East Africa Rift Basin Oil Exploration Play

Puntland, Ethiopia and Kenya
We’re located in East Africa
A major new oil province

- Large acreage position in three countries – Kenya, Puntland (Somalia), Ethiopia
- Highly underexplored area with big new discoveries in Uganda and Mozambique proving East Africa’s potential
- 4 different proven petroleum systems – which means we have diversified, multiple plays
- Competitive fiscal terms with reasonable work commitments
- Excellent relationship with host governments
- Strategic, leveraged farmouts in place to reduce AOI’s risk capital exposure
- Competent expat and local management w/ African experience in place
- AOI has aggressive drill program planned over next two years
We’re part of the Lundin Group
Which has a long, successful history in Africa

$2 billion invested in Africa to date
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</td>
<td>$31.50</td>
<td>Sold to Sinopec 2008</td>
</tr>
<tr>
<td></td>
<td>$13.5 million</td>
<td>$1.9 billion</td>
<td></td>
</tr>
<tr>
<td>Valkyries</td>
<td>$0.45</td>
<td>$16.00</td>
<td>Sold to Lundin Petroleum 2006</td>
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<tr>
<td></td>
<td>$4 million</td>
<td>$750 million</td>
<td></td>
</tr>
<tr>
<td>Lundin Petroleum</td>
<td>U $0.41</td>
<td>U $9.26</td>
<td>Active</td>
</tr>
<tr>
<td></td>
<td>U $101 million</td>
<td>U $2.95 billion</td>
<td></td>
</tr>
<tr>
<td>BlackPearl</td>
<td>$0.25</td>
<td>$3.00</td>
<td>Active</td>
</tr>
<tr>
<td></td>
<td>$2.1 million</td>
<td>$773 million</td>
<td></td>
</tr>
<tr>
<td>Shamaran</td>
<td>$0.28 (2003)</td>
<td>$0.50</td>
<td>Active</td>
</tr>
<tr>
<td></td>
<td>$11.1 million</td>
<td>$245 million</td>
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</tbody>
</table>

Market cap growth from $131.7 million to $6.6 billion

Average return on investment 2,484%
Company snapshot

- $11.5 cash
- No debt
- 70.2 million shares outstanding
- 143.6 million fully diluted (43.9 million warrants @ $1.50, 26.9 million convertible debt, 2.5 million options)
- AOI – TSXV
- Planning listing on Stockholm
- Majority held institutionally
- Lundin family big supporter
Surrounded on all sides by billions of barrels of oil

Proposed Maroodi-1

Bogal-1 currently drilling
East Africa is heating up

- Tullow (Lake Albert Rift Basin) (source: Tullow presentation)
  - 27 wells drilled (26 found hydrocarbons)
  - 8 discoveries out of 9 wells (2009)
  - 700 mmbo discovered (excluding Ngassa)
  - Over 2 bn barrels total potential

- Tullow finalizing partnerships with Total & CNOOC

- Heritage’s 50% in Lake Albert sold to Tullow for $1.5 billion (~$5 per Proven and Probable barrel in the ground)

- Pipeline construction now moving forward

- Tullow signs deal in Ogaden Basin of Ethiopia; Horn of Africa now a “new growth area” for Tullow

- Anadarko hits significant gas (multi TCF?) offshore Mozambique
Africa Oil’s program gaining momentum

• Evaluating potential gas discovery in Kenyan Block 9 well; current depth 5080 meters en route to 5,556 meters

• Robust prospect (Maroodi-1) selected for 4Q-2010 spud in Dharoor Valley, Puntland

• Seismic contractor selected for 3Q-2010 acquisition in Kenyan blocks 10BB and 10A; drilling planned for 2011

• Seismic acquisition underway in Ethiopian Ogaden blocks; Ogaden drilling planned for 2011.

• Ethiopian Adigala block seismic processing complete; mapping started; additional seismic and drilling likely to follow
Our farmout advantage

- Announced farmouts all now completed and approved by host governments
- Advanced discussions with additional partners
- Goal is 30-40% working interest and zero paying interest

<table>
<thead>
<tr>
<th>Country</th>
<th>Concession</th>
<th>Working Interest</th>
<th>Paying Interest*</th>
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</thead>
<tbody>
<tr>
<td>Somalia</td>
<td>Dharoor</td>
<td>65%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Nogal</td>
<td>65%</td>
<td>70%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>2, 6, 7, 8</td>
<td>55%</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Adigala</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Kenya</td>
<td>10A</td>
<td>55%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>10BB</td>
<td>80%</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>20%</td>
<td>26.67%</td>
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</tbody>
</table>

Exposure to world-class oil resources with low paying interest

*Initial work program of either seismic and/or drilling
Kenya Block 10BB

AOC holds strong position in East African Tertiary Rift

- 80% interest in Block 10BB
- Oil discovery in 10BB with many large follow up prospects
- Analogous to Albert Graben of Uganda ("Tullow", 2 BBO)
- Ugandan discoveries have spurred plans for pipeline

Blocks 12 and 13T assignment is pending approval by the Government of Kenya
Tullow Albert Graben Analog
Kenya Block 10BB

Play Summary
- Oligo-miocene SS reservoirs
- Amplitude supported
- Rift fault blocks
- Oligocene oil-prone source
- Waxy high pour point oils

Loperot Discovery
2-25 MMBO
Proves active petroleum system
Leads
Chorea & Mamba Leads

Chorea Complex
ML Reserves=400 MMBO
Kobe Lead

Kobe 150 MMBO

TVK-139

TVK-11

Kuru

Mamba
120 MMBO (4 way)
800 MMBO (3 way)
Kenya Anza Basin

Play Concepts

- Extension of Sudan’s Muglad Basin
- Cretaceous sandstones
- Rift-faulted structures
- Oil prone, Cretaceous source
- Waxy, high pour point oil
- Block 10A and N. Block 9 oil prone
- S. Block 9 gas prone

Currently drilling well in Block 9
Oil / Gas Shows & Recoveries

- Thin gas pay sands (LK).
- Free Oil Recovery (1515-1520 m)
- Oil on mudpit and oil staining from 1880-2080 m.
- Oil staining from 2750 to 3385 m.
- Free Oil Recovery on DST (1515-1520 m)
- Oil on mudpit and oil staining from 1880-2080 m.
- Thin gas pay sands (LK).
- Oil stained pores in LK SS & Jur LS outcrops.
- Thick gas pay sands (LK): TESTING NOW.
- Oil staining from 1000 to 3643 m.
- Free Oil Recovery from 3 different levels (950-1587 m)
- Oil on mudpit and oil staining.
Anza Graben Deep: mobile salt detachment(?) play concepts
• Concessions located in Puntland, a more stable and semi-autonomous region of Somalia

• Good quality existing seismic on Nogal Block

• Newly acquired seismic on Dharoor Block

• Numerous large prospects identified – drill ready

• Numerous oil seeps and shows
New Seismic Shot on Dharoor Block

775 km 2D seismic program completed January, 2009
Yemen/Somalia Pre and Post Rifting

• Puntland Basins were contiguous with Masila and Shabwa basins in Yemen until Miocene rifting event

• Yemeni basins contain 9 billion BOE reserves with current production of over 400,000 bpd

• In Yemen between 1994 and 2006 there was an average discovery size of 96 million BOE recoverable reserves with a discovery success rate of 23%
Comparison of structural styles
Yemen and Somalia

Yemen Masila Block
Line CO88-635CDPR

Somalia Nogal Block
2D seismic line east of Nogal-1
Maroodi Prospect-Dharoor Block

250MMBO(??)
Nugaal Block

Nogal-1:
- Did not reach main Jurassic objective (drilling issues)
- Structurally complex
- Sections faulted out
- Over pressured

Nogal South
- Simpler structure
- Jurassic expected ~ 3,500m
• AOI holds strong position in both Karoo Rift (Ogaden) and Jurassic rift (Adigala)
• Exploration activity in area increasing but remains extensively under explored
• Proven petroleum systems
• Significant nearby discoveries and shows
Ethiopia-Adigala

Jurassic Dolomitic breccia; oil impregnated

Jurassic Source Rock
TOCs: 2-3.86%

Triassic Adigrat SS: Dewatering structures
Previously unexplored basin identified on gravity and magnetic data

Appears to be analogous to Yemen / Northern Somalia Jurassic rift basins

Seismic data recorded in 2H-2009 reveals deep basin with tilted fault block traps

Seismic processing completed; interpretation initiated

Additional seismic and/or drilling later in 2010/2011
**Ethiopia: Ogaden Basin Activity**

- Proven oil and gas source rocks in the Jurassic and Permo-Triassic
- Over 4 tcf gas discovered with several wells recovering significant amounts of good quality light oil
- El Kuran oil discovery on AOC Block 8; active oil seeps to west and southwest
- Structural leads on existing seismic in AOC blocks
- Transport of oil and gas could be north through Djibouti or south into Kenya to Mombasa

**Petronas currently developing Calub and Hilala gas fields**

**Petronas to drill 3 exploration wells and 2 appraisal wells in 2009-10**
Ethiopia Seismic Program

2010 Ogaden seismic program to focus on developing existing leads into drillable prospects

Plans for larger regional seismic grid contingent upon initial drilling results

Promoted farmout partners in all blocks
Seismic complete Drilling Nov-2010
Seismic 2H-2010 Drilling 2H-2011
Seismic 2H-2010 Drilling 1H-2011
Seismic underway Drilling 2H-2011
Testing Bogal now... Additional seismic 2H-2010 (?) Additional drilling 2011(?)

AOC Operational Recap
Opportunity

World class oil exploration play in East Africa

Very large under explored portfolio within oil-prone, proven petroleum systems

Multi-billion barrel oil potential

Increased exploration activity by large oil companies initiating in region

Managerial, technical and administrative expertise in-place in Nairobi, Addis Ababa & Bosaso

Lundin Group technical, managerial and financial resources in place

Significant expansion potential in East Africa
AOI has a strong management team

Keith Hill, President and CEO
Mr. Hill has over 22 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.

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.

James Phillips, VP Exploration
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.

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.

Cameron Bailey, Director
Mr. Bailey is a Chartered Financial Analyst with a Bachelor of Commerce degree from the University of Calgary. He has worked in the energy investment business, specifically investment banking for the past 19 years. He is the founder of, and has organized, the initial public offerings for a number of oil and gas exploration and production, and oilfield services companies.

John Craig, Director
Mr. Craig practices in the area of securities law with a focus on equity financings for both underwriters and issuers, with an emphasis on resource companies, TSX listings, dealings with TSX and OSC for listed public companies, takeover bids and issuer bids and going-private transactions. Mr. Craig is also involved with international resources in negotiation and drafting of mining, oil and gas concession agreements, joint venture agreements, operating agreements and farm-in agreements in a variety of countries.

Bryan Benitz, Director
Bryan Benitz brings over 40 years of financial markets expertise and investment banking experience to the Company. He graduated from Fettes College in Edinburgh, Scotland in 1951 and received his early investment banking training at Wisener & Company in Canada.
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.

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