \$1.50 per share over a period of two years. In the event that Africa Oil trades at or above CAD \$2.00 for a period of 30 consecutive days, a forced exercise provision will come into effect.

Concurrent with the Share Purchase Agreement, Africa Oil agreed to sell, on a non-brokered, private placement basis, an aggregate of up to 37,368,421 million subscription receipts, at \$0.95 per receipt, for gross proceeds of approximately Cdn \$35.5 million. Each subscription receipt will entitle the holder to receive one unit of the Company without further payment upon completion of the acquisition from Lundin Petroleum AB. One unit shall comprise one common share plus one share purchase warrant exercisable at Cdn \$1.50 per share for a period of three years. In the event that Africa Oil trades at or above Cdn \$2.00 for a period of 20 consecutive days, a forced exercise provision will come into effect.

With funding now in place, the Company will be able to evaluate each of these plays in the next two years. The highly prolific nature of the on-trend discoveries gives us encouragement that major accumulations could be present in several of our large acreage holdings.

The Production Sharing Agreements provide excellent fiscal terms for exploration and development. The Company has identified numerous large and robust prospects on seismic and looks forward to the opportunity of exploring within a truly world class exploration play fairway.

On Behalf of the Board,

Richard Schmitt
President

April 29, 2009