Hunting Elephants in East Africa’s Rift Basins

January, 2012
Exploring in Four Major Rift Systems

**Africa Oil Assets**
- Tertiary rifts (Kenya & Ethiopia)
- Cretaceous rifts (Kenya, Mali)
- Jurassic rifts (Puntland-Somalia)
- Permo-Triassic rifts (Ethiopia)

All of AOC plays are extensions of proven multi-billion barrel rifts

East African extensions of these proven rift trends highly under-explored

Regional oil resource volumes are sourced from government, industry and company websites. Readers are cautioned that the figures are not reported in accordance with NI51-101 policy.
East Africa: Vastly Under Explored Proven Petroleum System

**Norway**
- 4,610 wells
- 210,000 km²
- 61 wells before commercial oil in the North Sea
- 50 billion boe reserves
- 5.5 million boepd

**North Sea**
- < 200 wells
- > 2.3 million km²

**Gulf of Suez**
- 3,096 wells
- 26,000 km²
- 8 billion barrels reserves
- 700,000 bpd

Figures shown at same scale

Regional oil resource volumes are sourced from industry and company websites. Readers are cautioned that the figures are not reported in accordance with NI51-101 policy.
Play Summary

- Have spent past 5 years assembling 300,000 km² (74 MM Acres) land position – 5 corporate deals, 6 farmouts

- Acquired Seismic and FTG on most blocks – 3 seismic crews working to complete all blocks by mid 2012

- Aggressive two rig drilling campaign to kick off Q1 2012
  - 3-5 wells in Kenya & Ethiopia Tertiary Basin
  - 1-2 wells in Cretaceous rift basin
  - 2 wells in Puntland-Somalia Jurassic rift basin through Horn Petroleum
  - 1 well in Ethiopia Ogaden Permo-Triassic Basin

- Net best estimate prospective oil resources 5.3 billion* barrels

- Strong balance sheet with $118MM cash that will fund all exploration activities through 2012

* See slide 29 for full details.
Tullow Partnership in Tertiary and Cretaceous Rift Trend

- Tullow’s Ugandan discoveries now likely exceed 2.5 BBO* in the Lake Albert region. Tullow brings a 97% success rate to our new partnership.

- Tullow paid $10 MM past costs and carry AOC for next $23.75 MM.

- Tullow brings to the partnership:
  - Drilling expertise and staff
  - Seismic processing expertise
  - Talented exploration personnel
  - Access to the Uganda export pipeline

Source: Tullow presentation – P50 Discovered and Prospective
Tullow Using New FTG Technology

Traditional Gravity

• New technology developed by Bell Labs for US submarine mapping - released to public in late 90’s
• Detailed mapping comparable to 3D seismic
• FTG with seismic unlocks basin potential

New Full Tensor Gravity

Tullow used FTG very successfully in Uganda Albert Graben
2.5+ billion barrels

Source: Tullow presentation
Tertiary Rift Exploration

Tullow’s Uganda discoveries now at 2.5+ billion barrels of reserves

Tertiary rift in Kenya/Ethiopia contains the same source and reservoir system as Uganda as confirmed by Loperot discovery by Shell in 1992

Work Program

- FTG surveys completed on all Tertiary rift blocks
- 2D seismic completed on Block 10BB
- 2D seismic underway on Block 10BA
- 2D seismic scheduled for Q4 on South Omo Block
- First drilling to commence in Q4 on Block 10BB Ngamia prospect
- At least 3-5 other wells planned over next 18 months throughout the Tertiary rift blocks
First Well on Block 10BB, Kenya – Ngamia Prospect

- AOC holds a 50% working interest
- Loperot oil discovery (1991/Shell) and oil recovered in uphole de-risk oil charge
- Analogous to Albert Graben of Uganda with estimated 2.5 BBO
- 1st well planned for Q1 2012
- FTG survey completed

Seismic program (610 km) completed Oct 28 2010

- Prospects and Leads
- Leads with oil seeps on lake
Block 10BB Ngamia Prospect: “Play opener”

Closure: P50: 5.0 km² (1,300 acres); P10: 18 km² (4,500 acres)
Internal Estimated Resources (100%): P50: 45 MMBO; P10: 180 MMBO

Analogous to Tullow Lake Albert Discoveries; e.g. Kingfisher, Mputa, Waraga
Waraga, Lake Albert Uganda: “Tullow Play Opener”

Waraga-1 Test commenced 22nd June 2006
First flow of oil to surface in Uganda and East Africa
Flowed at a combined rate in excess of 12 kbo/d

Waraga-1

DST 3
3,650 bopd
(1” choke)
33.8° API
15.4m net

DST 2
4,200 bopd
(1” choke)
33.8° API
6.7m net pay

DST 1
4,200 bopd
(1” choke)
33.8° API
4.6m net pay

Total
>12kbo/d

3 Reservoir Zones
>27m net pay
>12 kbo/d

Waraga-1 Wells drilled
Ngamia Drill Site
Another Key Prospect on Block 10BB - Kamba Prospect

- Vertical relief: 730 m
- Stacked Tertiary SS Reservoirs
- Avg. Porosities 10-18%

Internal Estimated Resource (100%):
- P50: 200 MMBO
Block 10BA- North Lake Turkana

- AOC acquired 50% WI through Centric acquisition
- Tullow operates with 50% WI, paying 80%
- Multiple oil slicks interpreted from satellite data
- FTG survey completed
- 1,350 km 2D seismic planned – to commence Q4
2011 Seismic Program on South Omo Block, Ethiopia

- AOC holds 30% WI, Tullow Operates with 50%
- Extension of Tertiary rift trend north of Lake Turkana
- Unexplored with no previous seismic or wells
- FTG complete
- Seismic program commenced Q4 2011
Cretaceous Rift Exploration

Over 6 billion barrels of oil discovered on trend in the analogous system in Sudan

Thick oil stained section in 1980’s vintage Amoco/Total wells confirms hydrocarbon system

Work Program

- Tullow is partner on Block 10A
- FTG survey and 2D seismic completed on Block 10A
- Drilling planned in the first quarter 2012 on Pai Pai prospect on Block 10A
- Gas discovery made in 2010 on Block 9 Bogal prospect – AOC evaluating gas commercialization
- Seismic completed on oil prone Kaisut basin on Block 9
Block 10A

- AOC 30% CWI, Tullow (OP): 50%
- Anza Rift: Cretaceous rift extending into Kenya from Sudan
- 3 wells drilled in the 80’s by Amoco
- Wells drilled on breached traps
- Wells encountered residual oil staining over thousands of feet.
- 2010: Completed 750 km 2D seismic
- Pai Pai prospect selected for first well

Area = 14,597 km²

Lake Turkana

Anza Rift

Lake Baringo

National Park
Regional Seismic line - Pai Pai

AOC Exploration Strategy:
Find & drill structural traps that have maintained structural integrity through Tertiary readjustments
Block 9

- AOC 100%
- Anza Rift: Cretaceous Rift extending into Kenya from Sudan.
- 2010 Bogal-1 encountered thick sequences of gas shows
- Studying re-entry/testing program
- 2011 Program:
  - Acquired 750 km 2D seismic in Kaisut area (oil-prone leads)
Block 9- Bogal-1

- Cretaceous clastics (2800-5000 m)
- 100 sq km closure
- 91 m possible net gas pay with 5-11% porosity
- Tests inconclusive, severe losses
- 2-3 TCF potential (internal estimate)
- “Mega Fractures” documented in LK SS
  - Significant losses while drilling
Kenyan Energy Market

- Demand growth is robust over a sustained period (Annual growth rate ~5%)
- The majority of energy demand is satisfied by:
  - Traditional sources (Kenyan forests 40 yrs ago covered 11% of country, now at 1.5%)
  - Hydro/geothermal (with limited scope for growth)
  - Imported oil (with environmental and foreign exchange impacts)
- Restricted power supply & distribution has substantial impact on overall Kenyan economy
- Natural monetisation route for Kenyan gas will involve the power sector

Source: IEA, 2010
Jurassic Rift Exploration

Prolific, proven play in Yemen expected to extend into Puntland, which shares a common geologic history

Yemen fields produce from high-quality Cretaceous and Jurassic reservoirs and source rocks

Numerous oil shows from wells drilled by previous operators confirm Jurassic source rock

Work Program

• 2D seismic program completed in 2008
• 2 wells planned
• First well scheduled for Q1 2012 on Shabeel prospect on the Dharoor Block.
DEAL
- Share exchange agreement between AOC and Denovo (Horn Petroleum Corporation)
- AOC transfer of its 60% interest in both Dharoor and Nugaal

FINANCING
- AOC put in $10 MM cash and additional $31 MM raised
- Proceeds to fund the drilling of two wells in Puntland

OWNERSHIP
- AOC holds approximately 50% of Horn Petroleum

PROFILE
- 74.8 million shares outstanding/122.3 million fully diluted
- Horn Petroleum listed on TSXV
- 60% working interest in Nugaal and Dharoor oil exploration projects in Puntland, Somalia
- Service contract with AOC to provide technical, operational and financial support
- President: David Grellman; Directors: Keith Hill, Ian Gibbs
Dharoor Block, Puntland

- Darin-1 well drilled in 1958 on the flank of the rift; found oil across several zones.
- AOC, with new seismic data, has mapped several large prospect including:
  - Shabeel: Most Likely 300 MMBO recoverable, internal estimates.
  - Shabeel N.: Most likely 375 MMBO recoverable (internal estimate)

- Spud anticipated Q2-2012
- Contracts executed for rig and services

Line AOC-08-052

Shabeel Drill Site
Permo-Triassic Rift Exploration Blocks 7/8 in Ethiopia

Multi-TCF gas reserves have been discovered in Triassic sandstones

Light oil has been tested in fractured Jurassic carbonates

El Kuran field discovered by Tenneco in the 1970’s confirmed oil and gas in both systems

Work Program

- 1 well planned on El Kuran prospect on Ogaden Block – this is an appraisal well following up on two successful wells previously drilled in the 1970’s by Tenneco
El Kuran Appraisal, Ogaden Block 8

- AOC Operates with 55% WI
- Light oil recovered from Jurassic limestones in El Kuran-1 (1970’s/Tenneco)
- Exploration/Appraisal well planned for 2012
Community Development

CD projects must have:
• Religious neutrality
• Sustainability
• Local content
• Potential for capacity building
• High Impact relative to cost
• Political neutrality

CD projects include:
• School rehabilitation
• Bursary Fund
• Farm tools
• Birkahs (water storage)
• Human health posts
• Medicines for livestock
• Support for hospitals
• Solar lights/cookers
**National Initiatives in Association with Lundin Foundation**

| FOOD SECURITY | • Five-year partnership with FARM AFRICA on long-term livestock and agriculture; access to improved inputs, micro-irrigation, VSL, livestock and veterinary services  
<table>
<thead>
<tr>
<th></th>
<th>• Investments in improved see production/distribution, micro-loan fund for smallholder farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER</td>
<td>• Partnership with AMREF to provide potable water to vulnerable pastoralist populations</td>
</tr>
</tbody>
</table>
| HEALTH | • Funding Intensive Care Unit and MCM Hospital in Addis  
| | • Establishment of Advanced Rural Nursing program (Aga Khan University)  
| | • Investment in rural health franchise enterprise |
| EDUCATION | • Funding primary schools and income-generating activities  
| | • Establishment of Africa’s first Management Case Study Development Centre (Aga Khan University) |
# World Class Potential in Multiple Petroleum Systems

## Africa Oil Corp

### Summary of Unrisked and Undiscovered Oil Prospective Resources

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>PSC/PSA</th>
<th>Operator</th>
<th>Gross Best Estimate (MMBbl)</th>
<th>AOC Working Interest</th>
<th>Net Best Estimate (MMBbl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya(^2)</td>
<td>10BB</td>
<td>Tullow</td>
<td>2,066</td>
<td>50.0%</td>
<td>1,033</td>
</tr>
<tr>
<td>Kenya(^2)</td>
<td>9</td>
<td>AOI</td>
<td>1,399</td>
<td>100.0%</td>
<td>1,399</td>
</tr>
<tr>
<td>Kenya(^2)</td>
<td>10A</td>
<td>Tullow</td>
<td>423</td>
<td>30.0%</td>
<td>127</td>
</tr>
<tr>
<td>Ethiopia(^2)</td>
<td>7&amp;8</td>
<td>AOI</td>
<td>155</td>
<td>55.0%</td>
<td>85</td>
</tr>
<tr>
<td>Kenya(^3)</td>
<td>10BA</td>
<td>Tullow</td>
<td>2,188</td>
<td>50.0%</td>
<td>1,094</td>
</tr>
<tr>
<td>Puntland (Somalia)(^4)</td>
<td>Nugaal</td>
<td>AOI</td>
<td>4,083</td>
<td>30.0%(^5)</td>
<td>1,225</td>
</tr>
<tr>
<td>Puntland (Somalia)(^4)</td>
<td>Dharoor</td>
<td>AOI</td>
<td>1,210</td>
<td>30.0%(^5)</td>
<td>363</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>11,524</strong></td>
<td></td>
<td><strong>5,326</strong></td>
</tr>
</tbody>
</table>

1. This summary table was prepared by Company management for the convenience of readers.
2. Please refer to the Company’s press release dated March 29, 2011 for details of the prospective resources by prospect and lead, including the geologic chance of success.
5. Assumes proposed transaction with Denovo Capital Corp. completes, providing Company with ~50% ownership of Denovo, who will hold 60% working interest in Puntland Blocks.
6. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that the discovery will be commercially viable to produce any portion of the resources.
7. Net Prospective Resources are stated herein in terms of the Company’s net working interest in the properties. Due to the very immature nature of these Prospective Resources, have not been computed as net entitlement volumes under the PSAs/PSCs. In this regard the volumes stated herein will exceed the volumes which will arise to AOC under the terms of the PSAs/PSCs.
## Size of the Prize

<table>
<thead>
<tr>
<th>Prospective Resources Net Best Estimate (MMbbl)</th>
<th>Indicative Risk Factor</th>
<th>Risked Potential Prospective Resources (MMbbl)</th>
<th>Potential Value ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,326</td>
<td>20%</td>
<td>1,065</td>
<td>4,506</td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>533</td>
<td>2,253</td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>53</td>
<td>225</td>
</tr>
</tbody>
</table>

- Recently completed East African sale transaction:
  - Heritage sale of interest in Uganda Lake Albert (Blocks 1 & 3A) to Tullow
  - 355 Mmboe mean working interest contingent resource sold
  - $1.5 billion transaction value
  - $4.23/boe

The above summary table was prepared by the Company for the convenience of readers.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that the discovery will be commercially viable to produce any portion of the resources.

Net Prospective Resources are stated herein in terms of the Company’s Working Interest (WI) in the properties and, due to the very immature nature of these resources, have not been computed as net entitlement volumes under the PSAs. In this regard, the volumes stated herein will exceed the volumes which will arise to AOC under the PSA terms.
# A History of Value Creation

<table>
<thead>
<tr>
<th>Company</th>
<th>2002</th>
<th>Present</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanganyika</td>
<td>$0.55/share $13.5 million MC</td>
<td>$31.50/share $1.9 billion MC</td>
<td>Sold to Sinopec 2008</td>
</tr>
<tr>
<td>Valkyries</td>
<td>$0.45/share $4 million MC</td>
<td>$16.00/share $750 million MC</td>
<td>Sold to Lundin Petroleum 2006</td>
</tr>
<tr>
<td>Red Back</td>
<td>$1.35/share (2000) $45.4 million MC</td>
<td>$30.50/share $8.98 billion MC</td>
<td>Sold to Kinross in 2010</td>
</tr>
<tr>
<td>Lundin Petroleum</td>
<td>U $0.41/share U $101 million MC</td>
<td>$24.00/share $6.2 billion MC + Enquest spin off US $1.5 billion MC</td>
<td>Active</td>
</tr>
<tr>
<td>BlackPearl</td>
<td>$0.25/share $2.1 million MC</td>
<td>$5.06/share $1.4 billion MC</td>
<td>Active</td>
</tr>
<tr>
<td>ShaMaran</td>
<td>$0.175 (2003) $6.7 million MC</td>
<td>$0.62 $422 million MC</td>
<td>Active</td>
</tr>
</tbody>
</table>

9 Year value increase - $173MM => $21.2 Billion  
Average share price increase – 32x
Summary

• AOC has assembled a robust highly prospective East African portfolio that spans 4 different proven petroleum provinces with multi-billion barrel potential
• AOC has experienced management and staff with offices in Vancouver, Calgary, Addis Ababa, Nairobi, and Bosasso
• AOC has secured excellent partners, such as Tullow, to help fund exploration programs and guide/accelerate operational activities
• An aggressive drilling campaign will begin in Q1 2012: two rigs operating continuously to drill 7 to 10 wells in the next 18 months
• AOC balance sheet is strong

Shares Outstanding 213.9MM  Fully Diluted 226.8  Market cap ~ $348MM
AOI – TSXV  AOI – OMX Stockholm
www.africaoilcorp.com
**AOI has a Strong Management Team**

**Keith Hill, President and CEO**
Mr. Hill has over 25 years experience in the oil industry including international new venture management and senior exploration positions at Occidental Petroleum and Shell Oil Company. His education includes a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University as well as an MBA from the University of St. Thomas in Houston. Prior to his involvement with Africa Oil, Mr. Hill was President and CEO of Valkyries where he led the company through rapid growth and ultimately a highly successful $700 million takeover by Lundin Petroleum. In addition, Mr. Hill was one of the founding directors of Tanganyika Oil which was recently the subject of a $2 billion takeover by Sinopec International Petroleum.

**James Phillips, COO**
Before joining Africa Oil, Mr. Phillips was Vice President Exploration-Africa and Middle East for Lundin Petroleum AB where he played a pivotal role in securing the majority of Africa Oil’s current portfolio. Mr. Phillips is a graduate of the University of California, Berkeley and San Diego State University where he obtained BS and MS degrees, both in Geology. He has over 25 years of experience in the oil industry including senior positions with Shell Oil company and Occidental including heading up Oxy’s African exploration ventures.

**Paul Martinez, VP Exploration**
Dr. Martinez, most recently Director of International Business Development with Occidental Petroleum Corporation, has over 20 years of domestic US and international senior management experience in oil and gas exploration and development, including projects in the Texas Gulf Coast, Permian Basin, Rockies, Latin America, Africa, Middle East, and Russia. He has held overseas management positions for Oxy in Libya, Oman and Peru. Dr. Martinez holds a doctorate in petroleum geology from Stanford University and a Bachelor of Science degree in geology from the University of Texas at Austin. Dr. Martinez is based in the Africa Oil Calgary technical office and is responsible for all geological and geophysical activities of the Company.

**Ian Gibbs, CFO**
Ian Gibbs is a Canadian Chartered Accountant and a graduate of the University of Calgary where he obtained a bachelor of commerce degree. Ian Gibbs has held a variety of prominent positions within the Lundin Group of Companies; most recently as CFO of Tanganyika Oil Company Ltd. where he played a pivotal role in the recent $2 billion acquisition by Sinopec International Petroleum. Prior to Tanganyika, Mr. Gibbs was CFO of Valkyries Petroleum Corp which was the subject of a $700 million takeover.

**David Grellman, VP Operations**
Mr. Grellman is General Management/Operations professional with a unique blend of technical and management skills combined with extensive operations experience in the upstream global oil and gas industry. Mr. Grellman spent the majority of his career at Occidental Oil and Gas Corporation as Exploration Manager or General Manager in numerous countries including the Philippines, Sri Lanka, China, Syria Albania and Pakistan.

**Gary Guidry, Director**
Mr. Guidry brings to the Board of Africa Oil Corp. an extensive background and proven track record in international petroleum development and project execution. A Petroleum Engineer by training, he is an Alberta-registered Professional Engineer with expertise in diverse environments ranging from deep-water West Africa and the Gulf of Mexico, South American rainforests to the deserts of the Middle East. Most recently, Mr. Guidry was President of Tanganyika Oil Company Ltd. where he led the company from an early stage oil development project in Syria to a $2 billion takeover by Sinopec International Petroleum in late 2008.
Cautionary Statements

- This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as legal and political risk, civil unrest, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management’s capacity to execute and implement its future plans. Actual results may differ materially from those projected by management.

- Regional resource and reserve references as resource information on other companies have been sourced from websites and other public information and may not be accurate and are not stated in accordance with NI 51-101.