



AFRICA OIL CORP.

**NOTICE OF MEETING
AND INFORMATION CIRCULAR**

ANNUAL GENERAL MEETING OF SHAREHOLDERS

To be held on June 3, 2014



NOTICE OF 2014 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting (the “**Meeting**”) of the shareholders of Africa Oil Corp. (the “**Corporation**”) will be held at **The Fairmont Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia**, on **Tuesday, June 3, 2014** at the hour of 10:00 a.m. (Pacific Time) for the following purposes:

1. To receive the consolidated audited financial statements of the Corporation for the year ended December 31, 2013, together with the report of the auditors thereon;
2. To fix the number of directors at five (5);
3. To elect directors to hold office until the next Annual General Meeting of the Corporation;
4. To appoint PricewaterhouseCoopers, LLP as auditor of the Corporation to hold office until the next Annual General Meeting, at a remuneration to be fixed by the directors of the Corporation;
5. To consider and, if thought fit, approve an ordinary resolution ratifying and confirming the Corporation’s 10% Rolling Stock Option Plan, as amended, and as more particularly described in the accompanying management information circular;
6. To consider amendments to or variations of any matter identified in this Notice of Meeting; and
7. To transact such other business as may properly be brought before the meeting.

Accompanying this Notice of Meeting are: (i) a Management Information Circular (the “Circular”); (ii) an Instrument of Proxy and Notes thereto; and (iii) a reply card for use by shareholders who wish to receive the Corporation’s interim financial statements. Reference is made to the Circular for details of the matters to be considered at the Meeting.

If you are a *registered shareholder* of the Corporation and are unable to attend the Meeting in person, please complete, sign, date and return the enclosed form of Proxy either in the addressed envelope enclosed to Proxy Department, Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax to 1-866-249-7775. Proxies must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof.

If you are a *non-registered shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting, either in person or by proxy.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253, by fax at 1-866-249-7775 or by e-mail at service@computershare.com.

DATED at Vancouver, British Columbia the 25th day of April, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

“Keith C. Hill”

President and Chief Executive Officer



MANAGEMENT INFORMATION CIRCULAR
(all information as of April 25, 2014, unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies being made by the management of Africa Oil Corp. (“Africa Oil” or the “Corporation”) for use at the Annual General Meeting of the Corporation’s shareholders (the “Meeting”) to be held on Tuesday, June 3, 2014 at 10:00 a.m. (Pacific Standard Time) at The Fairmont Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

It is anticipated that this Circular, together with the accompanying Notice of Meeting and form of proxy will first be mailed to shareholders of the Corporation on or about May 7, 2014.

Unless otherwise indicated, all monetary amounts referred to herein are stated in United States dollars, the Corporation’s reporting currency.

SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged to send meeting materials directly to Non-Registered Shareholders who have consented to their ownership information being disclosed (non-objecting beneficial owners). We have arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed (objecting beneficial owners). The Corporation will reimburse the Intermediaries for their reasonable fees and disbursements in regards to the delivery of meeting materials to objecting beneficial owners.

APPOINTMENT OF PROXYHOLDER AND VOTING BY PROXY

The individuals named in the accompanying form of proxy (the “Proxy”) are directors or officers of the Corporation (the “Management Proxyholders”). **A shareholder wishing to appoint a person or company other than Management Proxyholders to attend and act for the shareholder and on the shareholder’s behalf at the meeting has the right to do so, by striking out the names of the Management Proxyholders and by inserting the desired person’s or company’s name in the blank space provided in the proxy, or by executing a proxy in a form similar to the enclosed form. In either case, the completed form of proxy must be delivered to Computershare prior to the Meeting or any adjournment thereof. A proxyholder need not be a shareholder.**

You can choose to vote your common shares by proxy by mail, by telephone or on the Internet. If you vote your common shares by proxy by mail, completed forms of proxies must be delivered to the Corporation’s transfer agent, Computershare Investor Services Inc. (“Computershare”), at Proxy Department, at 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, in the envelope provided for that purpose. Telephone and Internet voting can also be completed 24 hours a day, 7 days a week. For telephone voting call 1-866-732-VOTE (8683) (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. International holders wishing to vote by telephone can dial 1-312-588-4290 to place their vote. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. For internet voting, go to www.investorvote.com and follow the instructions on the screen. For either telephone or internet voting, you will need your 15 digit control number which is noted on your proxy form. Duly completed forms of proxy or a vote using the telephone or over the Internet must be completed no later than

forty-eight (48) hours (excluding Saturdays and holidays) before the time of the Meeting, or any adjournment thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies subsequently received.

If you are a beneficial shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided by your broker or other intermediary.

If you have any questions concerning how to complete the VIF or respecting the voting of your common shares, please contact Computershare at:

Mail: *Computershare Investor Services
100 University Avenue, 8th Floor
Toronto, ON M5J 2Y1*

Telephone: **1-800-564-6253**

ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold securities of the Corporation in their own name. Shareholders who hold their securities through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their securities in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of voting securities will be recognized and acted upon at the Meeting. If voting securities are listed in an account statement provided to a Beneficial Shareholder by a broker, those voting securities will, in all likelihood, not be registered in the shareholder's name. Such voting securities more likely will be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Voting securities held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their voting securities are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Corporation and is commonly referred to as a "**voting instruction form**". However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (formerly, ADP Investor Communications, Canada)("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their securities directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted. If you have any questions respecting the voting of securities held through a broker or other intermediary, please contact that broker or other intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting securities registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the securities in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their securities as proxyholder for the**

registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

ADVICE TO HOLDERS OF EUROCLEAR SWEDEN REGISTERED SHARES

The information set forth in this section is of significance to shareholders who hold their securities ("Euroclear Registered Securities") through Euroclear Sweden AB, which securities trade on the NASDAQ OMX First North Exchange.

Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depository for Securities.

Holders of Euroclear Registered Securities will receive a voting instruction form (the "VIF") by mail directly from Computershare AB ("Computershare Sweden"). Additional copies of the VIF, together with the Corporation's Management Information Circular, can also be obtained from Computershare Sweden and are available on the Corporation's website (www.africaoilcorp.com). The VIF cannot be used to vote securities directly at the Meeting. Instead, the VIF must be completed and returned to Computershare Sweden, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the VIF.

If you have any questions concerning how to complete the VIF or respecting the voting of Euroclear Registered Securities, please contact Computershare Sweden at:

Mail: *Africa Oil Corp.
c/o Computershare AB
PO Box 610
SE – 182 16 Danderyd
Sweden*

Telephone: *+46 – (0)77- 24 64 00*

E-mail: info@computershare.se

REVOCATION OF PROXIES

A registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation, at Suite 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 (Attention: Kevin Hisko, Corporate Secretary) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Assistant Corporate Secretary of the Corporation or the chairman of the Meeting prior to the time of voting at the Meeting. Only registered shareholders have the right to revoke a proxy. **Beneficial Shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

EXERCISE OF DISCRETION

The enclosed Proxy, when properly completed and delivered, and not revoked, gives discretionary authority to the persons named therein with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, management of the Corporation knows of no such amendment, variation or other matter that may be presented to the Meeting.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

RECORD DATE

Shareholders registered as at April 25, 2014 (the "Record Date") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as may be disclosed herein, no director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and confirmation of the Corporation's stock option plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares of which **310,524,989** common shares are issued and outstanding as at the date hereof. Each common share is entitled to one vote.

To the knowledge of the directors and executive officers of the Corporation, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation.

BUSINESS OF THE ANNUAL GENERAL MEETING

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Corporation's consolidated financial statements for the year ended December 31, 2013 and the report of the auditors thereon will be placed before the Meeting. Copies of the consolidated financial statements, the auditors' report and management's discussion and analysis have been mailed to all registered shareholders and non-registered shareholders (or beneficial shareholders) who have opted to receive such materials. These documents can also be found on the Corporation's website at www.africaoilcorp.com and are also available on SEDAR at www.sedar.com. No vote by shareholders is required to be taken with respect to the consolidated financial statements.

APPOINTMENT AND REMUNERATION OF AUDITORS

The Board of Directors recommend the re-appointment of PricewaterhouseCoopers LLP Chartered Accountants ("PwC") as auditors of the Corporation to hold office until the termination of the next annual meeting of shareholders.

The common shares represented by the proxies solicited in respect of the Meeting on any ballot that may be called for, unless authority to do so is withheld, will be voted by the persons named therein **FOR** the appointment of PwC, as auditors of the Corporation until the next annual general meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors. PwC have been the Corporation's auditors since October 8, 2008.

ELECTION OF DIRECTORS

The Board of Directors presently consists of five directors. The Board of Directors is recommending that five directors be elected at the meeting.

The term of office of each of the present directors expires at the Meeting. At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors at five and the five persons named hereunder will be proposed for election as directors of the Corporation (“Proposed Directors”). Unless authority to vote is withheld, the common shares represented by the proxies hereby solicited will be voted by the persons named therein **FOR** the election of the Proposed Directors whose names are set forth below. All of the Proposed Directors are presently members of the Board and were elected to their present term by a vote of shareholders at a meeting which was accompanied by a management proxy circular. The dates on which they were first elected or appointed are indicated below. Management does not contemplate that any Proposed Director will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote **FOR** another nominee in their discretion, unless the shareholder has specified in the accompanying form of proxy that such shareholder’s shares are to be withheld from voting on the election of directors.

The Board has adopted a policy on Majority Voting that provides that the Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If any nominee for director receives, from the shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of his or her election, the director must immediately tender his resignation to the Chair of the Board following the meeting, to take effect upon acceptance by the Board. The Corporate Governance and Nominating Committee will expeditiously consider the director’s offer to resign and make a recommendation to the Board whether to accept the offer. Within 90 days of the shareholders’ meeting, the Board will make a final decision concerning the acceptance of the director’s resignation and announce that decision by way of a news release. Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation. The policy applies only to uncontested elections, where the number of nominees as director is equal to the number of directors to be elected. If the director fails to tender his or her resignation as contemplated in the policy, the Board will not re-nominate the director. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

Pursuant to the provisions in the Corporation’s articles requiring advance notice (the “**Advance Notice Provisions**”) adopted by the shareholders of the Corporation on June 3, 2013, any additional director nominations for the Meeting must be received by the Company in compliance with the Advance Notice Provisions no later than the close of business on April 28, 2014. No such nominations have been received by the Corporation prior to the date hereof.

The following table sets out the names of the Proposed Directors, the length of time they have served as directors of the Corporation, and the number of shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

Name, province, country of residence, and current position(s)	Present Principal Occupation	Period of service as a director	Number of common shares beneficially owned or controlled or directed, directly or indirectly ⁽¹⁾
Keith C. Hill Ontario, Canada	President and Chief Executive Officer of Africa Oil Corp.	Director since October 16, 2006	1,110,216
J. Cameron Bailey Alberta, Canada	President and CEO of Fortaleza Energy Inc. (formerly Alvopetro Inc.).	Director since May 3, 1994	44,300
Gary S. Guidry Alberta, Canada	President and CEO and a director of Caracal Energy Inc.	Director since June 23, 2008	100,000
Bryan M. Benitz United Kingdom	Retired	Director since September 29, 2009	190,000
John H. Craig Ontario, Canada	Practising securities lawyer and a partner of the firm Cassels Brock & Blackwell LLP.	Director since June 19, 2009	87,200

⁽¹⁾ The information as to common shares beneficially owned or controlled has been provided by the directors themselves.

Each of the above nominees was elected to his present term of office by a vote of shareholders of the Corporation at a prior meeting, the notice of which was accompanied by a management information circular.

The Board does not have an executive committee. There are presently four committees of the Board; namely, the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Reserves Committee. The following table sets out the members of such Committees:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Reserves Committee
J. Cameron Bailey (Chair)	J. Cameron Bailey (Chair)	Gary S. Guidry (Chair)	Gary S. Guidry (Chair)
Gary S. Guidry	Bryan Benitz	J. Cameron Bailey	Keith C. Hill
Bryan M. Benitz	John H. Craig	John H. Craig	Bryan M. Benitz

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

CEASE TRADE ORDERS

Other than as disclosed below, no director or officer or person holding a sufficient number of securities of the Corporation to affect materially the control of the Company, is, or within the past ten years before the date of this Circular has been, a director or officer of any other issuer that, while such person was acting in that capacity: (i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted in such an order after the person ceased to be a director or officer; (iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or (iv) was subject to such bankruptcy proceedings within a year of that person ceasing to act in that capacity.

Mr. J. Cameron Bailey is a director and officer of Fortaleza Energy Inc., formerly Alvopetro Inc. and Fortress Energy Inc. ("Fortress"). On March 2, 2011, the Court of Queen's Bench of Alberta granted an order (the "Order") under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") staying all claims and actions against Fortress and its assets and allowing Fortress to prepare a plan of arrangement for its creditors if necessary. Fortress took such step in order to enable Fortress to challenge a reassessment issued by the Canada Revenue Agency ("CRA"). As a result of the reassessment, if Fortress had not taken any action, it would have been compelled to immediately remit one half of the reassessment to the CRA and Fortress did not have the necessary liquid funds to remit, although Fortress had assets in excess of its liabilities with sufficient liquid assets to pay all other liabilities and trade payables. Fortress believed that the CRA's position was not sustainable and vigorously disputed the CRA's claim. Fortress filed a Notice of Objection to the reassessment and on October 20, 2011 announced that its Notice of Objection was successful, CRA having confirmed there were no taxes payable. As the CRA claim had been vacated and no taxes or penalties were owing Fortress no longer required the protection of the Order under the CCAA and on October 28, 2011 the Order was removed. On March 3, 2011 the Toronto Stock Exchange suspended trading in the securities of Fortress due to Fortress having been granted a stay under the CCAA. In addition the securities regulatory authorities in Alberta, Ontario and Quebec issued a cease trade order with respect to Fortress for failure to file its annual financial statements for the year ended December 31, 2010 by March 31, 2011. The delay in filing was due to Fortress being granted the CCAA order on March 2, 2011 and the resulting additional time required by its auditors to deliver their audit opinion. The required financial statements and other continuous disclosure documents were filed on April 29, 2011 and the cease trade order was subsequently removed. On September 1, 2010 Fortress closed the sale of substantially all of its oil and gas assets. As a result of the sale Fortress was delisted from the Toronto Stock Exchange on March 30, 2011 as it no longer met minimum listing requirements.

PERSONAL BANKRUPTCIES

During the ten years preceding the date of this Circular, no director, officer or shareholder holding a sufficient number of shares of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold his or her assets.

PENALTIES OR SANCTIONS

No director or officer of the Corporation, or shareholder holding a sufficient number of shares of the Corporation to materially affect control of the Corporation, has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the respective directors, officers and any control shareholder of the Corporation individually.

AMENDMENTS TO STOCK OPTION PLAN

Background

The Corporation's 10% Rolling Incentive Stock Option Plan ("Stock Option Plan") provides participants with an incentive to enhance shareholder values by providing a form of compensation that is tied to increases in the market value of the Corporation's shares. As of April 25, 2014, there were:

- 18,299,056 options outstanding under the Stock Option Plan which represents 5.9% of the shares outstanding as at such date; and
- 12,753,443 options available for grant under the Stock Option Plan which represents 4.1% of shares outstanding as at such date.

Further details on the Stock Option Plan can be found under the section “*Equity Plan Compensation Information*” of this Circular. On August 28, 2013, the Board of Directors approved certain amendments to the Stock Option Plan, subject to shareholder ratification and approval. More specifically, the amendments delete all references to “stock appreciation rights” as well as “Tier 1” and “Tier 2” in connection with the Corporation’s listing on the TSX Venture Exchange.

On April 23, 2014, the Board of Directors approved other amendments to the Stock Option Plan, subject to shareholder and Toronto Stock Exchange ratification and approval. These amendments:

- revise the Stock Option Plan to delete requirements that were applicable while the Corporation was listed on the TSX Venture Exchange, including deleting certain restrictions on options granted to consultants or persons providing investor relations services and deleting or amending certain terms; and
- adopt a new amendment provision.

Delete TSX Venture Exchange Requirements

Requirements and terms that were applicable while the Corporation was listed on the TSX Venture Exchange that are no longer required include a 2% cap on options to consultants or persons providing investor relations services, specific option termination provisions applicable to investor relations providers, a limit of 5% instead of 10% on options to be granted to a participant in a one year period. The Board recommends the Stock Option Plan be updated to reflect such changes and deletions.

Amendment Provision

The Board recommends adopting a revised amendment provision which clearly sets out when shareholder approval is required. The full Stock Option Plan, as amended, can be found in Appendix A, including Section 7.1 which is the revised amendment provision and provides the Board with the power to make the following amendments without shareholder approval:

- (a) for the purposes of making minor or technical modifications to any of the provisions of the Stock Option Plan;
- (b) to correct any ambiguity, defective provisions, error or omission in the provisions of the Stock Option Plan;
- (c) to change any vesting provisions of options;
- (d) to extend the expiration date of any option provided that the period during which an option is exercisable does not exceed five years from the date the option is granted;
- (e) to add or change provisions relating to any form of financial assistance provided by the Company to eligible persons under the Stock Option Plan that would facilitate the purchase of options;
- (f) to add a cashless exercise feature to any option or to the Stock Option Plan, providing for the payment in cash or securities upon the exercise of options; and
- (g) to reduce the exercise price of any option previously granted in accordance with the Stock Option Plan, provided however that:
 - i. such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
 - ii. no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of an optionee with respect to any then outstanding option, as determined by the Board acting in good faith, without his or her consent in writing; and
- (h) if required by the rules of the Toronto Stock Exchange, the Board shall obtain disinterested shareholder approval of the following:

- i. any amendment to increase the maximum number of Shares issuable upon the exercise of all Options granted under the Plan specified in Section 3.2 (e) (other than pursuant to Section 3.8);
- ii. any amendment that would reduce the exercise price of an outstanding Option granted to an insider (other than pursuant to Section 3.2);
- iii. any amendment that would extend the term of any Option granted to an insider;
- iv. any amendment that would remove or exceed the insider participation limit set out in Section 3.6; and
- v. a change to this Section 7.1 of this Plan.

Approval by Shareholders

At the Meeting, the shareholders will be asked to approve the following by ordinary resolution (the “Stock Option Plan Amendment Resolution”):

WHEREAS the Board of Directors of the Corporation, on August 28, 2013 and April 23, 2014, respectively, approved certain amendments to the stock option plan of the Corporation (the “Stock Option Plan”) as described in this Circular; and

WHEREAS the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three years;

“BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Corporation, that:

1. *The Stock Option Plan is hereby ratified and approved, as amended, and as set forth in Appendix A, with such amendments effectively:

 - (i) *deleting any terms, references or requirements that were applicable while the Corporation was listed on the TSX Venture Exchange that are no longer required; and*
 - (ii) *adopting the amendment provision as set out in Section 7.1.**
2. *The Corporation has the ability to continue granting options under the Stock Option Plan until June 3, 2017, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and*
3. *Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”*

You may either vote for approval of the Stock Option Plan Amendment Resolution, as described above, or you can vote against. Unless otherwise instructed, the named proxyholders will vote **FOR** the approval of the Stock Option Plan Amendment Resolution. If this resolution is not approved at the Meeting, all previously allocated stock options will continue unaffected but the Corporation will not be able to make any further grants of options.

CORPORATE GOVERNANCE

Mandate of the Board of Directors

The Board has a formal mandate (See Appendix B) that lists specific responsibilities, including:

- Approve the strategic direction of the Corporation;
- Identify principal risks of the Corporation's business and ensure implementation of appropriate risk management systems;
- Ensure the Corporation has management of the highest caliber; and
- Oversee the Corporation's methods of communication with its shareholders and the public generally.

The Board discharges its responsibilities either directly or through its committees.

Independence

The Corporation's Board of Directors (the "Board") is currently comprised of five directors: Messrs. Keith C. Hill, John Craig, Gary Guidry, Bryan Benitz and J. Cameron Bailey. The majority of Africa Oil's current directors and its director nominees are independent for the purposes of Board membership. Mr. Keith Hill is not considered independent in his role as President and Chief Executive Officer and Chairman of the Corporation.

The Board has also appointed Mr. John Craig as Lead Director. The Lead Director presides over meetings of the directors. The role of the Lead Director is to:

- act as an effective leader of the Board, to ensure that the Board's agenda will enable it to successfully carry out its duties;
- provide leadership for the Board's independent directors;
- act as a liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner;
- working with the President and CEO to ensure that the conduct of Board meetings provides adequate time for serious discussion of relevant issues; and
- to assist the Corporation to build a culture of healthy corporate governance.

The Board has functioned, and is of the view that it can continue to function, independently of management, as required. The Board and its committees meet independent of management where needed, but do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. In addition to the standing committees of the Board, independent committees may be appointed from time to time, when appropriate. At each meeting of the Audit Committee and Compensation Committee, for example, a determination is made as to whether an in-camera session, without management present, is required.

Directorships

Each of the directors of the Corporation is currently a director of other reporting issuers as set forth below:

Name	Directorships with Other Reporting Issuers
J. Cameron Bailey	<ul style="list-style-type: none"> Fortaleza Inc. (formerly Alvopetro Inc.) Phoenix Technology Income Fund Phoenix Technology Services Inc. (formerly, Nevis Energy Services Ltd.) PHX Energy Services Corp. ShaMaran Petroleum Corp.
Keith C. Hill	<ul style="list-style-type: none"> ShaMaran Petroleum Corp. BlackPearl Resources Inc. Petro Vista Energy Corp. Tyner Resources Ltd. TAG Oil Ltd. Horn Petroleum Corporation
Gary S. Guidry	<ul style="list-style-type: none"> Caracal Energy Inc. ShaMaran Petroleum Corp.
John H. Craig	<ul style="list-style-type: none"> Denison Mines Corp. BlackPearl Resources Inc. Corsa Coal Corp. Consolidated HCI Holdings Corporation Lundin Mining Corporation

During fiscal year ended December 31, 2013, the Board and its committees held the following number of meetings:

Directors	Board Committees									
	Board of Directors meetings		Audit Committee meetings		Compensation Committee meetings		Corporate Governance and Nominating Committee meeting		Reserves Committee meeting	
	#	%	#	%	#	%	#	%	#	%
Keith C. Hill	7 of 7	100%	-	-	-	-	-	-	1 of 1	100%
J. Cameron Bailey	6 of 7	86%	4 of 4	100%	3 of 3	100%	1 of 1	100%	-	-
Gary S. Guidry	7 of 7	100%	4 of 4	100%	-	-	1 of 1	100%	1 of 1	100%
Bryan M. Benitz	7 of 7	100%	4 of 4	100%	3 of 3	100%	-	-	1 of 1	100%
John H. Craig	7 of 7	100%	-	-	3 of 3	100%	1 of 1	100%	-	-

Position Descriptions

The Board has not developed written position descriptions for the Chair, the CEO, the Lead Director, or the Chair of each Board committee. The Audit Committee and the Compensation Committee each have a written charter or a role description which governs the conduct of such Committee as well as that of the Chair of each Committee. The CEO's role and responsibilities are assessed annually by the Board.

Orientation and Continuing Education

The measures that the Board of Directors takes in connection with orienting new Board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Corporation's business include providing each new member with information concerning the role and responsibilities of a public company director and discussing with new members the Corporation's operations.

The Corporation encourages continued education for its directors. The Board ensures that all directors are kept apprised of changes in the Corporation's operations and business and changes in the regulatory environment affecting the Corporation's day to day business.

Ethical Business Conduct

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards. Accordingly, the Corporation has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and all employees of the Corporation. Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporation's legal counsel. Following the receipt of any complaints submitted hereunder, the Corporation's legal counsel will investigate each matter so reported and report to the Board which will take corrective disciplinary actions, if appropriate, up to and including termination of employment. The Corporation encourages all directors, officers, and employees to report promptly any suspected violation of the Code to the Corporation's legal counsel. The Corporation does not tolerate any retaliation for reports or complaints regarding suspected violations of the Code that were made in good faith. There has been no departure from the Code during the Corporation's most recently completed financial year.

All directors, officers and employees have an obligation to act in the best interest of the Corporation. Any situation that presents an actual or potential conflict between a director, officer or employee's personal interests and the interests of the Corporation are to be reported to the Corporation's legal counsel.

The Code is available under the Corporation's profile on SEDAR at www.sedar.com.

The Corporation has also established an Internal Employee Alert Policy to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment.

Nomination of Directors

The Corporate Governance and Nominating Committee consists of three directors Gary S. Guidry (Chair), J. Cameron Bailey and John H. Craig, all of whom are independent within the meaning of the Governance Guidelines. The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies individuals qualified to become new Board members and recommends to the Board the director nominees at each annual meeting of shareholders and, with the assistance of the Board and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions. The Corporate Governance and Nominating Committee meet at least annually.

Compensation

As of the fiscal year ended December 31, 2013 the Compensation Committee was comprised of three directors, namely, Messrs. J. Cameron Bailey (Chair), Bryan M. Benitz and John H. Craig, all of whom are independent. All members of the Compensation Committee have direct experience which is relevant to their responsibilities as Compensation Committee members. All members are or have held senior executive or director roles within the public company sector and have a good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members

combined experience in the resource sector provides them with the understanding of the Corporation's success factors and risks, which is very important when determining metrics for measuring success.

The Compensation Committee's mandate includes reviewing and making recommendations to the Board of Directors (the "Board") in respect of compensation matters relating to the Corporation's executives which are identified in the "Summary Compensation Table" below. The Compensation Committee is responsible for:

- evaluating the CEO's performance and establishing executive and senior officer compensation;
- administering the Corporation's policy on remuneration;
- preparing the Board for decisions on matters relating to the principles of remuneration, remuneration and other terms of employment of the executive management;
- monitoring and evaluating programs for variable remuneration for the executive management and the current remuneration structures and levels within the Corporation, including the extent and level of participation in incentive programs in conjunction with the Board; and
- delivering an annual statement on executive compensation.

The Compensation Committee has also been mandated to review the adequacy and form of annual compensation for non-executive directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director. The Compensation Committee meets at least once annually. The Compensation Committee also meets at other times during the year as necessary, such as when a component of the Corporation's overall compensation package, including the stock option plan, is being amended or reviewed. The Compensation Committee did not retain a compensation consultant or advisor at any time since the beginning of the Corporation's most recently completed financial year to assist in determining compensation for any of its directors and officers.

Other Board Committees

The Corporation has an established Reserves Committee that is comprised of a majority of independent directors; namely, Messrs. Gary S. Guidry (Chair), Keith C. Hill, and Bryan M. Benitz. The Reserves Committee is responsible for developing the Corporation's approach to the reporting of oil and gas resources and/or reserves and the valuation of those resources/reserves.

Assessments

The Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. The Board satisfies itself that the Board, its committees, and its individual directors are performing effectively by conducting informal assessments from time to time.

STATEMENT OF EXECUTIVE COMPENSATION

During the financial year ended December 31, 2013, the Corporation had five Named Executive Officers of the Corporation, being: Keith Hill, President and Chief Executive Officer, Ian Gibbs, Chief Financial Officer, Nicholas Walker, Chief Operating Officer, James R. Phillips, Vice President Business Development, and Dr. Paul Martinez, Vice President Exploration.

"Named Executive Officer" ("NEO") means: (a) a Chief Executive Officer ("CEO"), (b) a Chief Financial Officer ("CFO"), (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD\$150,000; and (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Oversight, Governance and Risk Management

The Corporation's executive compensation program is administered by the Compensation Committee of the Board. Risk management is a primary consideration of the Compensation Committee when implementing its compensation program. It does not believe that its compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation. Payments of bonuses, if any, are not made until performance goals have been met.

The Corporation's directors and executive officers are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director or officer.

Compensation Discussion & Analysis

The Corporation's compensation structure is designed to attract highly qualified and motivated individuals, reward performance and to be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation, individual performance and contribution towards meeting corporate objectives, responsibilities, length of service and levels of compensation provided by industry competitors.

Compensation for executive officers is composed primarily of two components; namely, base salary and participation in the Corporation's stock option plan; however, cash bonuses are awarded on an occasional and discretionary basis. Cash bonuses, if awarded, reflect the Compensation Committee's assessment of the immediately preceding financial year's performance.

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation Committee, but management has a key role in helping support the committee in fulfilling its obligations. For example, the CEO and other senior executives make recommendations to the Compensation Committee regarding executive officer base salary adjustments, stock option grants and bonus awards. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The CEO does not make a recommendation to the Compensation Committee with respect to his own remuneration package.

As the Corporation has not generated significant revenues from operations during the recently-completed fiscal year, traditional corporate and NEO performance standards such as earnings per share are not considered relevant by the Compensation Committee in NEO performance evaluation. The Compensation Committee is satisfied that the Corporation's compensation structure appropriately takes into account the factors relevant to the industry, the Corporation's performance within that industry, and the individual contributions to the Corporation's performance made by its NEOs.

Each element of the Corporation's executive compensation program is described in more detail below.

Base Salaries

An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each executive officer is determined by the Compensation Committee based on an assessment of his sustained performance and consideration of competitive compensation levels for the markets in which

the Corporation operates. In making its recommendations to the Board, the Compensation Committee also considers the particular skills and experience of the individual. The base salaries of executive officers are reviewed annually.

Short Term Incentive Compensation – Cash Bonuses

None of the Corporation's Executive Management team have any contractual right to bonuses or short term incentives. Such payments are made solely in the discretion of the Board. However, the Corporation considers that performance bonus awards are an important part of the Executive's remuneration package where associated performance targets reflect the key drivers for value creation and growth in shareholder value.

The performance bonus awards shall, in the normal course of business, be based upon predetermined limits, being within the range of 1 month's salary to an aggregate of 24 month's salary, for each member of the Executive Management team. However, the Compensation Committee may make recommendations to the Board of Directors for approval of a performance bonus award outside of this range in circumstances or in respect of performance which the Compensation Committee considers to be exceptional.

The Corporation paid cash bonuses to each of the NEO's in 2013. These amounts are reflected in the Summary Compensation Table below under the heading "*All Other Compensation*".

Long Term Incentive Compensation – Stock Options

The stock option component of an NEO's compensation, which includes a vesting element to ensure retention, serves to both motivate the executive toward increasing share value and to enable the executive to share in the future success of the Corporation. Individual stock options are granted by the Board on the recommendation of senior management, in the case of employees, and by the Compensation Committee, in the case of executive officers, including the CEO. Options are normally awarded by the Board upon the commencement of an individual's employment with the Corporation based on the level of responsibility within the Corporation. Additional option grants may be made periodically to ensure that the number of stock options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. In considering additional grants, a number of factors are considered including, the role the individual plays in the Corporation, the number of stock options an individual has been granted, the exercise price and the value of the options and the term remaining on those options. During 2013, the NEO's were awarded stock options. These grants are reflected in the Summary Compensation Table below under the heading "Option-based Awards".

SUMMARY COMPENSATION TABLE

The table set out below provides a summary of compensation paid to each NEO of the Corporation for each of the Corporation's three most recently completed financial years:

Name and principal position	Year	Salary ⁽¹⁾	Option-based awards ⁽²⁾	Non-equity incentive plan compensation (\$)		All other compensation ⁽³⁾	Total compensation
				Annual incentive plans	Long-term incentive plans		
Keith Hill ⁽⁴⁾ <i>President & CEO</i>	2013	291,286	1,434,920	582,572	N/A	94,165	2,402,944
	2012	252,635	Nil	505,271	N/A	Nil	757,906
	2011	252,763	723,126	126,381	N/A	Nil	1,102,270
Ian Gibbs ⁽⁵⁾ <i>Chief Financial Officer</i>	2013	291,286	1,434,920	364,108	N/A	8,468	2,098,782
	2012	252,635	Nil	252,635	N/A	Nil	505,270
	2011	252,763	723,126	126,381	N/A	Nil	1,102,270
Nicholas Walker ⁽⁶⁾ <i>Chief Operating Officer</i>	2013	291,286	1,434,920	436,929	N/A	12,336	2,175,472
	2012	78,949	3,005,850	77,812	N/A	Nil	3,162,611
	2011	N/A	N/A	N/A	N/A	N/A	N/A
James Phillips ⁽⁷⁾ <i>Vice President Business Development</i>	2013	300,000	1,434,920	225,000	N/A	113,830	2,073,750
	2012	282,000	Nil	282,000	N/A	Nil	564,000
	2011	282,000	723,126	141,000	N/A	Nil	1,146,126
Dr. Paul Martinez ⁽⁸⁾ <i>Vice President Exploration</i>	2013	291,286	1,145,462	364,108	N/A	12,419	1,813,275
	2012	252,635	Nil	252,635	N/A	Nil	505,271
	2011	180,968	491,268	45,497	N/A	Nil	717,733

Notes:

- (1) Salaries for the NEOs are paid in Canadian dollars and converted to United States dollars for reporting purposes, except for Mr. Phillips who is paid in United States dollars.
- (2) These amounts represent the value of stock options granted to the respective NEO. The fair value of each option granted is estimated on the date of grant using the Black-Scholes options pricing model taking into account the following assumptions on a weighted average basis: (i) risk-free interest rate (%); (ii) expected life (years); and (iii) expected volatility (%). This is consistent with the accounting values used in the Corporation's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.
- (3) Amounts reflected under this column typically consist of benefits such as life insurance premiums, parking benefits, medical/dental plan benefits, and the payment of host country taxes associated with ex-patriate employment.
- (4) Amounts reflected under the column "Non-equity incentive plan compensation – Annual incentive plans" reflect the cash bonuses received by Mr. Hill in the amount of CAD\$600,000 for the financial year ended December 31, 2013; CAD\$500,000 for the financial year ended December 31, 2012; and CAD\$125,000 for the financial year ended December 31, 2011. During the financial year ended December 31, 2013, Mr. Hill was awarded incentive stock options to purchase 580,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2011, Mr. Hill was awarded incentive stock options to purchase: (i) up to 400,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$2.10 per share, and (ii) up to 667,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.49 per share, with each award subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column "Option-based Awards".
- (5) Amounts reflected under the column "Non-equity incentive plan compensation – Annual incentive plans" reflect the cash bonuses received by Mr. Gibbs in the amount of CAD\$375,000 for the financial year ended December 31, 2013; CAD\$250,000 for the financial year ended December 31, 2012; and CAD\$125,000 for the financial year ended December 31, 2011. During the financial year ended December 31, 2013, Mr. Gibbs was awarded

incentive stock options to purchase up to 580,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2011, Mr. Gibbs was awarded incentive stock options to purchase: (i) up to 400,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$2.10 per share, and (ii) up to 667,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.49 per share, with each award subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column "Option-based Awards".

- (6) Mr. Walker has been employed by the Corporation as Chief Operating Officer since September 2012. Amounts reflected under the column "Non-equity incentive plan compensation – Annual incentive plans" reflect the cash bonuses received by Mr. Walker in the amount of CAD\$450,000 for the financial year ended December 31, 2013 and CAD\$77,000 during the financial year ended December 31, 2012. During the financial year ended December 31, 2013, Mr. Walker was awarded incentive stock options to purchase 580,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2012, Mr. Walker was awarded incentive stock options to purchase up to 750,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$9.90 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column "Option-based Awards".
- (7) Amounts reflected under the column "Non-equity incentive plan compensation – Annual incentive plans" reflect the cash bonuses received by Mr. Phillips in the amount of \$225,000 during the financial year ended December 31, 2013; \$282,000 during the financial year ended December 31, 2012; and \$141,000 during the financial year ended December 31, 2011. During the financial year ended December 31, 2013, Mr. Phillips was awarded incentive stock options to purchase up to 580,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2011, Mr. Phillips was awarded incentive stock options to purchase: (i) up to 400,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$2.10 per share, and (ii) up to 667,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.49 per share, with each award subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column "Option-based Awards".
- (8) Dr. Martinez has been employed by the Corporation as Vice President Exploration since March 2011. Amounts reflected under the column "Non-equity incentive plan compensation – Annual incentive plans" reflect the cash bonus received by Dr. Martinez in the amount of CAD\$375,000 during the financial year ended December 31, 2013; CAD\$250,000 for the financial year ended December 31, 2012; and CAD\$50,000 for the financial year ended December 31, 2011. During the financial year ended December 31, 2013, Dr. Martinez was awarded incentive stock options to purchase up to 463,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2011, Dr. Martinez was awarded incentive stock options to purchase: (i) up to 400,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.85 per share, and (ii) up to 333,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$1.49 per share, with each award subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column "Option-based Awards".

The table set out below provides a summary of the value of the grant of incentive stock options to each NEO of the Corporation by Horn Petroleum Corporation (“Horn”), a subsidiary of the Corporation, for each of the Corporation’s three most recently completed financial years:

Name and principal position	Year	Salary	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation (\$)		All other compensation	Total compensation
				Annual incentive plans	Long-term incentive plans		
Keith Hill ⁽²⁾ <i>President & CEO</i>	2013	Nil	Nil	Nil	N/A	Nil	Nil
	2012	Nil	96,538	Nil	N/A	Nil	96,538
	2011	Nil	177,647	Nil	N/A	Nil	177,647
Ian Gibbs ⁽³⁾ <i>Chief Financial Officer</i>	2013	Nil	Nil	Nil	N/A	Nil	Nil
	2012	Nil	96,538	Nil	N/A	Nil	96,538
	2011	Nil	177,647	Nil	N/A	Nil	177,647
Nicholas Walker ⁽⁴⁾ <i>Chief Operating Officer</i>	2013	Nil	Nil	Nil	N/A	Nil	Nil
	2012	Nil	96,538	Nil	N/A	Nil	96,538
	2011	N/A	N/A	N/A	N/A	N/A	N/A
James Phillips ⁽⁵⁾ <i>Vice President Business Development</i>	2013	Nil	Nil	Nil	N/A	Nil	Nil
	2012	Nil	96,538	Nil	N/A	Nil	96,538
	2011	Nil	177,647	Nil	N/A	Nil	177,647
Dr. Paul Martinez ⁽⁶⁾ <i>Vice President Exploration</i>	2013	Nil	Nil	Nil	N/A	Nil	Nil
	2012	Nil	96,538	Nil	N/A	Nil	96,538
	2011	Nil	177,647	Nil	N/A	Nil	177,647

Notes:

- (1) These amounts represent the value of stock options granted to the respective NEO. The fair value of each option granted is estimated on the date of grant using the Black-Scholes options pricing model taking into account the following assumptions on a weighted average basis: (i) risk-free interest rate (%); (ii) expected life (years); and (iii) expected volatility (%). This is consistent with the accounting values used in the Corporation’s financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.
- (2) During the fiscal year ended December 31, 2012, Mr. Hill was awarded incentive stock options to purchase up to 292,000 common shares of Horn over a period of three years at an exercise price of CAD\$0.32 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the fiscal year ended December 31, 2011, Mr. Hill was awarded incentive stock options to purchase up to 500,000 common shares of Horn, over a period of three years at an exercise price of CAD\$1.00 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column “Option-based Awards”.
- (3) During the fiscal year ended December 31, 2012, Mr. Gibbs was awarded incentive stock options to purchase up to 292,000 common shares of Horn over a period of three years at an exercise price of CAD\$0.32 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the fiscal year ended December 31, 2011, Mr. Gibbs was awarded incentive stock options to purchase up to 500,000 common shares of Horn over a period of three years at an exercise price of CAD\$1.00 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column “Option-based Awards”.
- (4) During the fiscal year ended December 31, 2012, Mr. Walker was awarded incentive stock options to purchase up to 292,000 common shares of Horn over a period of three years at an exercise price of CAD\$0.32 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column “Option-based Awards”.
- (5) During the fiscal year ended December 31, 2012, Mr. Phillips was awarded incentive stock options to purchase up to 292,000 common shares of Horn over a period of three years at an exercise price of CAD\$0.32 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the fiscal year ended December 31, 2011, Mr. Phillips was awarded incentive stock options to purchase up to 500,000 common shares of Horn over a period of three years at an exercise price of CAD\$1.00 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column “Option-based Awards”.
- (6) During the fiscal year ended December 31, 2012, Dr. Martinez was awarded incentive stock options to purchase up to 292,000 common shares of Horn over a period of three years at an exercise price of CAD\$0.32 per share, subject to vesting as to one-third on the date of grant, one-third

one year from the date of grant and the remaining one-third two years after the date of grant. During the fiscal year ended December 31, 2011, Dr. Martinez was awarded incentive stock options to purchase up to 500,000 common shares of Horn over a period of three years at an exercise price of CAD\$1.00 per share, subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column "Option-based Awards".

Other than as set out above, no perquisites have been included as they do not reach the prescribed threshold of the lesser of CAD\$50,000 or 10% or more of total salary for the financial year.

Narrative Discussion

The Corporation has entered into employment agreements with its NEOs. The agreements specify the terms and conditions of employment, the duties and responsibilities of the executive during this term, the compensation and benefits to be provided by the Corporation in exchange for the executive's services, the compensation and benefits to be provided by the Corporation in the event of a termination of employment.

Following are the significant terms of the employment agreements of each of the Corporation's NEOs:

Keith C. Hill, President and Chief Executive Officer

Pursuant to the terms of an executive employment agreement dated January 15, 2009, Mr. Hill was employed by the Corporation as Chief Executive Officer for a fixed period of one year commencing January 15, 2009 at a base annual salary of CAD\$250,000, plus benefits. This agreement was superseded and replaced by an executive employment agreement made effective January 15, 2010 pursuant to which the Corporation has engaged Mr. Hill as Chief Executive Officer of the Corporation at an annual base salary of CAD\$250,000, plus benefits, for no fixed term. Reference is made to the heading "Termination and Change of Control Benefits" for information regarding the termination provisions of Mr. Hill's employment agreement.

On January 1, 2013, Mr. Hill's base annual salary was raised to CAD\$300,000 per annum.

Ian Gibbs, Chief Financial Officer

Pursuant to the terms of an executive employment agreement made effective September 14, 2009, the Corporation engaged Mr. Gibbs as Chief Financial Officer of the Corporation for no fixed term. In accordance with the terms of Mr. Gibbs' employment agreement, he is entitled to a base annual salary of CAD\$250,000 per annum, plus benefits and was granted incentive stock options to purchase up to 400,000 common shares of the Corporation over a period of three (3) years at an exercise price of CAD\$0.89, subject to vesting. Reference is made to the heading "Termination and Change of Control Benefits" for information regarding the termination provisions of Mr. Gibbs' employment agreement.

On January 1, 2013, Mr. Gibbs' base annual salary was raised to CAD\$300,000 per annum.

Nicholas Walker, Chief Operating Officer

Pursuant to the terms of an employment agreement made effective September 10, 2012, the Corporation engaged Mr. Walker as Chief Operating Officer of the Corporation for no fixed term. In accordance with the terms of Mr. Walker's employment agreement, he is entitled to a base annual salary of CAD\$250,000 per annum, plus benefits, and was granted incentive stock options to purchase up to 750,000 common shares of the Corporation over a period of three (3) years at an exercise price of CAD\$9.90, subject to vesting.

On January 1, 2013, Mr. Walker's base annual salary was raised to CAD\$300,000 per annum.

James R. Phillips, Vice President Business Development

On April 29, 2009, following the acquisition of the Corporation's subsidiary Africa Oil Ethiopia B.V. ("AOE"), the Corporation assumed the contractual obligations of AOE in relation to Mr. Phillips' employment agreement as Vice President of Exploration of AOE. Under this contract of employment, Mr. Phillips received a base annual salary of \$282,000, plus

benefits. This agreement was superseded and replaced by an executive employment agreement made effective April 1, 2010 which provided for the same annual base salary plus benefits for no fixed term. Reference is made to the heading “Termination and Change of Control Benefits” for information regarding the termination provisions of Mr. Phillips’ employment agreement.

On January 1, 2013, Mr. Phillips’ base annual salary was raised to \$300,000 per annum.

Dr. Paul Martinez, Vice President Exploration

Pursuant to the terms of an employment agreement made effective February 3, 2011, the Corporation engaged Dr. Martinez as Vice President Exploration of the Corporation for no fixed term. In accordance with the terms of Dr. Martinez’s employment agreement, he is entitled to a base annual salary of CAD\$225,000 per annum, plus benefits, and was granted incentive stock options to purchase up to 400,000 common shares of the Corporation over a period of three (3) years at an exercise price of CAD\$1.85, subject to vesting.

On January 1, 2013, Dr. Martinez’s base annual salary was raised to CAD\$300,000 per annum.

Outstanding Option-Based Awards

The following table sets forth the outstanding option-based awards for the Corporation held by the NEOs at the end of the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾⁽²⁾
Keith C. Hill <i>President and Chief Executive Officer</i>	400,000	2.10	January 26, 2014 ⁽³⁾	2,681,450
	667,000	1.49	November 24, 2014	4,853,858
	580,000	5.94	April 16, 2016	1,794,090
Ian Gibbs <i>Chief Financial Officer</i>	400,000	2.10	January 26, 2014 ⁽³⁾	2,681,450
	667,000	1.49	November 24, 2014	4,853,858
	580,000	5.94	April 16, 2016	1,794,090
Nicholas Walker <i>Chief Operating Officer</i>	750,000	9.90	September 10, 2015	Nil
	580,000	5.94	April 16, 2016	1,794,090
Dr. Paul Martinez <i>Vice President Exploration</i>	399,889	1.85	March 14, 2014 ⁽³⁾	2,774,700
	222,000	1.49	November 24, 2014	1,615,527
	463,000	5.94	April 16, 2016	1,432,178
James R. Phillips <i>Vice President Business Development</i>	150,000	2.10	January 26, 2014 ⁽³⁾	1,005,544
	667,000	1.49	November 24, 2014	4,853,858
	580,000	5.94	April 16, 2016	1,794,090

NOTES:

- ⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on December 31, 2013 of CAD\$9.23 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.
- ⁽²⁾ The value of the unexercised in-the-money options was calculated in CAD\$ and converted to USD\$ using the exchange rate at December 31, 2013 of CAD\$1.00 = USD\$0.9402.
- ⁽³⁾ The expiry date of these stock options fell during a self-imposed blackout period for the Corporation. In accordance with the Corporation’s Stock Option Plan, the expiry date for these stock options were extended and are exercisable for a period of ten (10) business days following the end of the Corporation’s current blackout period.

The following table sets forth the outstanding option-based awards in Horn, held by the NEOs at the end of the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾
Keith C. Hill <i>President and Chief Executive Officer</i>	500,000 292,000	1.00 0.32	September 28, 2014 November 20, 2015	Nil Nil
Ian Gibbs <i>Chief Financial Officer</i>	500,000 292,000	1.00 0.32	September 28, 2014 November 20, 2015	Nil Nil
Nicholas Walker <i>Chief Operating Officer</i>	292,000	0.32	November 20, 2015	Nil
Dr. Paul Martinez <i>Vice President Exploration</i>	500,000 292,000	1.00 0.32	September 28, 2014 November 20, 2015	Nil Nil
James R. Phillips <i>Vice President Business Development</i>	500,000 292,000	1.00 0.32	September 28, 2014 November 20, 2015	Nil Nil

NOTES:

⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on December 31, 2013 of CAD\$0.19 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Keith C. Hill <i>President & Chief Executive Officer</i>	3,271,368 ⁽²⁾	Nil	Nil
Ian Gibbs <i>Chief Financial Officer</i>	3,271,368 ⁽³⁾	Nil	Nil
Nicholas Walker <i>Chief Operating Officer</i>	Nil ⁽⁴⁾	Nil	Nil
Dr. Paul Martinez <i>Vice President Exploration</i>	2,045,891 ⁽⁵⁾	Nil	Nil
James R. Phillips <i>Vice President Business Development</i>	3,271,368 ⁽⁶⁾	Nil	Nil

Notes:

⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on the dates on which stock options vested during the financial year ended December 31, 2013 and subtracting the exercise price of in-the-money stock options.

⁽²⁾ 222,333 options which were issued at CAD\$1.49 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$10.58. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at November 25, 2013 of CAD\$1.00 = USD\$0.95. 133,333 options which were issued at CAD\$2.10 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$7.88. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at January 25, 2013 of CAD\$1.00 = USD\$0.99.

⁽³⁾ 222,333 options which were issued at CAD\$1.49 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$10.58. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at November 25, 2013 of CAD\$1.00 = USD\$0.95. 133,333 options which were issued at CAD\$2.10 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$7.88. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at January 25, 2013 of CAD\$1.00 = USD\$0.99.

⁽⁴⁾ 250,000 options which were issued at CAD\$9.90 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$7.73.

- ⁽⁵⁾ 111,000 options which were issued at CAD\$1.49 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$10.58. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at November 25, 2013 of CAD\$1.00 = USD\$0.95. 133,333 options which were issued at CAD\$1.85 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$7.19. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at March 13, 2013 of CAD\$1.00 = USD\$0.97.
- ⁽⁶⁾ 222,333 options which were issued at CAD\$1.49 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$10.58. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at November 25, 2013 of CAD\$1.00 = USD\$0.95. 133,333 options which were issued at CAD\$2.10 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$7.88. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at January 25, 2013 of CAD\$1.00 = USD\$0.99.

The following table sets forth details of the value vested or earned for all incentive plan awards granted by Horn during the most recently completed financial year by each NEO:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Keith C. Hill <i>President & Chief Executive Officer</i>	Nil ⁽²⁾	Nil	Nil
Ian Gibbs <i>Chief Financial Officer</i>	Nil ⁽²⁾	Nil	Nil
Nicholas Walker <i>Chief Operating Officer</i>	Nil ⁽³⁾	Nil	Nil
Dr. Paul Martinez <i>Vice President Exploration</i>	Nil ⁽²⁾	Nil	Nil
James R. Phillips <i>Vice President Business Development</i>	Nil ⁽²⁾	Nil	Nil

Notes:

- ⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on the date on which stock options vested during the financial year ended December 31, 2013, and subtracting the exercise price of in-the-money stock options.
- ⁽²⁾ 166,666 options which were issued at CAD\$1.00 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$0.28. 97,333 options which were issued at CAD\$0.32 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$0.22.
- ⁽³⁾ 97,333 options which were issued at CAD\$0.32 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$0.22.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation and its subsidiaries have not entered into any compensatory plan or arrangement in respect of compensation received or that may be received by any of the NEOs, during the Corporation's most recently completed or current financial year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, except for those disclosed below.

Keith Hill, President and Chief Executive Officer

On January 15, 2010 the Corporation entered into an executive employment agreement with Mr. Keith Hill, the President and Chief Executive Officer of the Corporation, at an annual salary of CAD\$250,000. On January 1, 2013, his base annual salary was raised to CAD\$300,000 per annum. For further information regarding Mr. Hill's agreement, refer to the disclosure under the heading "Summary Compensation Table – Narrative Discussion."

Pursuant to the terms of Mr. Hill's employment agreement, the Corporation may terminate Mr. Hill's employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Hill if he becomes permanently disabled. Upon the termination of Mr. Hill's employment for cause or if Mr. Hill

voluntarily elects to terminate his agreement, Mr. Hill shall not be entitled to any severance payment other than compensation earned by Mr. Hill before the date of termination.

Mr. Hill may be terminated by the Corporation for any reason other than specified above, upon 60 days written notice of the termination of his employment agreement. Mr. Hill is entitled to a continued benefit package at the Corporation's expense for two years, with an estimated value of approximately \$17,178, if his employment is terminated within one year after a change of control occurs.

In the event that (i) the Corporation sells a controlling interest in all or substantially all of its assets or of one or more of its subsidiaries that owns, taken together, substantially all of the assets of the Corporation; or (ii) there is a change of control of the Corporation, Mr. Hill is entitled to resign and to receive the equivalent of two years' base salary in a lump sum (equivalent to CAD\$600,000) plus the continuation of all of benefits for two years, at the highest level provided to Mr. Hill at any time within the one year period prior to the change of control. In addition, Mr. Hill's outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at CAD\$9,922,780 as at December 31, 2013).

A "change of control" is deemed to occur if:

- (a) there is a successful take-over of the Corporation; or
- (b) a person or group other than the Lundin Family and its trusts becomes the largest shareholder of the Corporation.

Ian Gibbs, Chief Financial Officer

On September 14, 2009 the Corporation entered into an executive employment agreement with Mr. Ian Gibbs, the Chief Financial Officer of the Corporation at an annual salary of CAD\$250,000. On January 1, 2013, his base annual salary was raised to CAD\$300,000 per annum. For further information regarding Mr. Gibbs' agreement, refer to the disclosure under the heading "*Summary Compensation Table – Narrative Discussion.*"

Pursuant to the terms of Mr. Gibbs' employment agreement, the Corporation may terminate Mr. Gibbs' employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Gibbs if he becomes permanently disabled. Upon the termination of Mr. Gibbs' employment for cause or if he voluntarily elects to terminate his agreement, Mr. Gibbs shall not be entitled to any severance payment other than compensation he earned before the date of termination.

Mr. Gibbs may be terminated by the Corporation for any reason other than specified above, upon 60 days written notice of the termination of his employment agreement. Mr. Gibbs is entitled to a continued benefit package at the Corporation's expense for two years, with an estimated value of approximately \$17,444, if his employment is terminated within one year after a change of control occurs.

In the event that (i) the Corporation sells a controlling interest in all or substantially all of its assets or of one or more of its subsidiaries that owns, taken together, substantially all of the assets of the Corporation; or (ii) there is a change of control of the Corporation, Mr. Gibbs is entitled to resign and to receive the equivalent of two years' base salary in a lump sum (currently equivalent to CAD\$600,000) plus the continuation of all of benefits for two years, at the highest level provided to Mr. Gibbs at any time within the one year period prior to the change of control. In addition, Mr. Gibbs' outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at CAD\$9,922,780 as at December 31, 2013).

A "change of control" is deemed to occur if:

- (a) there is a successful take-over of the Corporation; or

- (b) a person or group other than the Lundin Family and its trusts becomes the largest shareholder of the Corporation.

Nicholas Walker, Chief Operating Officer

On September 10, 2012 the Corporation entered into an executive employment agreement with Mr. Walker at an annual salary of CAD\$250,000. On January 1, 2013, his base annual salary was raised to CAD\$300,000 per annum. For further information regarding Mr. Walker's agreement, refer to the disclosure under the heading "Summary Compensation Table – Narrative Discussion."

Pursuant to the terms of Mr. Walker's employment agreement, the Corporation may terminate Mr. Walker's employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Walker if he becomes permanently disabled. Upon the termination of Mr. Walker's employment for cause or if he voluntarily elects to terminate his agreement, Mr. Walker shall not be entitled to any severance payment other than compensation he earned before the date of termination.

Mr. Walker may be terminated by the Corporation for any reason other than specified above, upon 60 days written notice of the termination of his employment agreement. Mr. Walker is entitled to a continued benefit package at the Corporation's expense for two years, with an estimated value of approximately \$24,360, if his employment is terminated within one year after a change of control occurs.

In the event that (i) the Corporation sells a controlling interest in all or substantially all of its assets or of one or more of its subsidiaries that owns, taken together, substantially all of the assets of the Corporation, or (ii) there is a change of control of the Corporation, Mr. Walker is entitled to resign and to receive the equivalent of two years' base salary in a lump sum (currently equivalent to CAD\$600,000) plus the continuation of all of benefits for two years, at the highest level provided to Mr. Walker at any time within the one year period prior to the change of control. In addition, Mr. Walker's outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at CAD\$1,908,200 as at December 31, 2013).

A "change of control" is deemed to occur if there is a successful take-over of the Corporation.

Dr. Paul Martinez, Vice President Exploration

In accordance with the Corporation's current 10% Rolling Stock Option Plan (the "Plan"), Dr. Martinez's outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at CAD\$6,192,731 as at December 31, 2013). For further information regarding the change of control provisions contained in the Plan, refer to the disclosure under the heading "Equity Compensation Plan Information – 10% Rolling Stock Option Plan – Change of Control".

Executive Employment Agreement – James Phillips, Vice President Business Development

Upon the acquisition of the subsidiary Africa Oil Ethiopia B.V. (formerly Lundin East Africa B.V.) ("AOE") on April 29, 2009, the Corporation assumed the contractual obligations of the subsidiary in relation to Mr. Phillips' executive employment agreement as Vice President Exploration of the subsidiary. Under the contract of employment with AOE, Mr. Phillips is entitled to a base annual salary of \$282,000, plus benefits. On September 10, 2012, Mr. Phillips became the Vice President Business Development for the Corporation and continued his employment under the same terms and conditions of his employment agreement with AOE. On January 1, 2013, his base annual salary was raised to \$300,000 per annum.

Pursuant to the terms of Mr. Phillips' employment agreement, the Corporation or AOE may terminate Mr. Phillips' employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation or AOE by notice to Mr. Phillips if he becomes permanently disabled. Upon the termination of Mr. Phillips' employment for cause or if he voluntarily elects to terminate his agreement, Mr. Phillips shall not be entitled to any severance payment other than compensation earned by Mr. Phillips before the date of termination.

Mr. Phillips may be terminated by the Corporation or AOE for any reason other than specified above, upon 60 days written notice of the termination of his employment agreement. Mr. Phillips is entitled to a continued benefits package at the Corporation's expense for two years, with an estimated value of approximately \$17,980, if his employment is terminated within one year after a change of control occurs. In addition, Mr. Phillips' outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at CAD\$8,140,280 as at December 31, 2013).

In the event that (i) the Corporation sells a controlling interest in all or substantially all of its assets or any of its subsidiaries, or (ii) there is a change of control of the Corporation, Mr. Phillips is entitled to resign and to receive the equivalent of two years' base salary in a lump sum (currently equivalent to \$600,000) plus the continuation of all of benefits for two years at the highest level provided to Mr. Phillips at any time within the one year period prior to the change of control.

A "change of control" is deemed to occur if:

- (a) there is a successful take-over of the Corporation; or
- (b) a person or group other than the Lundin Family and its trusts becomes the largest shareholder of the Corporation.

Upon termination of employment, the Corporation shall pay all reasonable repatriation expenses incurred by Mr. Phillips to return to the United States.

DIRECTORS' COMPENSATION

The compensation package for directors is intended to provide a competitive level of remuneration reflective of the responsibilities, accountability and time commitments of the Board members. Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers. Fees paid to non-executive directors for their service to Board were approved at CAD\$20,000 per annum, audit committee members were approved at CAD\$5,000 per annum with the chair of the audit committee paid an additional CAD\$2,000 per annum, all other non-executive committee members belonging to the Compensation Committee, the Corporate Governance and Nominating Committee and the Reserves Committee are paid fees of CAD\$2,000 per annum. To encourage directors to align their interests with shareholders, directors are also granted incentive stock options pursuant to the Corporation's Stock Option Plan.

Directors' Compensation Table

The following table sets forth the details of compensation provided to the non-executive directors, who were not NEOs during the Corporation's most recently completed financial year:

Name	Fees Earned/Paid (\$) ⁽¹⁾	Option-based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
J. Cameron Bailey	30,100	358,730	Nil	Nil	388,830
Gary S. Guidry	28,158	358,730	Nil	Nil	386,888
Bryan M. Benitz	28,158	358,730	Nil	Nil	386,888
John H. Craig	23,303	358,730	Nil	Nil	382,033

NOTES:

⁽¹⁾ Fees earned by directors are paid in Canadian dollars and converted to United States dollars for reporting purposes.

⁽²⁾ These amounts represent the value of stock options granted to the respective director. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Corporation's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.

Outstanding Option-Based Awards

The following table sets forth the outstanding option-based awards held by the directors of the Corporation at the end of the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾⁽²⁾
J. Cameron Bailey	55,667	1.49	November 24, 2014	430,863
	145,000	5.94	April 16, 2016	477,050
Gary S. Guidry	100,000	2.10	January 26, 2014 ⁽³⁾	713,000
	167,000	1.49	November 24, 2014	1,292,580
	145,000	5.94	April 16, 2016	477,050
Bryan M. Benitz	100,000	2.10	January 26, 2014 ⁽³⁾	713,000
	167,000	1.49	November 24, 2014	1,292,580
	145,000	5.94	April 16, 2016	477,050
John H. Craig	100,000	2.10	January 26, 2014 ⁽³⁾	713,000
	167,000	1.49	November 24, 2014	1,292,580
	145,000	5.94	April 16, 2016	477,050

NOTES:

- ⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on December 31, 2013 of CAD\$9.23 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.
- ⁽²⁾ The value of the unexercised in-the-money options was calculated in CAD\$ and converted to USD\$ using the exchange rate at December 31, 2013 of CAD\$1.00 = USD\$0.9402.
- ⁽³⁾ The expiry date of these stock options fell during a self-imposed blackout period for the Corporation. In accordance with the Corporation's Stock Option Plan, the expiry date for these stock options were extended and are exercisable for a period of ten (10) business days following the end of the Corporation's current blackout period.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾
J. Cameron Bailey ⁽²⁾	818,677
Gary S. Guidry ⁽²⁾	818,677
Bryan M. Benitz ⁽²⁾	818,677
John H. Craig ⁽²⁾	818,677

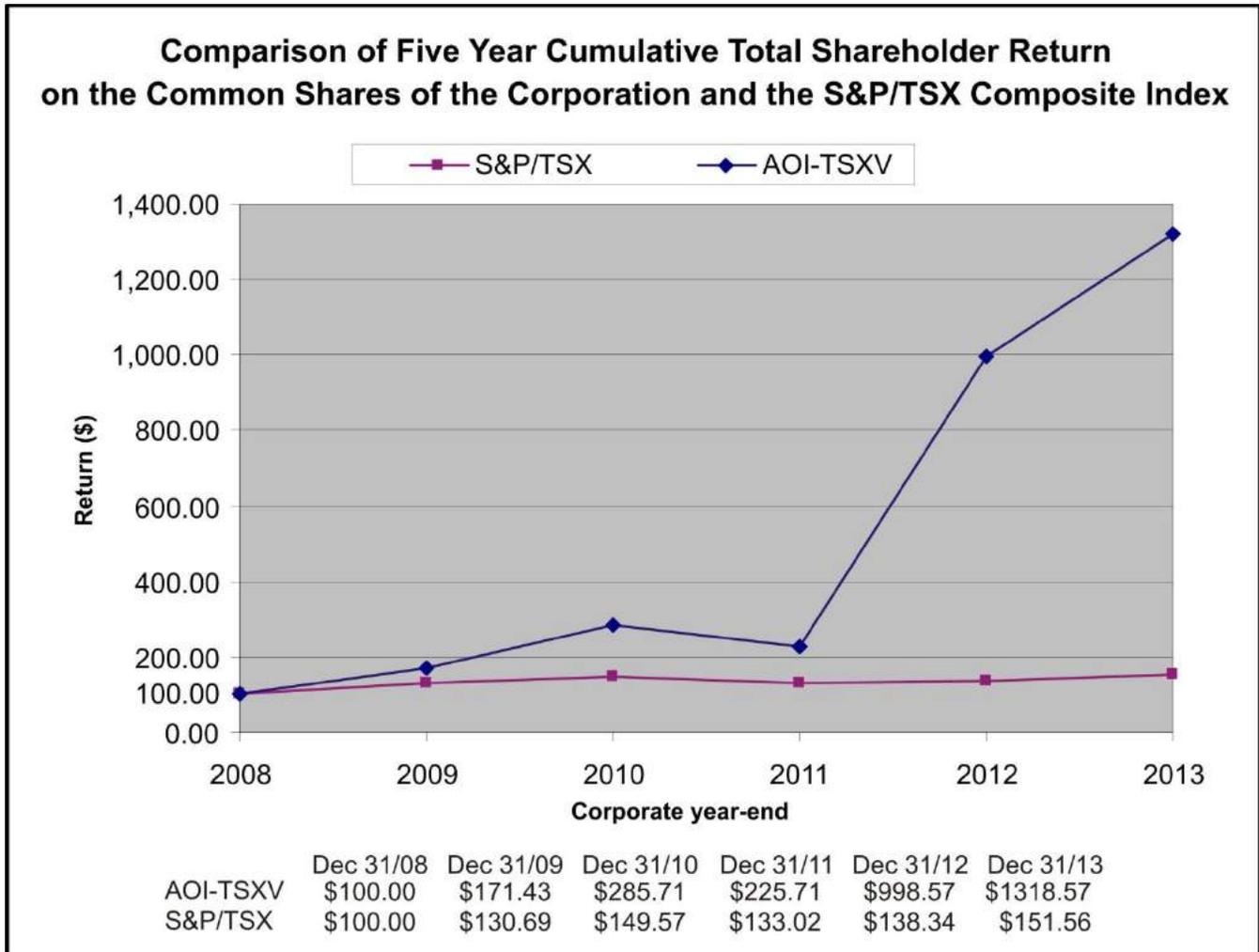
Notes:

- ⁽¹⁾ Calculated using the closing price of the common shares on the TSX Venture Exchange on the dates on which stock options vested during the financial year ended December 31, 2013, and subtracting the exercise price of in-the-money stock options.
- ⁽²⁾ 55,667 options which were issued at CAD\$1.49 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$10.58. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at November 25, 2013 of CAD\$1.00 = USD\$0.95. 33,333 options which were issued at CAD\$2.10 vested during 2013. The TSX Venture Exchange closing price of the Corporation's shares on the vesting date was CAD\$7.88. The value vested during the year was calculated in CAD\$ and converted to USD\$ using the exchange rate at January 25, 2013 of CAD\$1.00 = USD\$0.99.

Performance Graph

The following graph shows the total cumulative return on a CAD\$100 investment in Common Shares compared to the cumulative total return of the TSX Composite Index for the five most recently completed financial years ending December 31, 2013, assuming reinvestment of all dividends.

The Share performance as set out in the graph does not necessarily indicate future price performance. Amounts below are stated in Canadian dollars. The Common Shares trade on the Toronto Stock Exchange under the symbol "AOI".



Following the trend in the Corporation's stock price performance as noted in the graph, average total NEO compensation increased from 2012 to 2013. The Corporation's stock price was impacted by several new significant oil discoveries announced in the Lokichar basin of Kenya. Total NEO compensation increased in 2012 and in 2013 to acknowledge exceptional performance and significant corporate achievement in light of these discoveries.

Directors' and Officers' Liability Insurance

The Corporation maintains insurance for the benefit of its directors and officers and the directors and officers of its subsidiaries, as a group, in respect of the performance of them of the duties of their offices. The total amount of insurance coverage available is up to \$40,000,000, depending on the type of claim, with a deductible of up to \$75,000, depending on

the type of claim, for each claim for which the Corporation grants indemnification. The Corporation bears the entire cost of the premiums payable pursuant to this coverage.

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of the Corporation, proposed nominees for directors, or associates or affiliates of said persons, have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

Equity Compensation Plan Information

The Corporation's 10% Rolling Stock Option Plan, described herein, is the only compensation plan under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options (CAD\$)	Number of securities remaining available for future issuance under the Plan (excluding securities reflected in column (a))
Equity Compensation Plans approved by securityholders ⁽¹⁾	13,395,222	4.35	17,551,810 ⁽²⁾
Equity Compensation Plans not approved by securityholders	N/A	N/A	N/A
Total	13,395,222	4.35	17,551,810

Notes:

⁽¹⁾ The only compensation plan under which equity securities are authorized for issuance is the stock option plan, see "Executive Compensation – Stock Option Plan".

⁽²⁾ Based on 10% of the issued and outstanding share capital of the Corporation as at December 31, 2013 of 309,470,323.

10% Rolling Stock Option Plan

The Corporations' current 10% Rolling Stock Option Plan (the "Plan") governing the issuance of stock options was initially adopted by shareholders at the annual and special meeting held on June 23, 2008 and most recently ratified and approved by shareholders on June 3, 2013.

The material terms of the Plan can be summarized as follows:

Purpose

Management of the Corporation believes that incentive stock options serve as an important function in furnishing directors, officers, employees and consultants of the Corporation with an opportunity to invest in the Corporation in a simple and effective manner and in aligning the interests of such persons with those of the Corporation and its shareholders. The purpose of the Plan is to ensure that the Corporation is able to continue to provide an incentive-based benefits program to its directors, officers, employees and consultants that provides flexibility in the structuring of incentive benefits so as to allow the Corporation to remain competitive in the recruitment and retention of key personnel.

Administration

The Plan is administered by the secretary of the Corporation, or such director or senior officer or employee of the Corporation as may be designated as the administrator of the Plan from time to time, on the instructions of the Board.

Number of Shares

The aggregate number of shares issuable upon the exercise of all stock options granted under the Plan is not to exceed 10% of the issued and outstanding share capital of the Corporation on a non-diluted basis at any time, and such aggregate number of shares shall automatically increase or decrease as the number of issued and outstanding shares changes. If any option granted under the Plan expires or terminates for any reason in accordance with the terms of the Plan without being exercised, the un-purchased shares will again be available for the purpose of the Plan. The aggregate number of shares reserved for issuance pursuant to the Plan or any other share compensation arrangement to any one participant within a one-year period is not to exceed 5% of the shares outstanding at the time of the grant, unless disinterested shareholder approval is obtained. The aggregate number of shares reserved for issuance pursuant to the Plan or any other share compensation arrangement to insiders is not to exceed 10% of the shares from time to time, unless disinterested shareholder approval is obtained. The aggregate number of options which may be granted pursuant to the Plan or any other share compensation arrangement to insiders within a one-year period is not to exceed 10% of the shares outstanding from time to time, unless disinterested shareholder approval is obtained.

Eligible Participants

Pursuant to the Plan, stock options may be granted to an employee, director, officer or management company, employee of the Corporation, or other persons who perform management or consulting services or investor relations services for the Corporation or any of its subsidiaries on an ongoing basis.

Expiry of Option

In the event that an option holder should die while he or she is still a director or employee of the Corporation, the expiry date of the option is one year from the date of death of the option holder.

In the event that an option holder who has received stock options in his or her capacity as a director of the Corporation ceases to be a director of the Corporation other than by reason of death, the expiry date of the options will be the 30th day following the date the option holder ceases to be a director of the Corporation unless the option holder continues to be engaged by the Corporation as an employee, in which case the expiry date will remain unchanged, or where the option holder ceases to be a Director of the Corporation as a result of ceasing to meet the qualifications under section 124 of the *Business Corporations Act* (British Columbia) (the "**Act**"), a special resolution being passed by the shareholders of the Corporation pursuant to subsection 128(3) of the Act, or by order of the British Columbia Securities Commission, the Exchange or any regulatory body having jurisdiction to do so, in which case the expiry date will be the date the option holder ceases to be a director of the Corporation.

In the event that an option holder who has received stock options in his or capacity as a employee of the Corporation ceases to be an employee of the Corporation other than by reason of death, or if the employee is a party providing investor relations services or management or consulting services to the Corporation and ceases to continue providing such services to the Corporation, the expiry date of the option will be the 30th day following the date the option holder ceases to be an employee of the Corporation or ceases to continue providing such investor relations, management and consulting services to the Corporation, subject to the terms and conditions of the Plan.

Exercise Price

The exercise price per share is determined by the Board at the time the options are granted provided that the exercise price cannot be lower than the last closing price of the Company's shares on the Toronto Stock Exchange prior to the award date.

Term

The term of any option granted is fixed by the Board and may not exceed five years from the date of grant, except that in the event that the expiry date of an Option falls during or within two business days following the end of a blackout period of the Company pursuant to its policies (a "Blackout Period"), the expiry date of such Option shall be extended for a period of ten business days following the end of the Blackout Period.

Vesting

Options granted pursuant to the Plan will vest and become exercisable by an option holder at such time or times as may be determined by the Board at the date of the option grant and as indicated in the option grant and related option agreement. Subject to any vesting restrictions imposed by the Toronto Stock Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restrictions shall exist. Notwithstanding the foregoing, options granted to consultants providing investor relations services will vest in stages over a period of no less than 12 months with a maximum of one-quarter of such options vesting in any three month period.

Transferability

Options may not be assigned or transferred other than by will or by the applicable laws of descent and may only be exercised by the option holder.

Change of Control

In the event that a Change of Control, as defined in the Plan, occurs, each option will become fully vested and may be exercised by the option holder. After such Change of Control the option may be exercised as to all or any of the optioned shares in respect of which the option has not been exercised, on or before the earlier of the expiry of the option and that date which is 60 days after the date of notice to the holder of such Change of Control event. After such date the provisions of the option shall reapply with respect to the balance of the optioned shares in respect of which the option has not been exercised, subject to the terms of the Plan.

Disinterested Shareholder Approval Required

Any proposed amendment which involves an option held by an Insider of the Corporation (as that term is defined by the policies of the Exchange and relevant securities laws) shall first require approval from the disinterested shareholders of the Corporation at a general meeting provided that such approval is required by the Toronto Stock Exchange.

Termination

The Board may terminate the Plan at any time provided that such termination will not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option awarded prior to the date of such termination and notwithstanding such termination the Corporation, such options, option holders, directors and employees and shares shall continue to be governed by the provisions of the Plan.

At the Meeting, shareholders will be asked to approve an ordinary resolution to amend the terms of the Stock Option Plan. See "*Business of the Annual General Meeting*" for details of the proposed amended terms and Appendix A for a copy of the full Stock Option Plan with the proposed amended terms.

MANAGEMENT CONTRACTS

Other than as disclosed herein, management functions of the Corporation and its subsidiaries are performed by directors, executive officers or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

During the fiscal year ended December 31, 2013, none of the insiders of the Corporation or any proposed nominee for election as director, nor any associate or affiliate of said persons has had any material interest, direct or indirect, in any transaction, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

As required by National Instrument 52-110, information about the Company's Audit Committee is provided in the Corporation's most recent Annual Information Form ("AIF") under "Audit Committee and National Instrument 52-110". The AIF may be obtained from the Corporation's disclosure documents available on the SEDAR website at www.sedar.com.

OTHER MATTERS

Management of the Corporation knows of no other matters which will be brought before the Meeting, other than those referred to in the Notice of Meeting. Should any other matters properly be brought before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgment of the persons voting such proxies.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR under the Corporation's profile at www.sedar.com. Financial information regarding the Corporation is provided in the consolidated annual financial statements and related management's discussion and analysis ("MD&A") for its most recently completed financial year.

Copies of the consolidated financial statements and related MD&A, as well as a copy of the Corporation's Annual Information Form ("AIF") for the fiscal year ended December 31, 2013, may be accessed on the Corporation's website at www.africaoilcorp.com or shareholders may contact the Corporation to request copies of the consolidated financial statements, MD&A and AIF, as follows:

- (i) e-mail: africaoilcorp@namdo.com
- (ii) telephone: 604-689-7842
- (iii) mail: Africa Oil Corp. - Attn: Investor Relations
Suite 2000, 885 West Georgia Street
Vancouver, B.C., V6C 3E8

Appendix A – STOCK OPTION PLAN

(As amended by the Corporation's Board of Directors on August 28, 2013 and April 23, 2014, respectively, and approved by the Corporation's shareholders on _____.)

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) "Administrator" means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) "Affiliate" has the meaning ascribed thereto by the policies of the Exchange as amended from time to time;
- (c) "Associate" has the meaning ascribed thereto in the *Securities Act* as amended from time to time;
- (d) "Award Date" means the date on which the Board grants and announces a particular Option;
- (e) "Board" means the board of directors of the Company;
- (f) "Change of Control" means any of the following:
 - (i) the sale by the Company of all or a material portion of the assets of the Company;
 - (ii) the acquisition by any Person (whether from the Company or from any other Person) of Shares or other securities of the Company having rights of purchase, conversion or exchange into Shares of the Company which together with securities of the Company held by such Person, together with Persons acting jointly or in concert (as those terms are defined by the Securities Act with such Person, exceeds 20% of the issued and outstanding Shares of the Company on a fully diluted basis assuming, (i.e. for either test, the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares of the Company, such Person or Persons would be entitled to);
 - (iii) the amalgamation or merger of the Company with or into any one or more other corporations (other than: (a) an amalgamation or merger of the Company with or into a Subsidiary of the Company; or (b) an amalgamation or merger of the Company unanimously recommended by the Board of Directors provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated or merged corporation having attached thereto not less than 51% of the votes attached to all shares of such amalgamated or merged corporation);
 - (iv) the election at a meeting of the Company's shareholders of that number of persons which would represent a majority of the Board as directors of the Company, who are not included in the slate for election as directors proposed to the Company's shareholders by management of the Company;

- (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii) or (iv) above; or
- (vi) a reasonable determination by the Board of Directors that there has been a change, whether by way of a change in the holding of the Shares, in the ownership of the Company's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Company;
- (g) "Company" means Africa Oil Corp. or any "affiliate" (as defined under the *Business Corporations Act* (British Columbia));
- (h) "Director" means any individual holding the office of director or senior officer of the Company;
- (i) "Eligible Person" means an Employee, Director, or Officer of the Company or any of its subsidiaries and, includes a company that is wholly-owned by such persons;
- (j) "Employee" means any individual regularly employed on a full-time or part-time basis by the Company or other persons who perform management or consulting services or investor relations services for the Company on an ongoing basis;
- (k) "Exchange" means the Toronto Stock Exchange or any other stock exchange on which the shares are listed.
- (l) "Exercise Notice" means the notice respecting the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder;
- (m) "Exercise Period" means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;
- (n) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with paragraph 3.5;
- (o) "Expiry Date" means the date determined in accordance with paragraph 3.3 and after which a particular Option cannot be exercised;
- (p) "Insider" of the Company shall mean a Participant who is an "insider" of the Company as defined in the *Securities Act*.
- (q) "Option" means an option to acquire Shares, awarded to a Director or Employee pursuant to the Plan;
- (r) "Option Commitment" means the Commitment, substantially in the form set out as Schedule "A" hereto, evidencing an Option;
- (s) "Option Holder" means a Director or Employee or former Director or Employee, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (t) "Participant" means, in respect of the Plan, an Eligible Person who elects to participate in the Plan.

- (u) "Plan" means this 10% Rolling Stock Option Plan;
- (v) "Personal Representative" means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder; and
- (w) "Securities Act" means the *Securities Act*, R.S.B.C., 1996 c. 418, as amended from time to time.;
- (x) "Share" or "Shares" means, as the case may be, one or more common shares without par value in the capital of the Company;
- (y) "Share Compensation Arrangement" means any compensation or incentive mechanism of the Company involving the issuance or potential issuance of securities of the Company; and
- (z) "Take-Over Proposal" means (i) any proposal or offer by a third person, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of the Company's outstanding voting shares whether by way of arrangement, amalgamation, merger, consolidation or other business combination, including without limitation any single or multi-step transaction or series of related transactions that is structured to permit such third person to acquire in any manner, directly or indirectly, more than 50% of its outstanding voting shares, or (ii) any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or similar transaction or other business combination involving the Company.

1.2 CHOICE OF LAW

The Plan is established under and the provisions of the Plan shall be interpreted and construed in accordance with the laws of the Province of British Columbia.

1.3 HEADINGS

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 PURPOSE

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors and Employees, to reward such of those Directors and Employees as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors and Employees to acquire Shares as long term investments.

2.2 PARTICIPATION

The Board shall, from time to time, in its sole discretion determine those Directors and Employees, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. If the Board elects to award an Option to an Employee, the number of Shares to be acquired on the exercise of such Option,

shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the annual salary of the Employee as at the Award Date in relation to the total annual salaries payable by the Company to all of its Employees as at the Award Date;
- (b) the length of time that the Employee has been employed by the Company; and
- (c) the quality of work performed by the Employee.

2.3 REPRESENTATION OF EMPLOYEE STATUS

In awarding an Option to an Employee, the Board shall represent, on behalf of the Company that the Employee is either:

- (a) a bona fide employee of the Company, being:
 - (i) an individual who is considered an employee under the *Income Tax Act* (i.e., for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company on continuing and regular basis providing services normally provided by an employee and who is subject the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (b) a bona fide management company employee, being an individual employed by a party providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a party engaged in investor relations activities; or
- (c) a bona fide consultant, being in relation to the Company, an individual (or a company of which the individual is an employee or shareholder or a partnership of which the individual is a partner) who:
 - (i) provides ongoing consulting services to the Company or an Affiliate of the Company under a written contract;
 - (ii) possesses technical, business or management expertise of value to the Company or an Affiliate of the Company;
 - (iii) spends a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

2.4 NOTIFICATION OF AWARD

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Commitment representing the Option so awarded.

2.5 COPY OF PLAN

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.6 LIMITATION

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee the right to be or to continue to be employed by the Company.

ARTICLE 3
TERMS AND CONDITIONS OF OPTIONS

3.1 BOARD TO ALLOT SHARES

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 NUMBER OF SHARES

- (a) Subject to adjustment as provided in Section 3.8 hereof, the aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding share capital of the Company on a non-diluted basis at any time, and such aggregate number of Shares shall automatically increase or decrease as the number of issued and outstanding Shares changes.
- (b) If any Option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the un-purchased Shares subject thereto shall again be available for the purpose of this Plan.
- (c) The aggregate number of Shares reserved for issuance pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to any one Participant within a one-year period shall not exceed 5% of the Shares outstanding at the time of the grant, unless the Company has obtained Disinterested Shareholder Approval to do so.
- (d) The aggregate number of Shares reserved for issuance pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders shall not exceed 10% of the Shares outstanding from time to time unless the Company has obtained Disinterested Shareholder Approval to do so.
- (e) The aggregate number of Options which may be granted pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders within a one-year period shall not exceed 10% of the Shares outstanding from time to time unless the Company has obtained Disinterested Shareholder Approval to do so.

3.3 TERM OF OPTION

Subject to paragraphs 3.4 and 3.11, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the fifth anniversary of the Award Date of such Option.

3.4 TERMINATION OF OPTION

An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below:

(a) Death

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee (if he or she holds his or her Option as Employee), the Expiry Date shall be one (1) year from the date of death of the Option Holder; or

(b) Ceasing to hold Office

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in section 124 of the *Business Corporations Act* (British Columbia) or such other qualifications required by the corporate laws in any other jurisdiction under which the Company is continued or amalgamated; or
- (ii) a special resolution having been passed by the members of the Company pursuant to subsection 128(3) of the *Business Corporations Act* (British Columbia) or an equivalent enactment pursuant to the corporate laws in any other jurisdiction under which the Company is continued or amalgamated; or
- (iii) by order of the British Columbia Securities Commission, the Toronto Stock Exchange or any regulatory body having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be Employed

In the event that the Option Holder holds his or her Option as an Employee of the Company and such Option Holder ceases to be an Employee of the Company other than by reason of death, or if the Employee is a party providing investor relations services or management or consulting services to the Company and ceases to continue providing such services to the Company, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to be an Employee of the Company or ceases to continue providing such investor relations, management and consulting services to the Company unless the Option Holder ceases to be an Employee of the Company or ceases to continue providing such services to the Company as a result of:

- (i) termination for cause; or

- (ii) by order of the British Columbia Securities Commission, the Exchange, or any regulatory body having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to be an Employee of the Company or ceases to continue providing such services.

3.5 EXERCISE PRICE

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion and announced as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the last daily closing price of the Company's shares on the Exchange prior to the Award..

3.6 REDUCTION IN EXERCISE PRICE FOR INSIDERS

Disinterested shareholder approval will be obtained for any reduction in the Exercise Price if the Option Holder is an Insider of the Company at the time of the proposed amendment.

3.7 ASSIGNMENT OF OPTIONS

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.8 ADJUSTMENTS

If prior to the complete exercise of any Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event"), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 100 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

3.9 VESTING

- (a) Options granted pursuant to the Plan shall vest and become exercisable by an Option Holder at such time or times as may be determined by the Board at the date of the Option grant and as indicated in the Option Grant and Option Commitment related thereto. Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. Notwithstanding the foregoing, Options granted to Consultants providing Investor Relations Services shall vest in stages over a period of no less than 12 months with a maximum of one-quarter of such Options vesting in any three month period.
- (b) Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Company of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price of the Shares to be purchased by cash, certified cheque, wire transfer or bank draft. Certificates for such Shares shall be issued and delivered to the Option Holder within a reasonable time following the receipt of such notice and payment.
- (c) Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part at any time and from time to time during the term of the Option. To the extent required

by the Exchange, no Option may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.

- (d) Except as set forth in paragraph 3.4, no Option may be exercised unless the Participant is at the time of such exercise a Director, Officer, Consultant, or Employee of the Company or any of its Subsidiaries, or a Management Company Employee of the Company or any of its Subsidiaries.
- (e) No Participant or his/her legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Company unless and until the certificates for Shares issuable pursuant to Options under the Plan are issued to him/her or them under the terms of the Plan.
- (f) The Option Commitment representing any such Option will disclose any vesting conditions.

3.10 HOLD PERIOD

In certain circumstances, an Option and any Shares issued under such Option, may be subject to a four-month hold period, from the time the Option was granted during which period they cannot be sold and, in accordance with the Exchange's policies, the certificates representing such Shares shall be legended accordingly. Shares issued on the exercise of an Option may be subject to such other hold periods as may be imposed by the Exchange or under the *Securities Act*.

3.11 EXTENSION OF EXPIRY TIME DURING BLACKOUT PERIODS

Notwithstanding the provisions contained herein for the expiry of Options, in the event that the expiry date of an Option falls during or within two (2) business days following the end of a blackout period of the Company pursuant to its policies (a "Blackout Period"), the expiry date of such Option shall be extended for a period of ten (10) business days following the end of the Blackout Period.

ARTICLE 4 CHANGE OF CONTROL

In the event that a Change of Control has occurred, each outstanding Option shall immediately become fully vested and may be exercised in whole or in part by the Option Holder. After such Change of Control the Option may be exercised, notwithstanding Article 3.8, as to all or any of the optioned Shares in respect of which the Option has not been exercised, on or before the earlier of the expiration of the term of the Option and 5:00 p.m. (Vancouver time) on that date which is 60 days after the date of notice to the Option Holder of such Change of Control event. After such date the provisions of the Option shall reapply with respect to the balance of the optioned Shares in respect of which the Option has not been exercised provided that, for the purposes of Article 6.2, any optioned Shares purchased pursuant to this subsection shall be deemed to have been the optioned Shares in respect of which the Option Holder could have exercised the Option earliest.

If approved by the Board, Options may provide that, whenever the Company's shareholders receive a Take-over Proposal, such Option may be exercised as to all or any of the Shares in respect of which such Option has not previously been exercised (including in respect of Shares not otherwise vested at such time) by the Participant (the "Take-over Acceleration Right"). The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth (10th) day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve.

If the Participant elects to exercise its Option to purchase Shares following the merger or consolidation of the Company with any other corporation, whether by amalgamation, plan of arrangement or otherwise, the Option Holder shall be entitled to receive, and shall accept, in lieu of the number of Shares of the Company to which he was theretofore entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder could have been entitled to receive as a result of such merger or consolidation if, on the effective date thereof, he/she had been the registered holder of the number of Shares of the Corporation to which he/she was theretofore entitled to purchase upon exercise of such Options.

ARTICLE 5 EXERCISE OF OPTION

5.1 EXERCISE OF OPTION

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Commitment and a certified cheque(s) or bank draft(s) payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares to be purchased pursuant to the exercise of the Option and the amount of applicable statutory withholding taxes or other amounts which the Company or its Affiliate is required by any law or regulation of any governmental authority to deduct or withhold.

5.2 ISSUE OF SHARE CERTIFICATES

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased.

5.3 CONDITION OF ISSUE

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of any stock exchange or exchanges on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

ARTICLE 6 ADMINISTRATION

6.1 ADMINISTRATION

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director, officer or employee of the Company such administrative duties and powers as it may see fit.

6.2 INTERPRETATION

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

6.3 STATUTORY WITHHOLDINGS

As a condition of participation in the Plan, an Option Holder shall authorize the Company in written form to collect and withhold from the Option Holder or its agent, as the case may be, any amounts required by applicable legislation to be withheld for any taxes, or otherwise, as a consequence of such participation in the Plan.

ARTICLE 7
AMENDMENT AND TERMINATION

7.1 AMENDMENTS TO THE PLAN

The Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively amend, suspend, or terminate this Plan or any Option granted under this Plan:

- (a) for the purposes of making minor or technical modifications to any of the provisions of this Plan;
- (b) to correct any ambiguity, defective provisions, error or omission in the provisions of this Plan;
- (c) to change any vesting provisions of Options;
- (d) to extend the expiration date of any Option provided that the period during which an Option is exercisable does not exceed 10 years from the date the Option is granted;
- (e) to add or change provisions relating to any form of financial assistance provided by the Company to Eligible Persons that would facilitate the purchase of securities under the Plan;
- (f) to add a cashless exercise feature to any Option or to the Plan, providing for the payment in cash or securities upon the exercise of Options;
- (g) to reduce the exercise price of any Option previously granted in accordance with the Plan, provided however that:
 - a. such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
 - b. no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of an optionee with respect to any then outstanding Option, as determined by the Board acting in good faith, without his or her consent in writing; and
- (h) if required by the rules of the Exchange, the Board shall obtain disinterested shareholder approval of the following:

- a. any amendment to increase the maximum number of Shares issuable upon the exercise of all Options granted under the Plan specified in Section 3.2 (e) (other than pursuant to Section 3.8);
- b. any amendment that would reduce the exercise price of an outstanding Option granted to an insider (other than pursuant to Section 3.2);
- c. any amendment that would extend the term of any Option granted to an insider;
- d. any amendment that would remove or exceed the insider participation limit set out in Section 3.2(d); and
- e. a change to this Section 7.1 of this Plan.

7.2 TERMINATION

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination the Company, such Options, Option Holders, Directors and Employees and Shares shall continue to be governed by the provisions of the Plan.

7.3 AGREEMENT

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

7.4 NO REPRESENTATION OR WARRANTY

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

Dated: June 23, 2008

As ratified on June 19, 2009, May 27, 2010, May 30, 2011, May 31, 2012, June 3, 2013 and _____.)

**AFRICA OIL CORP.
STOCK OPTION PLAN - OPTION COMMITMENT**

Notice is hereby given that, effective the ____ day of _____ (the "Award Date"), Africa Oil Corp. (the "Company") has granted to _____, (the "Optionee") an Option to acquire _____ Common Shares ("Shares") in the capital stock of the Company up to 5:00 p.m. Vancouver Time on the ____ day of _____ (the "Expiry Date") at an exercise price of Cdn\$_____ per share. The grant of the Option evidenced hereby is made subject to the terms and conditions of the Company's 10% Rolling Stock Option Plan, as amended from time to time (the "Plan"), the terms and conditions of which are hereby incorporated herein.

The Shares may be acquired as follows:

- *[INSERT VESTING SCHEDULE, AS APPLICABLE]*

In the event there is a Change of Control of the Company, as such term is defined in the Plan, the Options represented by this Option Commitment shall immediately vest.

To exercise your Option, deliver a completed Exercise Notice to the Company, together with certified cheques or bank drafts in full payment of the Exercise Price and statutory deductions, if any. Certificate(s) for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of the Exercise Notice and receipt of payment.

Please acknowledge acceptance of this Option on the terms and conditions prescribed herein by returning a signed (where indicated below) copy of the same to the Company (Attention: Assistant Corporate Secretary). By signing and delivering a copy of this Option Commitment to the Company, you are acknowledging receipt of a copy of the Plan and are agreeing to be bound by all of the terms contained therein.

AFRICA OIL CORP.

Per:

Authorized Signatory

Election to Accept Option

I, _____, have received and read this Option Commitment and Plan (together, the Option Documents") and hereby elect, acknowledge and agree to accept the Option represented by this Option Commitment and to be bound by the Option Documents.

Signature: _____

Address: _____

Witness: _____

Witness Name: _____
(Printed)

Note to "reporting insiders": Please remember to comply with your reporting insider filing requirements within the time prescribed by applicable securities legislation. Reporting insider reports may only be filed electronically on the web-based system known as SEDI (www.sedi.ca).

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
Africa Oil Corp. (the "Company")
Suite 2000, 885 West Georgia Street
Vancouver, B.C.
V6C 3E8

TAKE NOTICE that the undersigned Optionee hereby irrevocably exercises his/her Option to purchase _____ common shares of the Company at a purchase price of Cdn\$____ per share pursuant to the terms and conditions of the Company's 10% Rolling Stock Option Plan , as amended from time to time, and the Option Commitment dated _____, 20__.

The undersigned tenders herewith certified cheques or bank drafts (circle one) made payable to "Africa Oil Corp." in the amount of Cdn\$_____ in full payment of the Exercise Price of the aforesaid shares, being Cdn\$_____, and in full payment of prescribed statutory deductions (if applicable), being Cdn\$_____.

[OR]

_____ (Name of Broker) will forward certified cheques or bank drafts (circle one) made payable "Africa Oil Corp." in the amount of Cdn\$_____ in full payment of the Exercise Price of the aforesaid shares, being Cdn\$_____, and in full payment of prescribed statutory deductions (if applicable), being Cdn\$_____.

The undersigned further directs Africa Oil Corp. to issue the certificate(s) evidencing said shares in the name of the undersigned to be delivered to the undersigned at the following address:

Registration Instructions:

Name

Account reference, if applicable

Address

Delivery Instructions:

Name

Account reference, if applicable

Contact Name

Address

Telephone Number

DATED the _____ day of _____, 20__.

Signature of Option Holder

Social Insurance Number (for tax purposes only)

Appendix B – BOARD OF DIRECTORS’ MANDATE

(As approved by the Board of Directors on April 23, 2014)

The following is a description of the mandate and responsibilities of the Board of Directors (the “Board”) of Africa Oil Corp. (the “Company”):

- a. The principal responsibilities of the Board are to supervise and evaluate management, to oversee the conduct of the Company’s business, to set policies appropriate for the business of the Company and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value.
- b. In discharging its duty of stewardship over the Company, the Board expressly undertakes the following specific duties and responsibilities:
 - i. adopting, supervising and providing guidance on the Company’s strategic planning process including, reviewing on at least an annual basis, a strategic plan which takes into account the opportunities and risks of the Company’s business;
 - ii. identifying the principal risks of the Company’s business and ensuring the implementation of appropriate risk management systems;
 - iii. ensuring that the Company has management of the highest calibre and maintaining adequate and effective succession planning for senior management;
 - iv. placing limits on management’s authority;
 - v. overseeing the integrity of the Company’s internal control and management information systems; and
 - vi. overseeing the Company’s communication policy with its shareholders and with the public generally.
- c. The Board’s independent directors shall meet without management and non-independent directors present on a quarterly basis. If a Lead Director has been appointed, such meetings of the independent directors will be presided over by the Lead Director.

Outside Advisors and Fulfilling Responsibilities

A director may, with the prior approval of the Chairman of the Board, engage an outside advisor at the reasonable expense of the Company, where such director and the Chairman of the Board determine that it is appropriate in order for such director to fulfill his or her responsibilities, provided that the advice sought cannot properly be provided through the Company’s management or through the Company’s advisors in the normal course. If the Chairman of the Board is not available in the circumstances, or determines that it is not appropriate for such director to so engage outside counsel, the director may appeal the matter to the Corporate Governance and Nominating Committee, whose determination shall be final.