

Africa Oil Corp.

To our shareholders,

Africa Oil Corp. ("Africa Oil" or the "Company") recently completed the acquisition of a large portfolio of East African oil exploration projects from Lundin Petroleum AB ("Lundin Petroleum"). The projects are located within a vastly underexplored region of the rich 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.

The new acreage acquired is complementary to Africa Oil's existing holdings in what is considered a truly world-class exploration play fairway. 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.

The East African Rift Basin system is one of the last great rift basins 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 neighboring Uganda. Similar to the Albert Graben play model, Africa Oil's concessions have older wells, a legacy database, and host numerous oil seeps indicating a proven petroleum system. Good quality existing seismic shows robust leads and prospects throughout Africa Oil's project areas.

Africa Oil has an aggressive exploration program planned over the next two years which will include seismic and drilling in both Ethiopia and Kenya, in addition to the previously announced drilling program in Puntland, Somalia.

Pursuant to a Share Purchase Agreement, Africa Oil has paid as consideration to Lundin Petroleum approximately US \$23.7 million which is being funded through a convertible loan from Lundin Petroleum 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.

In addition, the Company's existing CAD \$6 million loan (plus accrued interest in the amount of \$195,520.55) from a shareholder of the Company has now been converted to 6,521,601 units of the Company on the basis of CAD \$0.95 per unit. Each unit comprises one common share and one share purchase warrant. Each warrant is exercisable into one common share at a price of CAD \$1.50 per share over 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 has also completed the sale, on a non-brokered, private placement basis, of 37,421,108 Subscription Receipts of the Company at a price of CAD \$0.95 per Subscription Receipt for gross proceeds of CAD \$35,549,966. Each Subscription Receipt entitles the holder to receive one Unit of the Company without further payment. One unit comprises 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. A 5% finder's fee was payable on a portion of the private placement. The net proceeds of the private placement will be used to finance the operations of the portfolio of East African oil exploration projects acquired from Lundin Petroleum as well as for general working capital purposes.

The Company's planned exploration program will evaluate each of these plays over the next two years. 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

May 22, 2009