



June 20, 2011

Dear Shareholder:

**Re: Plan of Arrangement - Lion Energy Corp. and Africa Oil Corp.**

At the special meeting of the shareholders (the “**Lion Shareholders**”) of Lion Energy Corp. (“**Lion**”) held on June 8, 2011, the Lion Shareholders voted in favor of a statutory plan of arrangement (the “**Arrangement**”) involving Lion, the Lion Shareholders and Africa Oil Corp. (“**AOC**”). The Arrangement transaction subsequently closed on June 20, 2011. Pursuant to the Arrangement, AOC has acquired all of the issued and outstanding common shares of Lion (the “**Lion Shares**”) on the exchange basis of 0.20 of a common share of AOC (the “**AOC Shares**”) for each Lion Share.

In this regard, please find enclosed a letter of transmittal (the “**Letter of Transmittal**”) with detailed instructions on how to exchange your old share certificate(s) representing your Lion Shares for the AOC Shares to which you are entitled pursuant to the Arrangement. Please read the instructions in the Letter of Transmittal carefully, complete the Letter of Transmittal as instructed and return it, together with your old share certificate(s), to Computershare Investor Services Inc. (“**Computershare**”) at their office as specified in the Letter of Transmittal.

The certificate(s) representing the AOC Shares to which you are entitled will be delivered to you as soon as practicable following receipt by Computershare of a completed Letter of Transmittal and all other required documents. You may, if you prefer, pick up your certificate(s) at the offices of Computershare.

We thank you for supporting the Arrangement and look forward to your support and participation in the future of Africa Oil Corp.

Yours truly,

**AFRICA OIL CORP.**

A handwritten signature in blue ink, appearing to read 'Keith Hill', is written over the company name.

Keith Hill  
President and Chief Executive Officer

885 West Georgia Street  
Suite 2101  
Vancouver, British Columbia  
V6C 3E8 Canada

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Fax: 604 689 4250  
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africaoilcorp@namdo.com

The Instructions accompanying this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed.

**LETTER OF TRANSMITTAL**  
**FOR COMMON SHARES**  
**OF**  
**AFRICA OIL CORP.**

This Letter of Transmittal is for use by registered shareholders (the “**Lion Shareholders**”) of common shares (the “**Lion Shares**”) of Lion Energy Corp. (“**Lion**”) in connection with the arrangement (the “**Arrangement**”) under the provisions of Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) involving Lion, the Lion Shareholders and Africa Oil Corp. (“**AOC**”) that was approved at the special meeting of shareholders of Lion held on June 8, 2011 (the “**Meeting**”) and closed on June 20, 2011 (the “**Effective Date**”). Capitalized terms used but not defined in this Letter of Transmittal have the meanings set out in the Notice of Special Meeting and Information Circular of Lion Energy Corp. dated May 10, 2011 (the “**Circular**”) that was delivered to Lion Shareholders in connection with the Meeting.

Pursuant to the arrangement agreement entered into between AOC and Lion dated April 3, 2011, as amended by an amending agreement entered into between AOC and Lion dated June 10, 2011, on the Effective Date, Lion Shareholders (other than Dissenting Shareholders) are entitled to receive, in exchange for each Lion Share, 0.20 of a common share of AOC (the “**Consideration**”).

**In order to receive the Consideration, Lion Shareholders (other than Dissenting Shareholders) must validly complete, duly execute and deliver to Computershare Investor Services Inc. (the “Exchange Agent”) this Letter of Transmittal together with the certificate(s) representing their Lion Shares and such other additional required documents. Non-registered shareholders of Lion Shares should contact their nominee (i.e. broker, trust company, bank or other registered holder) which holds the certificate(s) representing Lion Shares on their behalf to arrange for exchange.**

**TO: AFRICA OIL CORP.**

**AND TO: COMPUTERSHARE INVESTOR SERVICES INC. at its offices set out herein.**

In connection with the Arrangement that was approved by the Lion Shareholders at the Meeting, the undersigned delivers to you the enclosed certificate(s) representing Lion Shares. The following are the details of the enclosed certificate(s):

Certificate Number(s)	Name in Which Registered	Number of Common Shares Deposited

It is understood that upon receipt of this Letter of Transmittal duly completed and signed and of the certificate(s) representing the Lion Shares deposited herewith (the “**Deposited Shares**”), the Exchange Agent will deliver to the undersigned certificates representing the Consideration that the undersigned is entitled to receive under the Arrangement, or hold such certificates representing the Consideration for pick-up in accordance with the instructions set out below, and the certificate(s) representing the Deposited Shares shall forthwith be cancelled.

The undersigned represents and warrants that: (i) the undersigned is the registered holder of the Deposited Shares; (ii) such Deposited Shares are owned by the undersigned free and clear of all mortgages, liens, charges, encumbrances, security interests and adverse claims; (iii) the undersigned has full power and authority to execute and deliver this Letter of Transmittal and to deposit, sell, assign and transfer the Deposited Shares and that, when the Consideration is tendered, none of Lion, AOC or any successor thereto will be subject to any adverse claim in respect of such Deposited Shares; (iv) the Deposited Shares have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any such Deposited Shares to any person; (v) the surrender of the undersigned's Deposited Shares complies with applicable laws; (vi) all information inserted by the undersigned into this Letter of Transmittal is accurate; and (vii) the undersigned will not transfer, or permit to be transferred, any of such Deposited Shares, except pursuant to the Arrangement. These representations and warranties shall survive the completion of the Arrangement.

The undersigned will, upon request, execute any signature guarantees or additional documents deemed by the Exchange Agent to be reasonably necessary or desirable to complete the transfer of the Deposited Shares.

The undersigned surrenders to AOC, effective as of the Effective Time, all right, title and interest in and to the Deposited Shares and irrevocably appoints and constitutes the Exchange Agent as the lawful attorney of the undersigned, with full power of substitution, to deliver the certificate(s) representing the Deposited Shares on the books of Lion.

The undersigned instructs AOC and the Exchange Agent to mail the certificate(s) representing the Consideration that the undersigned is entitled to receive under the Arrangement representing payment for the Deposited Shares as soon as practicable after receipt by the Exchange Agent of such Deposited Shares, by such means as the Exchange Agent may deem prudent, to the undersigned, or to hold such certificate(s) for the Consideration for pick-up in accordance with the instructions given below.

Each authority conferred or agreed to be conferred by the undersigned in this Letter of Transmittal shall survive the death of the undersigned and may be exercised during any subsequent legal incapacity of the undersigned, and all obligations of the undersigned under this Letter of Transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned shall be deemed to have required that any contract evidenced by the Arrangement as entered into through this Letter of Transmittal, as well as all documents related thereto, be drawn exclusively in the English language. En raison de l'utilisation d'une version anglaise de la présente lettre d'envoi, le soussigné, ce dernier et les destinataires sont réputés avoir demandé que tout contrat attesté par l'arrangement, telle qu'il est accepté au moyen de cette lettre d'envoi, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en anglais.

**BOX A  
DELIVERY INSTRUCTIONS**

- ISSUE CONSIDERATION IN THE NAME OF:  
(please print or type)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street Address and Number)

\_\_\_\_\_  
(City and Province or State)

\_\_\_\_\_  
(Country and Postal (Zip) Code)

\_\_\_\_\_  
(Telephone – Business Hours)

\_\_\_\_\_  
(Social Insurance, Social Security Number or Tax Identification  
Number)

**BOX B  
SPECIAL DELIVERY INSTRUCTIONS**

To be completed ONLY if the Consideration to which the undersigned is entitled under the Arrangement is to be sent to someone other than the person shown in Box A or to an address other than the address shown in Box A

- Same address as Box A; or

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street Address and Number)

\_\_\_\_\_  
(City and Province or State)

\_\_\_\_\_  
(Country and Postal (Zip) Code)

**BOX C – SPECIAL PICK-UP INSTRUCTIONS**

- HOLD FOR PICK-UP AT THE OFFICE OF THE EXCHANGE AGENT

<b>BOX D – SIGNATURE GUARANTEE</b>
Signature guaranteed by <i>(if required under Instruction 3):</i>
Authorized Signature
Name of Guarantor <i>(please print or type)</i>
Address <i>(please print or type)</i>
Area Code and Telephone Number

<b>BOX E – SIGNATURE</b>
Dated: _____
(Signature of Lion Shareholder or Authorized Representative)
(Signature of any Joint Holder)
(Name of Shareholder)
(Name of Authorized Representative)
(Area Code and Daytime Telephone Number)

## **INSTRUCTIONS**

### **1. Use of Letter of Transmittal**

- (a) Lion Shareholders should read the Circular prior to completing this Letter of Transmittal.
- (b) This Letter of Transmittal duly completed and signed (or an originally signed facsimile copy thereof) together with accompanying certificates representing the Deposited Shares and all other required documents must be sent or delivered to the Exchange Agent at the addresses set out on the back of this Letter of Transmittal.
- (c) The method used to deliver this Letter of Transmittal and any accompanying certificates representing Lion Shares and all other required documents is at the option and risk of the Lion Shareholder, and delivery will be deemed effective only when such documents are actually received. Lion recommends that the necessary documentation be hand delivered to the Exchange Agent at the address set out on the back of this Letter of Transmittal, and a receipt obtained; otherwise the use of registered mail with return receipt requested, properly insured, is recommended. Lion Shareholders whose Lion Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in depositing those Lion Shares. Delivery to an office other than to the specified office does not constitute delivery for this purpose.
- (d) AOC reserves the right if it so elects in its absolute discretion to instruct the Exchange Agent to waive any defect or irregularity contained in any Letter of Transmittal received by it.

### **2. Signatures**

This Letter of Transmittal must be completed and signed by the holder of Lion Shares or by such holder's duly authorized representative (in accordance with paragraph 4 below of these Instructions).

- (a) If this Letter of Transmittal is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter of Transmittal must correspond with the name(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such deposited certificate(s) are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.
- (b) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the accompanying certificate(s), or if a certificate(s) representing Lion Shares is to be issued to a person other than the registered owner(s):
  - (i) such deposited certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s); and
  - (ii) the signature(s) on such endorsement or share transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in paragraph 3 below of these Instructions.

### **3. Guarantee of Signatures**

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Lion Shares or if the payment is to be issued in a name other than the registered owner(s), such signature must be guaranteed by an Eligible Institution (see below), or in some other manner satisfactory to the Exchange Agent (except that no guarantee is required if the signature is that of an Eligible Institution). An "Eligible Institution" means a Canadian Schedule I chartered bank, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc.

Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.

#### **4. Fiduciaries, Representatives and Authorizations**

Where this Letter of Transmittal is executed by a person as an executor, administrator, trustee or guardian, or on behalf of a corporation, partnership or association or is executed by any other person acting in a representative capacity, this Letter of Transmittal must be accompanied by satisfactory evidence of the authority to act. AOC or the Exchange Agent, at their discretion, may require additional evidence of authority or additional documentation.

#### **5. Delivery Instructions**

All certificate(s) to be issued in exchange for the Deposited Shares will be issued in the name of the person indicated in Box "A", and delivered to the address indicated in Box "A" (unless Box "B" has been checked). If any certificate(s) are to be held for pick-up at the offices of the Exchange Agent, complete Box "C". If neither Box "A" nor Box "B" is completed, any new certificate(s) issued in exchange for the Deposited Shares will be issued in the name of the registered holder of the Deposited Shares and will be mailed to the address of the registered holder of the Deposited Shares as it appears on the register of Lion. Any certificate(s) mailed in accordance with this Letter of Transmittal will be deemed to be delivered at the time of mailing.

#### **6. Lost Certificates**

If a certificate representing Lion Shares has been lost or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss, to the Exchange Agent. The Exchange Agent for the Lion Shares will respond with replacement requirements (which may include bonding requirements) for payment of the consideration in accordance with the Arrangement.

#### **7. Miscellaneous**

- (a) If the space on this Letter of Transmittal is insufficient to list all certificates for Lion Shares, additional certificate numbers and number of Lion Shares may be included on a separate signed list affixed to this Letter of Transmittal.
- (b) If Lion Shares are registered in different forms (e.g., "John Doe" and "J. Doe") a separate Letter of Transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits of Lion Shares will be accepted.
- (d) Additional copies of the Letter of Transmittal may be obtained from the Exchange Agent at the address set out on the back of this Letter of Transmittal.
- (e) Any questions should be directed to the Exchange Agent at 1-800-564-6253 or by e-mail to [corporateactions@computershare.com](mailto:corporateactions@computershare.com).

**The Exchange Agent is:**

**COMPUTERSHARE INVESTOR SERVICES INC.**

*By Hand or by Courier*

100 University Avenue, 9th Floor  
Toronto, Ontario  
M5J 2Y1

*By Mail*

P.O. Box 7021  
31 Adelaide St E  
Toronto, ON M5C 3H2  
Attention: Corporate Actions

Toll Free: 1-800-564-6253  
E-Mail: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)