ANNUAL INFORMATION FORM

For the Year
Ended December 31, 2018

February 28, 2019

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Defined Terms

"Africa Oil", "AOI", or the "Company")	means Africa Oil Corp.
"AIF"	means this annual information form
"Contractor Group"	means the parties, including joint venture partners, that hold a working interest in a PSA or a PSC.
"Lokichar Development Project"	means the development of the oil resources contained in the South Lokichar Basin (Blocks 10BB and 13T (Kenya)), for export via a pipeline to the coast of Kenya
"Maersk"	means Maersk Olie og Gas A/S, a Danish oil and gas company owned by the Maersk Group ans subsequently acquired by Total in August 2017.
"TSX"	means Toronto Stock Exchange.
"Africa Energy"	means Africa Energy Corp.
"BC BCA"	means Business Corporations Act (British Columbia) S.B.C. 2002 c.57, as amended
"Delonex"	means Delonex Energy Ltd.
"ECO SAA"	means the strategic alliance agreement made November 12, 2017 between the Company and ECO pursuant to which they will jointly pursue new exploration projects.
"ECO SPA"	means the share purchase agreement made November 12, 2017 between the Company and ECO.
"ECO"	means Eco (Atlantic) Oil & Gas Ltd.
"EOPS"	means Early Oil Pilot Scheme.
"FEED"	means front-end engineering and design.
"FID"	means final investment decision
"Helios"	means Helios Natural Resources 2 Ltd.
"Impact Warrants"	means the share purchase warrants of Impact issued in accordance with the Impact subscription agreement.
"Impact"	means Impact Oil and Gas Limited.
"JDA"	means joint development agreement.
"Joint Venture Partners"	means Tullow, Maersk, and Africa Oil.
"Marathon"	mean Marathon Oil Corporation.
"Nasdaq Stockholm"	means Nasdaq Stockholm exchange.
"NI 51-101"	means the National Instrument 51-101 — Standard of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.
"NI 52-110"	means the National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.
"petroleum operations"	means all exploration, gas, marketing, development, production and decommissioning operations, as well as any other activities or operations directly or indirectly related to or connected with said operations (including health, safety and environmental operations and activities) and authorized or contemplated by, or performed in accordance with, PSC's.
"Profit Oil"	means the amount of production, after deducting cost oil production allocated to costs and expenses, that would be divided between the participating parties and the host government under a Production Sharing Contract.

"PSC", "PSA", or "Production Sharing Contract"	means contracts or agreements entered into with a host government providing for petroleum operations in a defined area and the division of petroleum production from the petroleum operations.
"Standards"	means, together, the International Finance Corporation Performance Standards on Environmental and Social Sustainability and the World Bank Environment, Health and Safety Guidelines.
"Tullow"	means Tullow Oil plc.
"Vitol"	means Vitol Investment Partnership II Ltd.

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About This Annual Information Form

Financial Information

Financial information contained in this AIF is presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Africa Oil's functional and reporting currency is the United States dollar. All currency amounts in this AIF are expressed in United States dollars, unless otherwise indicated.

Presentation of Oil and Gas Information

All oil and gas information contained in this AIF has been prepared and presented in accordance with NI 51-101. The actual oil and gas resources may be greater or less than any estimates provided herein.

Forward Looking Statements

Certain statements in this document constitute forward-looking information or forward-looking statements under applicable Canadian securities law (collectively "forward-looking statements"). Forward-looking statements are statements that relate to future events, including the Company's future performance, opportunities or business prospects. Any statements that express or involve discussions with respect to expectations, beliefs, projections, plans, future events or performance (often, but not always, identified by words such as "believes", "seeks", "anticipates", "expects", "estimates", "pending", "intends", "plans", "will", "would have" or similar words suggesting future outcomes) are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements. Risks and uncertainties include, but are not limited to, risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, pricing and availability of financing and currency exchange rate fluctuations. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Forward-looking statements include, but are not limited to, statements concerning:

- Expected closing dates for the completion of proposed transactions;
- Planned exploration, appraisal and development activity including both expected drilling and geological and geophysical related activities;
- Proposed development plans;
- Future development costs and the funding thereof;
- Expected finding and development costs;
- Timing to FID;
- Anticipated future financing requirements;
- Future sources of funding for the Company's capital program;
- Future capital expenditures and their allocation to exploration and development activities;
- Expected operating costs;
- Future sources of liquidity, cash flows and their uses;
- Availability of potential farmout partners;
- Government or other regulatory consent for exploration, development, farmout, or acquisition activities;
- Future production levels;
- Future crude oil, natural gas or chemical prices;
- Future earnings;
- Future asset acquisitions or dispositions;
- Future debt levels;

- Availability of committed credit facilities;
- Possible commerciality;
- Development plans or capacity expansions;
- Future ability to execute dispositions of assets or businesses;
- Future drilling of new wells;
- Ultimate recoverability of current and long-term assets;
- Ultimate recoverability of reserves or resources;
- Estimates on a per share basis;
- Future foreign currency exchange rates;
- Future market interest rates;
- Future expenditures and future allowances relating to environmental matters;
- Dates by which certain areas will be explored or developed or will come on stream or reach expected operating capacity;
- The Company's ability to comply with future legislation or regulations;
- Future staffing level requirements; and
- Changes in any of the foregoing.

Statements relating to "reserves" or "resources" are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and can be profitably produced in the future.

These forward-looking statements are subject to known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, among others:

- Market prices for oil and gas and chemical products;
- The Company's ability to explore, develop, produce and transport crude oil and natural gas to markets;
- Production and development costs and capital expenditures;
- The imprecise nature of reserve estimates and estimates of recoverable quantities of oil, natural gas and liquids;
- Changes in oil prices;
- Availability of Financing;
- Uninsured risks;
- Regulatory changes;
- Changes in the social climate in the regions in which the Company operates;
- Health, safety and environmental risks;
- Climate change legislation and regulation changes;
- Defects in title;
- Availability of materials and equipment;
- Timelines of government or other regulatory approvals;
- Ultimate effectiveness of design or design modification to facilities;
- The results of exploration, appraisal and development drilling and related activities;
- Short term well test results on exploration and appraisal wells do not necessarily indicate the long-term performance or ultimate recovery that may be expected from a well;
- Pipeline or delivery constraints;
- Volatility in energy trading markets;
- Incorrect assessments of value when making acquisitions;
- Foreign-currency exchange rates;
- Economic conditions in the countries and regions in which the Company carries on business;
- Governmental actions including changes to taxes or royalties, and changes in environmental and other laws and regulations;
- The Company's treatment under governmental regulatory regimes and tax laws;

- Renegotiations of contracts;
- Results of litigation, arbitration or regulatory proceedings;
- Political uncertainty, including actions by terrorists, insurgent or other groups, or other armed conflict; and
- Internal conflicts within states or regions.

The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and management's future course of action would depend on its assessment of all available information at that time. Although management believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such forward-looking statements were made, no assurances can be given that such expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference into, this AIF should not be unduly relied upon.

The forward looking statements are made as of the date hereof or as of the date specified in the documents incorporated by reference into this AIF, as the case may be, and except as required by law, the Company undertakes no obligation to update publicly, re-issue, or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This cautionary statement expressly qualifies the forward-looking statements contained herein.

Cautionary Statements Regarding Well Test Results

Drill stem tests are commonly based on flow periods of 1 to 5 days and build up periods of 1 to 3 days. Pressure transient analysis has not been carried out on all well tests and the results should therefore be considered as preliminary. Well test results are not necessarily indicative of long-term performance or of ultimate recovery.

Incorporation by Reference and Date of Information

Specifically incorporated by reference and forming a part of this AIF are the Company's:

1) Material change report dated February 7, 2018;
2) Material change report dated November 1, 2018;
3) Management's discussion and analysis for the year ended December 31, 2018; and
4) Audited consolidated financial statements for the year ended December 31, 2018.

Copies of the above documents are available on the SEDAR website at www.sedar.com under the Company's profile.

All information contained in this AIF is as of December 31, 2018, unless otherwise indicated.

About Africa Oil

Introduction

Africa Oil is a Canadian oil and gas exploration company with assets in Kenya and Ethiopia. The Company also has exposure to exploration plays in other parts of Africa, including Ghana and South Africa as a result of its equity interests in Africa Energy Corp., Eco (Atlantic) Oil & Gas Ltd. and Impact Oil and Gas Limited. The Company recently signed an agreement to acquire an effective 12.5% interest in a company holding producing assets in offshore Nigeria. The completion of the transaction is subject to customary conditions precedent. Please refer to the Company's press release dated October 31, 2018 for additional details.

Below is a table showing the Company's interests, and partnership interests in exploration properties throughout several African rift basins:

Country	Concession	Gross Acreage (km^2)	Working Interests	
Kenya	10BA	11,760	AOI Total Tullow (Operator)	25% 25% 50%
	10BB	8,835	AOI Total Tullow (Operator)	25% 25% 50%
	13T	6,296	AOI Total Tullow (Operator)	25% 25% 50%
Ethiopia	Rift Basin Area	42,519	AOI (Operator)	100%

Net working interests are subject to back-in rights or carried working interests, if any, of the respective governments or national oil companies of the host governments.

The Company is continuing to seek joint venture partners to farmin to its 100% interest in the Rift Basin Area (Ethiopia). An application has been made to the Ethiopian government, seeking an extension of the current exploration period until August 2019.

Corporate Structure

Incorporation

Africa Oil Corp. was incorporated under the *BC BCA* on March 29, 1993 under the name 'Canmex Minerals Corporation' with an authorized capital of 100,000,000 common shares. On July 2, 1999 the issued and outstanding common shares of the Company were consolidated on a one-for-five basis and the authorized capital was increased, post-consolidation to 100,000,000 common shares. On August 20, 2007 the Company changed its name to 'Africa Oil Corp.' On June 19, 2009, the shareholders of the Company passed a special resolution increasing the Company's authorized share capital to an unlimited number of common shares. On June 3, 2013, the shareholders of Africa Oil passed a special resolution authorizing an alteration of the Company's articles to include advance notice provisions for the nomination of directors.

The Company's Offices and Transfer Agent

The common shares of the Company trade on the TSX and on the Nasdaq Stockholm under the trading symbol 'AOI'. The transfer agent and registrar of the Company's common shares in Canada is Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9. The registrar for the common shares of the Company in Sweden is Euroclear Sweden AB, 103 97 Stockholm, Sweden.

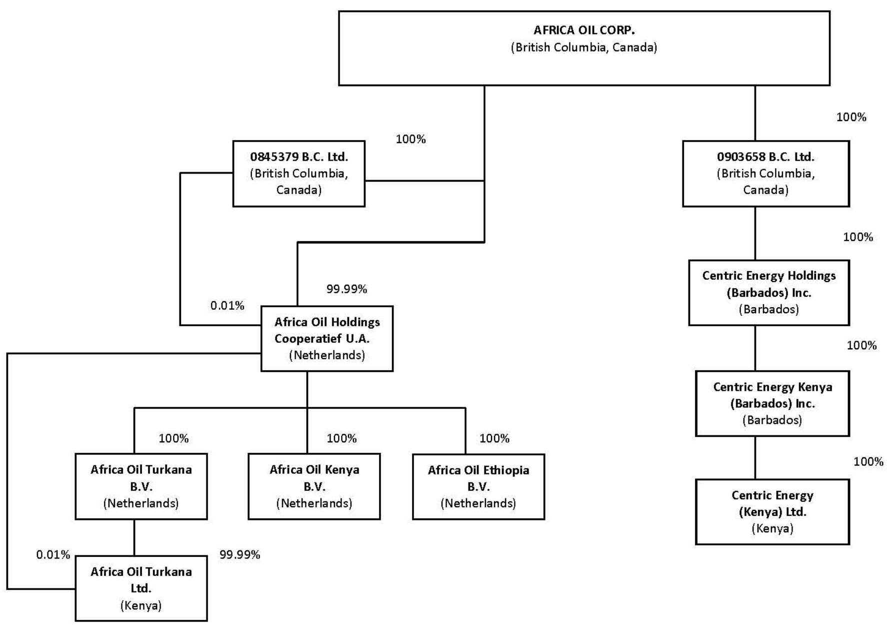
Africa Oil's registered and records office is located at Suite 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company's corporate office is located at 2000 – 885 West Georgia Street, Vancouver, B.C. V6C 3E8. The Company also has an office located at 1750, 300 – 5th Avenue SW, Calgary, AB, Canada T2P 3C4, an additional office located at 1st Floor Equatorial Fidelity Centre, Waridi Lane, Off Waiyaki Way, P.O. Box 1194-00606, Nairobi, Kenya, and an office located at 4th Floor, UNIC Ethiopia Bole Building Next to Edna Mall Bldg., P.O. Box 18847, Bole Sub City, Kebele 03/05 Addis Ababa, Ethiopia.

Employees

As of December 31, 2018, Africa Oil had 14 employees located in Canada, 12 employees located in Ethiopia, and 11 employees located in Kenya, for a total of 37 employees.

Intercorporate Relationships

The material subsidiaries owned by Africa Oil, as at the date of this AIF, are as set out in the following organizational chart:



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Africa Oil's Recent History

2016

In January 2016, Delonex completed a farm-in of 25% of Tullow's 65% interest in Block 12A following the final approval by the Government of Kenya. The Company has subsequently withdrawn from Block 12A.

On February 4, 2016, the Company completed a farmout transaction with Maersk. Maersk gained 50% of Africa Oil's interests in Blocks 10BB, 13T and 10BA in Kenya and the Rift Basin Area and South Omo Blocks in Ethiopia in consideration for reimbursement of a portion of Africa Oil's past costs and a future carry on certain exploration and development costs. At closing, $439.4 million of farmout related proceeds were received from Maersk: $350.0 million as reimbursement of past costs incurred by the Company prior to the agreed March 31, 2015 effective date and $89.4 million representing Maersk's share of costs incurred between the effective date and closing, including a carry reimbursement of $15.0 million related to exploration expenditures. Maersk also agreed to carry up to $75 million of the Company's share of development expenditures upon confirmation of resources. Upon the FID in respect of the development plan for the Lokichar Development Project, Total will be obligated to carry the Company for an additional amount of up to $405.0 million depending on meeting certain thresholds of resource growth and timing of first oil.

Also in February 2016, Delonex completed the purchase of Marathon's 50% working interest in Block 9 and 15% working interest in Block 12A.

In March 2016, Delonex completed the purchase of Marathon's 20% working interest in the South Omo Block and 50% working interest the Rift Basin Area. The Company has subsequently relinquished its interest in the South Omo Block and intends to relinquish its interest in the Rift Basin Area.

During the first quarter of 2016, the Cheptuket-1 well (Block 12A) completed drilling to a depth of 3,083 meters. The well encountered oil shows, seen in cuttings and rotary sidewall cores, across a large interval of over 700 meters. Cheptuket-1 was the first well to test the Kerio Valley Basin. While shows were encouraging, upon further technical and commercial review, the Company elected to withdraw from the block during the first quarter of 2017.

Also in the first quarter of 2016, the Government of Kenya agreed to an 18-month extension to the first additional exploration period on Block 10BA, allowing the Joint Venture Partners to fully integrate the learnings from activities on Blocks 13T and 10BB into decisions on activities to be undertaken on Block 10BA.

In April 2016, the Governments of Uganda and Kenya announced that separate export pipelines would be developed for the export of production from the development of oil resources in their respective countries. The Joint Venture Partners signed a Memorandum of Understanding with the Government of Kenya, confirming the intent of the parties to jointly progress the development of a Kenya crude oil pipeline which will run from South Lokichar to the port of Lamu.

On May 10, 2016, the Company announced details of an updated independent assessment of the Company's contingent resources in the South Lokichar Basin in Blocks 10BB and 13T (Kenya). The estimated gross 2C unrisked resources in the South Lokichar Basin, Kenya had increased by 150 million barrels (or 24%) since they were previously assessed during 2014, to 766 million barrels of oil (Development Pending: 754 million barrels and Development Unclarified: 12 million barrels). The effective date of this assessment was December 31, 2015, and it was carried out in accordance with the standards established by NI 51-101. Please refer to the Company's press release dated May 10, 2016 for details of the contingent resources by field.

In July 2016, the Government of Kenya agreed to a three-year extension to the Second Additional Exploration Period in Blocks 10BB and 13T (now expiring 18 September 2020).

In Block 9, the Company continued to assess the results of its 2014 drilling program. The Government of Kenya granted a twelve-month extension to the second additional exploration period. The Company has subsequently relinquished its interest in Block 9.

2017

In January 2017, the Erut-1 well in Block 13T, Northern Kenya, resulted in a discovery, indicating that oil has migrated to the northern limit of the South Lokichar basin. A second discovery was made in the Block during May 2017, at Emekuya-1, encountering significant oil sands, demonstrating oil charge across an extensive part of the Greater Etom structure and further de-risking the northern area of the basin.

Also in January 2017, the Company elected to relinquish its interest in the South Omo Block (Ethiopia) at the expiry of the exploration period.

During February 2017 the Company notified its Joint Venture Partners of its decision to withdraw from Block 12A (Kenya).

In May 2017 the Company and Total agreed to payment terms related to the $75 million advance development carry. Africa Oil received equal quarterly payments of $18.75 million at the end of each calendar quarter during 2018. Upon FID of the South Lokichar Development Project, Total may be obligated to carry the Company for an additional amount of up to $405 million dependent upon meeting certain thresholds of resource growth and the timing of first oil.

The Etiir-1 exploration well in Kenya, which targeted a large, shallow, structural closure immediately to the west of the Greater Etom structure, spudded in late June and was unsuccessful with no material reservoir development or shows encountered. Although dry, drilling results were utilized in defining the westerly extent of the Greater Etom Structure. The Etiir-1 well has been plugged and abandoned.

The Ekales-3 well in Kenya was drilled to a total measured depth of 2,721 meters and finished drilling during the third quarter of 2017. The well targeted an undrilled fault block adjacent to the Ekales field. While reservoir and oil shows were encountered, and oil sampled, the well was deemed non-commercial.

The 2017 exploration and appraisal drilling campaign was completed in the fourth quarter, following the drilling of the Amosing-7 appraisal well. The PR Marriott Rig-46 was demobilized. Two discoveries were made during the campaign.

Multiple appraisal wells were drilled in the Ngamia, Amosing and Etom fields during 2017: Ngamia-10 (65 meters of net oil pay), Amosing-6 (35 meters of net oil and gas pay), Amosing-7 (25 meters of net oil and gas pay) and Etom-3 (25 meters of net oil and gas pay). An extensive wireline evaluation program, including sampling, were undertaken on all appraisal wells. The Ngamia-10, Amosing-6 and 7 and Etom-3 wells all improved the definition of the limits of their respective fields. However, the presence of rift edge facies has limited their net pay. These drilling results will be incorporated into the geological models that will be utilized for potential field development plans.

The Auwerwer and Lokone reservoirs in the Etom-2 well were tested utilising artificial lift and flowed at 752 bopd and 580 bopd respectively which was lower than anticipated. As a result, the Joint Venture Partners will undertake further technical work to assess how representative the tests may have been and identify potential options to increase flow rates from the Etom field.

Activity was then focused on collecting dynamic field data through extended production and water injection testing. The Ngamia-11 appraisal well (143 meters of net oil pay) was completed and was utilized in a waterflood pilot test planned to be run throughout the first half of 2018. The waterflood pilot included the previously drilled Ngamia 3, 6 and 8 wells. This pilot was designed to deliver a long-term assessment of the enhanced oil recovery that may be expected as a result of water injection. The waterflood pilot followed up the successful water injection testing program which was completed during the first half of 2017 on the Ngamia and Amosing fields. Additionally, the Company and its partners aimed to initiate extended well testing on wells in the Amosing and Ngamia fields, commencing early in 2018, with produced oil from testing initially being stored in the field and later transported as part of the EOPS.

A JDA, setting out a structure for the Government of Kenya and the Joint Venture Partners to progress the development of the export pipeline was signed on October 25, 2017. The JDA allows important studies to commence such as FEED, Environmental and Social Impact Assessments, as well as studies on pipeline financing and ownership. These studies were initiated in 2017 and were to continue throughout 2018

During 2017, the Joint Venture Partners entered the Second Additional Exploration Period on Block 10BA, expiring October 2019.

On November 13, 2017, the Company announced that it had entered into the ECO SPA and the ECO SAA with ECO for exploration in West Africa and Guyana. Under the terms of the ECO SPA, the Company acquired a 19.77% shareholding in ECO through the purchase, by way of private placement, of 29.2 million common shares at CAD$0.48 per share for a total consideration of CAD$14.0 million (USD$10.9 million). The ECO SPA also provides the Company with the right to participate in any future ECO equity issuances, on a pro rata basis, and to appoint one nominee to ECO's board of directors. As a result, Keith Hill, Africa Oil's President & Chief Executive Officer, joined the ECO board of directors in December 2017.

Africa Oil also announced on November 13, 2017 that, as part of the ECO SPA, Africa Oil and ECO had entered into a strategic alliance agreement, whereby they would jointly pursue new exploration projects. Pursuant to the terms of the ECO SAA, the Company is entitled to bid jointly on any new assets or ventures proposed to be acquired by ECO, on the same terms as ECO and for an interest at least equal to the Company's percentage holding of the common shares in ECO from time to time. Additionally, under the terms of the ECO SAA, Africa Oil also had a right of first offer on the farmout of exploration properties currently held by ECO.

2018

On February 7, 2018, the Company announced that the Joint Venture Partners had agreed on a plan to move forward with the South Lokichar Basin development and had proposed to the Government of Kenya that the Amosing and Ngamia fields be developed as the initial stage of the South Lokichar development. The plan, which allows acceleration of a crude export pipeline through Northern Kenya, includes a central processing facility and an export pipeline to Lamu, approximately 750 kilometers from the South Lokichar basin on the Kenyan coast. It also provides for 210 wells through 18 well pads at Ngamia and 70 wells through seven well pads at Amosing, with a planned plateau rate of 60,000 to 80,000 bopd. The Company additionally noted that this plan would set the stage for additional exploration, appraisal and development to increase plateau production to 100,000 bopd or greater. Africa Oil anticipated that FEED for the initial stage would commence in 2018, with FID targeted for 2019 and first oil in 2021/22.

Also on February 7, 2018, the Company announced that it had gained additional exposure to exploration plays in Africa as it entered into a subscription agreement with *inter alia* Impact, an independent UK oil exploration company holding assets and operating offshore southern and west Africa. The subscription agreement provided for the purchase by Africa Oil of 59,681,539 ordinary Impact shares and 29,840,769 ordinary Impact Warrants, subject to customary adjustment provisions in respect of anti-dilution matters, for an aggregate subscription price of approximately USD$15 million. The exercise price of the Impact Warrants is £0.25 per Share. The Impact Warrants shall expire on April 27, 2021, subject to early expiration in the event of a liquidity event in respect of Impact. In addition, the subscription agreement provided that during the nine (9)-month period after closing of the transactions contemplated by the subscription agreement, at the election of either Africa Oil or Impact, Africa Oil may additionally acquire 9,946,923 shares in Impact and 4,973,461 Impact Warrants for an aggregate subscription price of approximately USD$2,500,000. The Impact Warrants are subject to customary adjustment provisions in respect of anti-dilution matters.

The Company concurrently entered into an investors' agreement with Impact and certain other shareholders of Impact providing Africa Oil with the right to nominate up to two members of the board of directors of Impact (which may consist of a maximum of nine (9) members) based on certain share ownership thresholds and consent rights with respect to certain fundamental matters in respect of Impact, including the future issuance of securities of Impact, provided that such rights will cease upon Africa Oil holding less than 10% of Impact's shares. At the same time, the Company entered into a share purchase agreement with Helios and issued 13,946,545 shares to Helios for the acquisition by the Company of 70,118,381 Impact shares and 15,529,731 warrants held by Helios in the capital of Impact. Upon completion of the transactions contemplated by the Helios share purchase agreement, the warrants held by Helios in the capital of Impact, which are subject to customary adjustment provisions in respect of anti-dilution matters, would have an exercise price of £0.18 per share for a 12-month period, and if not exercised during such period, £0.25 thereafter and shall have the same expiry date as the Impact Warrants. The above agreements included transactions that were subject to certain customary conditions to closing.

On March 7, 2018, the Company announced that it had completed its initial investment in Impact, and confirmed the above issuance of 13,946,545 common shares in the capital of the Company to Helios as the Company invested USD$15 million and acquired 129.8 million shares in the capital of Impact and 45.4 million Impact Warrants providing the Company with an approximate 25.2% equity ownership interest in Impact.

On May 4, 2018, the Company announced that it had participated in a private placement offering, in which the Company invested USD$17,999,969, and acquired 144,956,250 common shares of Africa Energy for CAD$0.16 per common share (USD$0.1242 per common share), increasing the Company's ownership interest in Africa Energy from 28.5% to 34.5%.

In June 2018, the Company reviewed options for further exploration and appraisal of prospects adjacent to the Sala-1 gas discovery. After a technical and commercial review, the Company elected to relinquish the Block prior to the June 30, 2018 expiration date.

On October 31, 2018, the Company announced it had entered into a share purchase agreement, with a consortium comprising the Company with a 25% interest, Delonex with a 25% interest, and Vitol with a 50% interest to acquire a 50% ownership interest in Petrobras Oil and Gas B.V. for $1.407 billion, on a cash and debt-free basis as of the effective date of January 1, 2018. The Company also entered into a subscription and shareholders' agreement in respect of the same transaction. BTG Pactual E&P B.V. will continue to own the remaining 50% of POGBV. The transaction is subject to customary conditions precedent, including Nigerian government consent. POGBV's primary high-quality assets include:

a) An indirect 8% interest in Oil Mining Lease 127, containing the Agbami Field, Nigeria which has been in production since 2008 and is currently operated by affiliates of Chevron Corporation; and
b) An indirect 16% interest in OML 130, operated by affiliates of TOTAL S.A. OML 130, containing the Akpo Field, Nigeria which has been in production since 2009, and the Egina development, the largest investment project currently ongoing in the oil and gas sector in Nigeria, which commenced production at the end of 2018.

On December 20, 2018, the Company announced that it had entered into an additional subscription agreement with Impact, which provided for the exercise by Africa Oil of the 50,343,961 ordinary share purchase warrants in Impact held by Africa Oil at an exercise price of £0.18 per warrant (total exercise cost: USD $11.6 million) and the purchase by Africa Oil of ordinary shares of Impact in an aggregate amount of USD$6.3 million. The funds provided by the Company to Impact were used by Impact as a loan to Arostyle Investments (Proprietary) Limited to allow Main Street 1549 Proprietary Limited to acquire a 5.1% effective interest in Block 11B/12B, located in the Outeniqua Basin approximately 175 kilometers off the southern coast of South Africa. In addition, Africa Oil completed the previously announced acquisition of additional shares and warrants in Impact for an aggregate subscription price of USD$2.5 million in November 2018.

As of the Date of This AIF

In February 2019, the Company announced a significant gas condensate discovery, by Africa Energy and its partners, on the Brulpadda prospects located on Block 11B/12B offshore South Africa. The Brulpadda well was drilled in approximately 1,400 meters of water by Total as operator of the Odfjell Deepsea Stavanger semi-submersible rig. The well targeted two objectives in a deep marine fan sandstone system within combined stratigraphic/structural closure. Following the success of the main objective, the well was deepened to a final depth of 3,633 meters and was successful in the Brulpadda-deep prospect. The well encountered a total of 57 meters of net gas condensate pay over two Lower Cretaceous high-quality reservoirs. Core samples were taken in the upper reservoir, and a comprehensive logging and sampling program was performed over both reservoirs. The discovery has opened a new world-class gas and oil play and is well positioned to test several follow-on prospects on the same block. The Block 11B/12B partners plan to acquire 3D seismic this year, followed by up to four exploration wells. Africa Oil holds an indirect interest in the project as a result of its equity ownership interest in Africa Energy (35%) and Impact (30%).

The Company’s Business

General

Africa Oil is an international oil and gas exploration and development company, based in Canada, with oil and gas interests in Kenya. The Company has also made equity investments in a number of international oil and gas exploration companies and has announced a proposed transaction to acquire an interest in a Company holding interests in producing and developing oilfields in deep-water Nigeria.

The Company’s long-range plan is to increase shareholder value through the acquisition, exploration, development and production associated with oil and gas assets. Africa Oil has actively explored on multiple onshore exploration blocks in various under-explored geological settings in East Africa. The Company has made numerous oil discoveries in the South Lokichar Basin (Blocks 10BB and 13T) located in the Tertiary Rift trend in Kenya. Appraisal activities are ongoing with the goal of sanctioning development of the oil fields in the South Lokichar Basin. Africa Oil will continue to consider acquisition and merger opportunities, focusing on Africa.

The board of directors of Africa Oil may, in its discretion, approve asset or corporate acquisitions or investments that do not conform to the guidelines discussed above based upon the board’s consideration of the qualitative and quantitative aspects of the subject properties, including risk profile, anticipated return on investment, technical upside, resource potential, reserve life and asset quality.

Specialized Skill and Knowledge

Given the nature of operations in the oil and gas industry the Company requires experienced professionals with specialized skills and knowledge to gather, interpret and process geological and geophysical data, design, drill and complete wells, and numerous additional activities required to explore for, and produce, oil and natural gas. This includes experienced professionals with specialist data analytical skills, mathematical and computer skills, and a solid knowledge of geological information, such as seismic and electromagnetic methods, and rock properties to assist in determining which areas should be explored, and while drilling methods will be most effective. An experienced management team, with a successful track record in the oil and gas industry, leads Africa Oil. The Company has employed a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff in order to provide the specialized skills and knowledge to undertake its oil and natural gas operations efficiently and effectively.

Competitive Conditions

The petroleum industry is intensely competitive in all aspects, including the acquisition of oil and gas interests, the marketing of oil and natural gas, and acquiring or gaining access to necessary drilling and other equipment and supplies. Africa Oil competes with numerous other companies in the search for and acquisition of such prospects and in attracting skilled personnel. Africa Oil’s competitors include oil companies that have greater financial resources, staff and facilities than those of Africa Oil and its partners. Africa Oil’s ability to discover reserves in the future will depend on its ability to successfully explore its present properties, to select and acquire suitable producing properties or prospects on which to conduct future exploration and to respond in a cost-effective manner to economic and competitive factors that affect the distribution and marketing of oil and natural gas. Africa Oil's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon the development and maintenance of close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. The Company strives to be competitive by maintaining a strong financial balance sheet.

Oil and natural gas producers are also facing increased competition from alternative forms of energy, fuel and related products that could have a material adverse effect on Africa Oil’s business, prospects and results of operations.

Cyclical Nature of Operations

Although the oil and gas industry is not cyclical, the Company's operational results and financial conditions are dependent on prices of oil and gas. Such prices may be volatile as they are determined by certain factors, including weather and the demand for oil and gas.

Environmental Protection

Environmental legislation imposes certain restrictions, obligations, and liabilities on companies in the oil and gas industry. Drilling for and production, handling, transporting and disposing of oil and gas and petroleum by-products are subject to extensive regulation under national and local environmental laws, including those of the countries in which Africa Oil currently operates. Environmental regulations may impose, among other things, restrictions, liabilities and obligations in connection with water and air pollution control and permitting requirements and restrictions on operations in environmentally sensitive areas. Environmental regulations may also impose restrictions on the handling of, storing, transporting, and disposing of waste. In addition, the Company could potentially be liable for contamination on properties acquired and it attempts to mitigate the risk of inheriting environmental liabilities by conducting due diligence on acquisition opportunities. Africa Oil also seeks to ensure that, where it is a non-operating shareholder, activities are undertaken in alignment with Africa Oil policies and standards as far as practicable.

Environmental protection requirements have not, to date, had a significant effect on the capital expenditures, results of operations and competitive position of Africa Oil. However, environmental regulations are expected to become more stringent in the future and costs associated with compliance are expected to increase. In addition, as the Company's exploration and operating activities expand, new and more rigorously enforced environmental regulations may come into play, which could impact those activities and the cost of compliance. Any penalties or other sanctions imposed on Africa Oil (or its Joint Venture Partners) for non-compliance with environmental regulations could have a material adverse effect on Africa Oil's business, prospects and results of operations, or could result in restrictions or cessation of operations and the imposition of fines and penalties.

Environmental Policies and Governance

Africa Oil is committed to ensuring that its operational activities and, as far as it is able to influence them, those of its Joint Venture Partners, comply with the Standards through the implementation of a range of health, safety, environmental and community engagement systems, plans and procedures. The Company's commitment to meet these Standards is set out in documentation publicly available on the Company's website and is reviewed on a six-monthly basis by an independent monitoring group, whose report is again published on the Company's website. Such reports and documents have a focus on biodiversity, health and safety, and environmental and social action reviews and plans.
The objective of Africa Oil's environmental, social and governance strategy is to address the challenge of sustainability – delivering value to its shareholders, providing sustainable economic and social benefits to communities while concurrently minimizing its impact on the environmental and local communities. The Company views its commitment to corporate responsibility as a strategic advantage that enables it to access and effectively manage new business opportunities. Africa Oil is committed to providing a safe, healthy, and transparent environment for employment, production, and sharing of the economic benefits that flow from its activities in the regions in which it operates.

Social Policies

Africa Oil is committed to conducting its business responsibly, and to building and maintaining a 'social license to operate' in the communities and countries in which it operates. The Company sees this as an essential foundation for its business activity. On all operated projects, Africa Oil will therefore enter into dialogue and engagement with key stakeholders, conducted in the spirit of transparency and good faith, at all stages of company activities. Africa Oil will ensure that its operations meet the International Finance Corporation Performance Standards in terms of community engagement and the assessment and mitigation of social impacts. Africa Oil also seeks to ensure that as far as reasonably practicable, where it is a non-operating shareholder, activities are undertaken in alignment with Africa Oil policies and standards. The Company also has contractual obligations to support community development initiatives under its PSAs. Through ongoing stakeholder engagement, initiatives reflecting local priorities are identified and supported across three key areas: community infrastructure, sustainable livelihoods and economic development. Africa Oil contributes to, and works closely with, the Lundin Foundation on many of these.

The Lundin Foundation is a registered Canadian non-profit organization that provides grants and risk capital to organizations dedicated to alleviating poverty through economic growth in developing countries. The Company's engagement with the Lundin Foundation is a key component of the Company's wider environmental, social and governance strategy in East Africa.

Economic Dependence

The Company is heavily dependent upon its counterparties, including host governments and joint venture partners, under agreements, including production sharing agreements, joint venture agreements and farmout agreements that it has entered into for the exploration, appraisal, development and production of hydrocarbons.

Agreements

Material Contracts

Africa Oil has contracts that are material to the Company and that were entered into between January 1, 2018 to December 31, 2018 or that were entered into before that period but are still in effect, other than those entered into in the ordinary course of business, filed on the SEDAR website. The particulars of the Company's material agreements, as they relate to the Company's current operations, are provided below.

Agreement	Parties	Date of Agreement	Particulars
Sale and Purchase Agreement	AOI, Delonex, Vitol Investment Partnership II Ltd., Petrobras International Braspetro B.V., Petrovida Holding B.V., and Petroleo Brasileiro S.A. – Petrobras	October 31, 2018	See 'Africa Oil's Recent History' for more information on this agreement.
Subscription and Shareholders' Agreement	VIP II Holdings SARL, Africa Oil Holdings Cooperatief U.A., Delonex Nigeria (One) B.V.), Pertovida Holding B.V.	October 31, 2018	See 'Africa Oil's Recent History' for more information on this agreement.
Subscription Agreement	Impact Oil, Deepkloof Limited	February 7, 2018	See 'Africa Oil's Recent History' and below for more information on this agreement.
Farmout Agreement	Centric Energy (Kenya) Limited Africa Oil Turkana Limted Africa Oil Kenya BV Africa Oil Ethiopia B.V. Maersk Oil Exploration International K1 Ltd. Maersk Oil Exploration International K2 Limited Maersk Oil Exploration International K3 Limited Maersk Oil Ethiopia A/S	November 2015	See 'Africa Oil's Recent History' and below for more information on this agreement.
Equity Subscription Agreement	AOI, International Finance Corporation	August 18, 2015	Equity Subscription Agreement with International Finance Corporation ($50 million, 31.2 million shares).

Investment Agreement	AOI, Stampede Natural Resources S.A.R.L.	May 1, 2015	Investment agreement with stampede, an entity owned by a fund advised by Helios Investment Partners LLP (private placement for gross proceeds of $100 million dollar, 56.2 million shares, nomination rights for one director and right to participate, pro rata, in future financings).

Production Sharing Contracts Overview

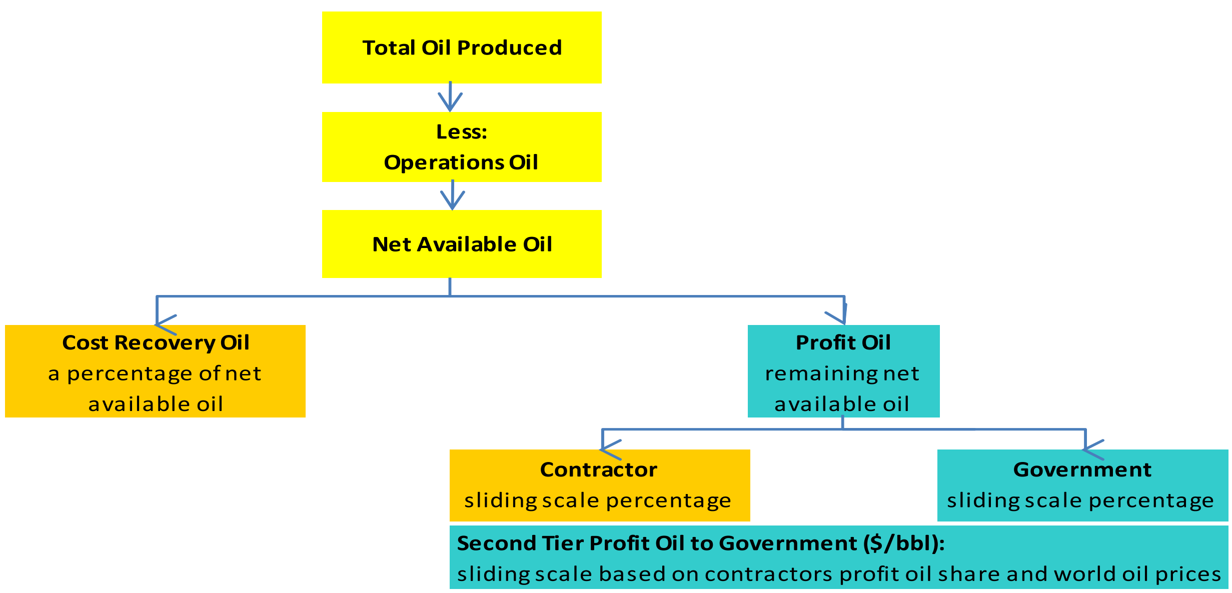
Block 10BB, Kenya (25% working interest)

The Block 10BB PSC contemplates an initial four-year exploration period and, at the option of the Contractor Group, two additional exploration periods. The Contractor Group is currently in the second additional exploration period. During July 2016, the Company and its partners received approval from the Ministry of Energy and Petroleum for the Republic of Kenya for an extension to the second additional exploration period, which now expires in September 2020. During the extension to the second additional exploration period, the Company and its partners are required to drill a minimum of four exploration wells between Blocks 10BB and 13T.

The Kenyan Government may elect to participate in any petroleum operations in any development area and acquire an interest of up to 20% of the total interest in that development area. The Kenyan Government may exercise its participation rights within six months from the date a development plan is adopted. Upon electing to participate in a development area, the Government would assume responsibility for its share of costs incurred with respect to the development area.

A 25-year development and production period commences once the Contractor Group has made a commercial discovery and a development plan is adopted.

The following diagram illustrates the allocation of production under the terms of the Block 10BB PSC:



Of the "Total Oil Produced", "Operations Oil" is available to the Contractor Group for operational needs for the work performed under the PSC. Up to a stated maximum percentage of the "Net Available Oil" is available for cost recovery with the remainder allocated to "Profit Oil". Costs subject to cost recovery include all costs and expenditures incurred by the Contractor Group for exploration, development, production and decommissioning operations, as well as any other applicable costs and expenditures incurred directly or indirectly with these activities. The portion of Profit Oil available to the Contractor Group is based on a sliding scale with the portion allocated to the Contractor Group declining as the volume of Profit Oil increases.

A second tier Profit Oil payment is due to the Government when oil prices exceed a stated world oil price. The amount payable per barrel is calculated by multiplying the Contractor Group's share of Profit Oil by a stated percentage and by the prevailing oil price in excess of the contractually agreed threshold world oil price.

Block 13T, Kenya (25% working interest)

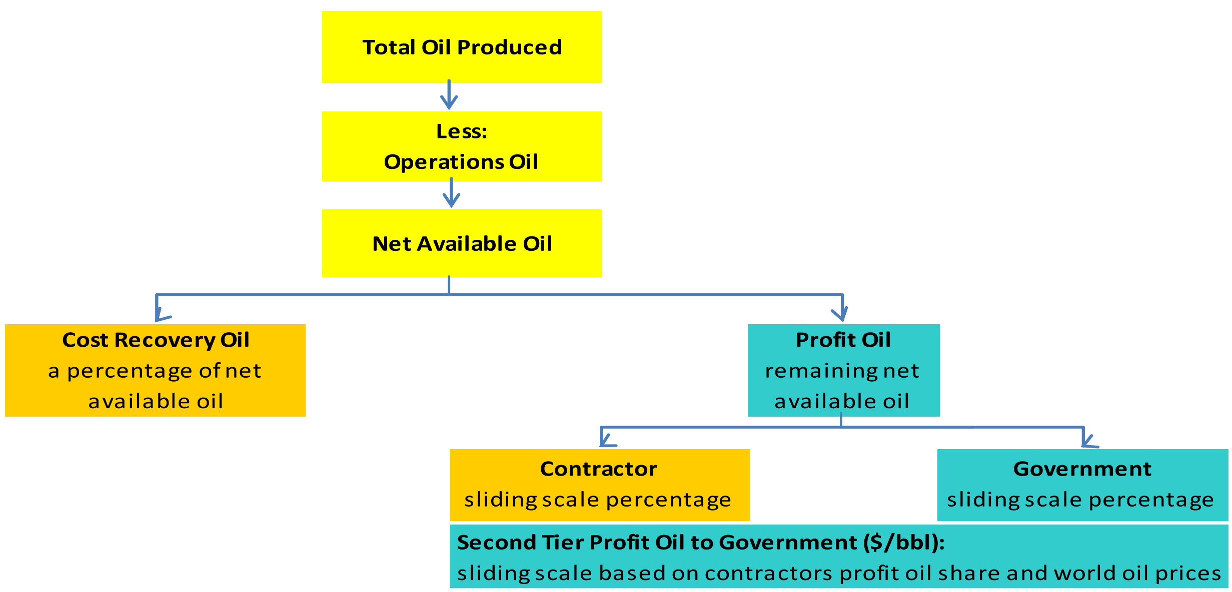
The Block 13T PSC contemplates an initial three-year exploration period and, at the option of the Contractor Group, two additional exploration periods. The Contractor Group is currently in the second additional exploration period.

During July 2016, the Company and its partners received approval from the Ministry of Energy and Petroleum for the Republic of Kenya for an extension to the second additional exploration period, which expires in September 2020. During the extension to the second additional exploration period, the Company and its partners are required to drill a minimum of four exploration wells between Blocks 10BB and 13T.

The Kenyan Government may elect to participate in any petroleum operations in any development area in the Block and acquire an interest of up to 22.5% of the total interest in that development area, 15% of which will be held by the Kenyan Government and 7.5% which will be held by the National Oil Corporation of Kenya. The Kenyan Government and the National Oil Corporation of Kenya may exercise its participation rights within six months from the date a development plan is adopted. Upon electing to participate in a development area, the Government and the National Oil Corporation of Kenya would assume responsibility for its share of costs incurred with respect to the development area.

A 25-year development and production period commences once the Contractor Group has made a commercial discovery and a development plan is adopted.

The following diagram illustrates the allocation of production under the terms of the Block 13T PSC:



Of the "Total Oil Produced", "Operations Oil" is available to the Contractor Group for operational needs for the work performed under the PSC. Up to a stated maximum percentage of the "Net Available Oil" is available for cost recovery with the remainder allocated to "Profit Oil". Costs subject to cost recovery include all costs and expenditures incurred by the Contractor Group for exploration, development, production and decommissioning operations, as well as any other applicable costs and expenditures incurred directly or indirectly with these activities. The portion of Profit Oil available to the Contractor Group is based on a sliding scale with the portion allocated to the Contractor Group declining as the volume

Block 10BA, Kenya (25% working interest)

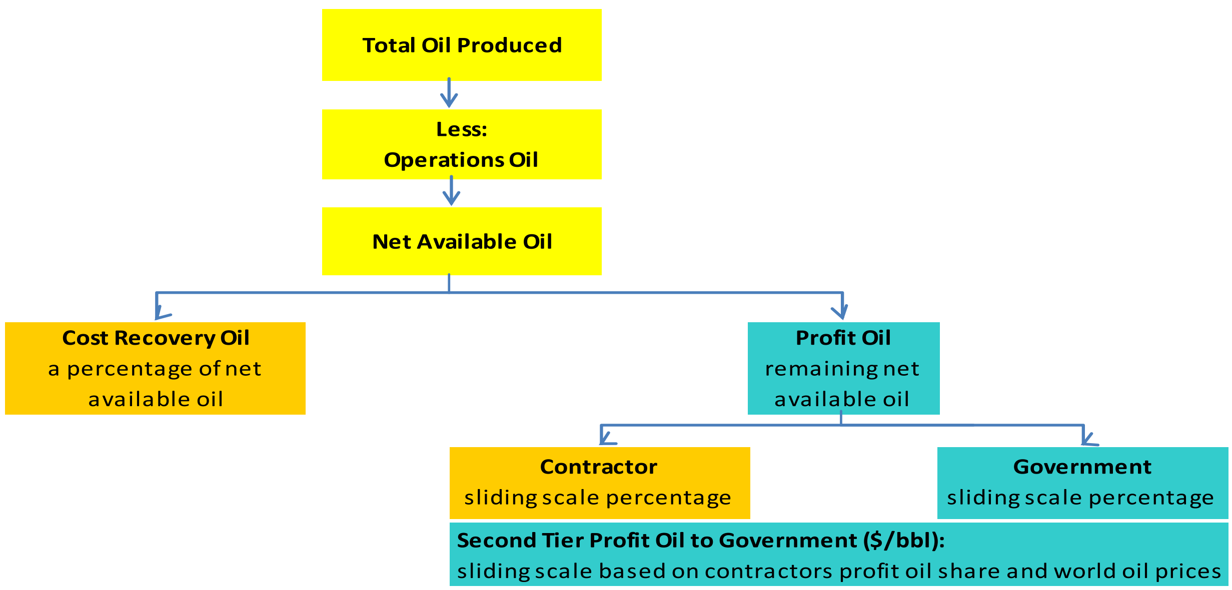
The Block 10BA PSC contemplates an initial three-year exploration period and, at the option of the Contractor Group, two additional exploration periods of two years each. The Contractor Group is currently in the second additional exploration period, which expires in October 2019.

During the second additional exploration period, the Contractor Group is required to carry out surveys of 500 kilometers of 2D seismic or carry out surveys of 25 km^2 of three dimensional seismic and drill one exploratory well at a minimum cost of $19.0 million.

The Kenyan Government may elect to participate in any petroleum operations in any development area and acquire an interest of up to 10% of the total interest in that development area. The Kenyan Government may exercise its participation rights within six months from the date a development plan is adopted. Upon electing to participate in a development area, the Government would assume responsibility for its share of costs incurred with respect to the development area.

A 25-year development and production period commences once the Contractor Group has made a commercial discovery and a development plan is adopted.

The following diagram illustrates the allocation of production under the terms of the Block 10BA PSC:



Of the "Total Oil Produced", "Operations Oil" is available to the Contractor Group for operational needs for the work performed under the PSC. Up to a stated maximum percentage of the "Net Available Oil" is available for cost recovery with the remainder allocated to "Profit Oil". Costs subject to cost recovery include all costs and expenditures incurred by the Contractor Group for exploration, development, production and decommissioning operations, as well as any other applicable costs and expenditures incurred directly or indirectly with these activities. The portion of Profit Oil available to the Contractor Group is based on a sliding scale with the portion allocated to the Contractor Group declining as the volume of Profit Oil increases.

A second tier Profit Oil payment is due to the Government when oil prices exceed a stated world oil price. The amount payable per barrel is calculated by multiplying the Contractor Group's share of Profit Oil by a stated percentage and by the prevailing oil price in excess of the contractually agreed threshold world oil price.

Disclosure of Reserves Data and Other Oil and Gas Information

For further information, please refer to Africa Oil's Statement of Reserves Data and Other Oil and Gas Information for fiscal year ended December 31, 2018 (Form NI 51-101F1) and the Report of Management and Directors on Oil and Gas Disclosure

(Form NI 51-101F3), filed under the Company's profile on the SEDAR website at www.sedar.com, copies of which are attached hereto as Schedules A and B, respectively.

RISK FACTORS

The Company's operations are subject to various risks and uncertainties, including, but not limited to, those listed below.

International Operations

Africa Oil participates in oil and gas projects located in emerging markets, which includes Africa. Oil and gas exploration, development and production activities in these emerging markets are subject to significant political and economic uncertainties that may adversely affect Africa Oil's operations. The Company could be adversely affected by changes in applicable laws and policies in the countries where Africa Oil has interests. Additional uncertainties include, but are not limited to, the risk of war, terrorism, expropriation, civil unrest, nationalization, renegotiation or nullification of existing or future concessions and contracts, the imposition of international sanctions, a change in crude oil or natural gas pricing policies, changes to taxation laws and policies, assessments and audits (including income tax) against the Company by regulatory authorities, difficulty or delays in obtaining necessary regulatory approvals, risks associated with potential future legal proceedings, and the imposition of currency controls. These uncertainties, all of which are beyond Africa Oil's control, could have a material adverse effect on Africa Oil's business, prospects and results of operations. In addition, if legal disputes arise related to oil and gas concessions acquired by Africa Oil, the Company could be subject to the jurisdiction of courts other than those of Canada. The Company's recourse may be very limited in the event of a breach by a government or government authority of an agreement governing a concession in which Africa Oil acquires an interest. Africa Oil may require licenses or permits from various governmental authorities to carry out future exploration, development and production activities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits when required.

Different Legal System and Litigation

Africa Oil's oil production and exploration activities are located in countries with legal systems that in various degrees differ from that of Canada. Rules, regulations and legal principles may differ in respect of matters of substantive law and of such matters as court procedure and enforcement. Almost all material production and exploration rights and related contracts of Africa Oil are subject to the national or local laws and jurisdiction of the respective countries in which the operations are carried out. This means that the Company's ability to exercise or enforce its rights and obligations may differ between different countries and also from what would have been the case if such rights and obligations were subject to Canadian law and jurisdiction.

Africa Oil's operations are, to a large extent, subject to various complex laws and regulations as well as detailed provisions in concessions, licenses and agreements that often involve several parties. If the Company was to become involved in legal disputes in order to defend or enforce any of its rights or obligations under such concessions, licenses, and agreements or otherwise, such disputes or related litigation could be costly, time consuming and the outcome would be highly uncertain. Even if the Company ultimately prevailed, such disputes and litigation may still have a substantially negative effect on Africa Oil's business, assets, financial conditions, and its operations.

Financial Statements Prepared on a Going Concern Basis

Africa Oil's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. Africa Oil's operations to date have been primarily financed by equity financing and the completion of working interest farmout agreements. Africa Oil's future operations may be dependent upon the identification and successful completion of additional equity or debt financing, the achievement of profitable operations or other transactions. There can be no assurances that the Company will be successful in completing additional financings, achieving profitability or completing future transactions. The consolidated financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should Africa Oil be unable to continue as a going concern.

Shared Ownership and Dependency on Partners

Africa Oil's operations are, to a significant degree, conducted together with one or more partners through contractual arrangements. In such instances, the Company may be dependent on, or affected by, the due performance of its partners. If a partner fails to perform, the Company may, among other things, risk losing rights or revenues or incur additional obligations or costs, or experience delays, in order to itself perform in place of its partners. The Company and its partners may also, from time to time, have different opinions on how to conduct certain operations or on what their respective rights and obligations are under a certain agreement. If a dispute were to arise with one or more partners relating to a project, such dispute may have significant negative effects on Africa Oil's operations relating to such project.

Investments in Associates

Africa Oil has invested in other frontier oil and gas exploration companies that are similar to Africa Oil, and that face similar risks and uncertainties faced by Africa Oil, which could have a material adverse effect on their businesses, prospects and results of operations. Such risks include, without exclusion, equity risk, liquidity risk, currency risk, foreign investment risk, and changes in environmental regulations, economic, political or market conditions, or the regulatory environment in the countries in which they operate. The Company's investments are not diversified over different types of investments and industries, rather, they are concentrated in one type of investment. If the companies in which Africa Oil has invested fails, liquidates, or becomes bankrupt, Africa Oil could face the potential risk of loss of some, or all, of its investments, and the Company may be unable to recover its initial investment amount, or any amount, from its various investments in other frontier oil and gas exploration companies.

Uncertainty of Title

Although the Company conducts title reviews prior to acquiring an interest in a concession, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise that may call into question the Company's interest in the concession. Any uncertainty with respect to one or more of the Company's concession interests could have a material adverse effect on the Company's business, prospects and results of operations.

Risks Relating to Concessions, Licenses and Contracts

Africa Oil's operations are based on a relatively limited number of concession agreements, licenses and contracts. The rights and obligations under such concessions, licenses and contracts may be subject to interpretation and could also be affected by, among other things, matters outside the control of Africa Oil. In case of a dispute, it cannot be certain that the view of the Company would prevail or that the Company otherwise could effectively enforce its rights which, in turn, could have significantly negative effects on Africa Oil. Also, if the Company or any of its partners were deemed not to have complied with their duties or obligations under a concession, license or contract, the Company's rights under such concessions, licenses or contracts may be relinquished in whole or in part.

Risks Inherent in Oil and Gas Exploration and Development

Oil and gas operations involve many risks, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome. The long-term commercial success of Africa Oil depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that expenditures made on future exploration by Africa Oil will result in discoveries of oil or natural gas in commercial quantities or that commercial quantities of oil and natural gas will be discovered or acquired by the Company. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.
Africa Oil's business is subject to all of the risks and hazards inherent in businesses involved in the exploration for, and the acquisition, development, production and marketing of, oil and natural gas, many of which cannot be overcome even with a combination of experience and knowledge and careful evaluation. The risks and hazards typically associated with oil and gas operations include fire, explosion, blowouts, sour gas releases, pipeline ruptures and oil spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property, the environment or personal injury, and such damages may not be fully insurable.

Well-flow Test Results

Drill stem tests are commonly based on flow periods of 1 to 5 days and build up periods of 1 to 3 days. Pressure transient analysis has not been carried out on all well tests and the results should therefore be considered as preliminary. Well test results are not necessarily indicative of long-term performance or of ultimate recovery.

Capital Requirements

To finance its future acquisition, exploration, development and operating costs, the Company may require financing from external sources, including from the issuance of new shares, issuance of debt or execution of working interest farm-out agreements. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of the Company may be diluted. If unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned exploration and development activities which may ultimately lead to the Company's inability to fulfill the minimum work obligations under the terms of its various PSAs. Availability of capital will also directly impact the Company's ability to take advantage of acquisition opportunities.

Climate Change Legislation

Governments around the world have become increasingly focused on addressing the impacts of anthropogenic global climate change, particularly in the reduction of gases with the potential to contribute to greenhouse gas levels in the atmosphere. The oil and natural gas industry is subject to stringent environmental regulations. The political climate appears to favour new programs for environmental laws and regulation, particularly in relation to the reduction of emissions or emissions intensity, and there is a risk that any such programs, laws or regulations, if proposed and enacted, will contain emission reduction targets which the Company may not be able to meet, and financial penalties or charges could be incurred as a result of the failure to meet such targets. A breach of applicable legislation within any of the Company's countries of operation may result in the imposition of fines against the Company or the issuance of clean up orders in respect of its oil and gas assets, some of which may be material.

Climate change policy is emerging and quickly evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Implementation of strategies by any level of government within the countries in which the Company operates, and whether to meet international agreed limits, or as otherwise determined, for reducing greenhouse gases could have a material impact on the operations and financial condition of the Company. In addition, concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of fossil fuels. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition. It is also not possible at this time to predict whether any proposed legislations relating to climate change will be adopted, and any such regulations could result in operating restrictions or compliance costs.

See 'The Company's Business' above, for a further discussion on the risks faced by the Company, which relate to the environment, and social risks.

Availability of Equipment and Staff

Africa Oil's oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment and qualified staff in the particular areas where such activities are or will be conducted. The Company currently leases all the drilling rigs used for its exploration and development activities. Shortages of such equipment or staff may affect the availability of such equipment to the Company and may delay Africa Oil's exploration and development activities and result in lower production.

Reliance on Key Personnel

The loss of the services of key personnel could have a material adverse effect on the Company's business, prospects and results of operations. Africa Oil has not obtained key person insurance in respect of the lives of any key personnel. In addition, competition for qualified personnel in the oil and gas industry is intense and there can be no assurance that the Company will be able to attract and retain the skilled personnel necessary for operation and development of its business. Success of the Company is largely dependent upon the performance of its management and key employees.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of Africa Oil. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could have an adverse effect on Africa Oil's business and prospects.

Early Stage of Development

Africa Oil has conducted oil and gas exploration and development activities for a relatively short period. There is limited financial, operational and other information available with which to evaluate the prospects of the Company. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

Risks Relating to Infrastructure

Africa Oil is dependent on available and functioning infrastructure relating to the properties on which it operates, such as roads, power and water supplies, pipelines and gathering systems. If any infrastructure or systems failures occur or do not meet the requirements of Africa Oil, Africa Oil's operations may be significantly hampered. Kenya has limited oil infrastructure and no export facilities currently in place. The discoveries in Blocks 10BB and 13T are remote and cannot be delivered to market without significant infrastructure investment. New build pipeline infrastructure and road upgrades will be required to permit field development and production export for these resources. Whilst there may be outline plans for this new infrastructure, there is currently no firm commitment or government approval.

Current Global Financial Conditions

Global financial conditions have always been subject to volatility. These factors may impact the ability of the Company to obtain equity or debt financing in the future, and, if obtained, on terms favorable to the Company. Increased levels of volatility and market turmoil can adversely impact the Company's operations and the value, and the price of the common shares could be adversely affected.

Foreign Currency Exchange Rate Risk

The Company is exposed to changes in foreign exchange rates as expenses in international subsidiaries, oil and gas expenditures, or financial instruments may fluctuate due to changes in rates. The Company's exposure is partially offset by sourcing capital projects and expenditures in US dollars. The Company had no forward exchange contracts in place as at December 31, 2018.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity describes a company's ability to access cash. Companies operating in the upstream oil and gas industry during the exploration and appraisal phase require sufficient cash in order to fulfill their work commitments in accordance with contractual obligations and to be able to potentially acquire strategic oil and gas assets.

The Company will potentially issue debt or equity and enter into farmout agreements with joint venture partners to ensure the Company has sufficient available funds to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support these financial obligations and the Company's capital programs. The Company will also adjust the pace of its activities to manage its liquidity position.

Credit Risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. The majority of the Company's credit exposure relates to amounts due from its joint venture partners. The risk of the Company's joint venture partners defaulting on their obligations per their respective joint operating and farmout agreements is mitigated as there are contractual provisions allowing the Company to default joint venture partners who are non-performing and reacquire any previous farmed out working interests. The maximum exposure for the Company is equal to the sum of its cash, restricted cash, and accounts receivable. A portion of the Company's cash is held by banks in foreign jurisdictions where there could be increased exposure to credit risk.

Anti-Bribery and Anti-Corruption Laws

The Company is subject to anti-bribery and anti-corruption laws, including the Corruption of Foreign Public Officials Act (Canada). Failure to comply with these laws could subject the Company to, among other things, reputational damage, civil or criminal penalties, other remedial measures and legal expenses which could adversely affect the Company's business, results in operations, and financial condition. To mitigate this risk, the Company has an anti-corruption policy in place for its personnel, and consultants. However, it may not be possible for the Company to ensure compliance with anti-bribery and anti-corruption laws in every jurisdiction in which its directors, employees, agents, sub-contractors or joint venture partners are located or may be located in the future.

Information Systems

The Company has become increasingly dependent upon the availability, capacity, reliability and security of its information technology (IT) infrastructure, and its ability to expand and continually update this infrastructure, to conduct daily operations. It depends on various IT systems to estimate resources and reserve quantities, process and record financial and operating data, analyze seismic and drilling information, and communicate with employees and third-party partners. The Company's IT systems are increasingly integrated in terms of geography, number of systems, and key resources supporting the delivery of IT systems. The performance of key suppliers is critical to ensure appropriate delivery of key services. Any failure to manage, expand and update the IT infrastructure, any failure in the extension or operation of this infrastructure, or any failure by key resources or service providers in the performance of their services could materially and adversely affect the Company's business.

The ability of the IT function to support the Company's business in the event of a disaster such as fire, flood or loss of any of the office locations and the ability to recover key systems from unexpected interruptions cannot be fully tested. There is a risk that, if such an event actually occurs, the Company's continuity plan may not be adequate to immediately address all repercussions of the disaster. In the event of a disaster affecting a data centre or key office location, key systems may be unavailable for a number of days, leading to inability to perform some business processes in a timely manner.

Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to the Company's business activities or its competitive position. Further, disruption of critical IT services, or breaches of information security, could have a negative effect on the Company's operational performance and its reputation.

The Company applies technical and process controls in line with industry-accepted standards to protect information, assets and systems; however, these controls may not adequately prevent cyber-security breaches. There is no assurance that the Company will not suffer losses associated with cyber-security breaches in the future and may be required to expend significant additional resources to investigate, mitigate and remediate any potential vulnerabilities.

Conflict of Interests

Certain directors of the Company are also directors or officers of other companies, including oil and gas companies, the interests of which may, in certain circumstances, come into conflict with those of the Company. If and when a conflict arises with respect to a particular transaction, the Company requires that its affected directors and officers must disclose the conflict, recuse themselves, and abstain from voting with respect to matters relating to the transaction. All conflicts of interest will be addressed in accordance with the provisions of the *BC BCA* and other applicable laws.

Limitation of Legal Remedies

Securities legislation in certain of the provinces and territories of Canada provides purchasers with various rights and remedies when a reporting issuer's continuous disclosure contains a misrepresentation and ongoing rights to bring actions for civil liability for secondary market disclosure. Under the legislation, the directors would be liable for a misrepresentation. It may be difficult for investors to collect from the directors who are resident outside Canada on judgments obtained in courts in Canada predicated on the purchaser's statutory rights and on other civil liability provisions of Canadian securities legislation.

Selling Off of Shares

The market price for the Company's common shares may be volatile, and subject to some fluctuations. To the extent that any issued and outstanding common shares of the Company are sold into the market, there may be an oversupply of common shares and an undersupply of purchasers. If this occurs the market price for the common shares of the Company may decline significantly and investors may be unable to sell their common shares at a profit, or at all.

Industry Regulatory

Existing regulations in the oil industry, and changes to such regulations, may present regulatory and economic barriers to the purchase and use of certain products, which may significantly reduce the Company's revenues.

The Company's Securities

Authorized Securities

Africa Oil is authorized to issue an unlimited number of the Company's common shares without par value. As of December 31, 2018, the Company had 470,567,619 common shares issued and outstanding. As of the date of this AIF, the Company had 470,567,619 common shares issued and outstanding as fully paid and non-assessable.
Each shareholder is entitled to receive notice of and to attend at all meetings of Africa Oil's shareholders. In addition, each share entitles the holder to one vote, either in person or by proxy, on any resolution to be passed at such shareholders' meeting. The holders of common shares are also entitled to dividends if, as and when declared by the Board of Directors of

the Company. Upon the liquidation, dissolution or winding up of the Company, the holders of the common shares are entitled to receive the remaining assets of the Company available for distribution to the shareholders.

Market For Securities

Price Ranges and Volume Traded

The Company's primary listing of its common shares is on the TSX and is traded under stock symbol "AOI". The following table sets out the price ranges and volume traded of Africa Oil's common shares on the TSX, for the year ended December 31, 2018:

Month	High (CAD$)	Low (CAD$)	Volume
January	1.79	1.46	3,464,200
February	1.49	1.27	4,785,600
March	1.34	1.16	2,313,400
April	1.24	1.17	1,575,300
May	1.46	1.14	3,231,200
June	1.33	1.13	1,999,300
July	1.23	1.14	1,445,900
August	1.34	1.07	4,932,000
September	1.64	1.21	2,687,800
October	1.58	1.11	2,322,900
November	1.46	1.15	1,909,400
December	1.21	1.02	1,725,600

Prior Sales

Stock Options

The table below summarizes the stock options that were issued by the Company in 2018:

Date of Issuance	Expiry Date	Number of Options	Exercise Price
December 18, 2018	Dec. 18, 2023	1,966,000	$1.06

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Directors and Officers

The Directors

The table below states the name, province or state and country of residence of each director of Africa Oil, their respective principal occupations during the five preceding years, and the period during which each director has served as a director of the Company.

Director *Name, Province/State, Country*	**Principal Occupation** *Past Five Years*	**Director Since** (1)
Andrew Bartlett(2) (5) (7) (8) (11) London, United Kingdom	Oil and Gas Advisor with Helios investment Partners since 2011.	2015
Bryan M. Benitz(3) Wiltshire, United Kingdom	Corporate Director.	2009
John H. Craig(6) Ontario, Canada	Chairman of the Board of Directors of the Company since 2016; Counsel to Cassels Brock & Blackwell LLP since 2017; Lawyer, partner of Cassels Brock & Blackwell LLP until 2016.	2009
Gary S. Guidry(3) (4) (10) Alberta, Canada	President, CEO, and director of Gran Tierra Energy Inc.; former CEO of Onza Energy Inc.; President and CEO of Glencore E&P (Canada) Inc. (formerly Caracal Energy Inc.) from 2011 to 2014.	2008
Keith C. Hill(11) Florida, USA	President and Chief Executive Officer of the Company since 2009; Chairman of the Company from 2009 to 2016.	2006
Kimberley Wood (5) (7) (9) London, United Kingdom	Energy Lawyer: Senior Consultant to Norton Rose Fulbright LLP since 2018; Partner at Norton Rose Fulbright LLP from 2015-2018; Partner at Vinson & Elkins LLP from 2011 to 2015.	2018

Notes:

(1) The term of office of each of the present directors of Africa Oil expires at the annual general meeting of the shareholders, which shall be held on April 18, 2019, unless earlier vacated in accordance with the Company's by-laws.
(2) Audit Committee Chair
(3) Audit Committee Member
(4) Compensation Committee Chair
(5) Compensation Committee Member
(6) Corporate Governance and Nominating Committee Chair
(7) Corporate Governance and Nominating Committee Member
(8) Project Finance Committee Chair
(9) Project Finance Committee Member
(10) Reserves Committee Chair
(11) Reserves Committee Member

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The Executive Officers

The table below states the name, province or state and country of residence of each of the executive officers of the Africa Oil, their respective positions and offices held with the Company, and their principal occupations during the five preceding years. Mr. Keith Hill, the Company's President and Chief Executive Officer, is discussed above under 'The Directors'.

Executive Officers *Name, Province/State, Country*	**Position with Africa Oil and Principal Occupations** *Past Five Years*
Ian Gibbs(1) British Columbia, Canada	Chief Financial Officer since 2009.
Dr. Paul Martinez Alberta, Canada	Vice President, Exploration since 2011.
Tim Thomas Alberta, Canada	Chief Operating Officer since 2015; President and CEO of ArPetrol Ltd. from 2010 to 2014.
Mark Dingley Nairobi, Kenya	Vice President, Operations since 2014; President of Africa Oil Ethiopia B.V. since 2013.

Notes:

(1) Project Finance Committee Member

Security Holdings

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially own, or control or direct, directly or indirectly, 2,448,615 common shares, representing approximately 0.52% of the issued and outstanding common shares of the Company. This security holding information was obtained from publicly disclosed information and has not been independently verified by the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below:

a) Corporate
   a. No director or executive officer of the Company is, as at the date of the AIF, or has within the ten (10) years before the date of the AIF, been a director, chief executive officer, or chief financial officer of any company (including Africa Oil) that:
      i. Was the subject of a cease trade or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days that was issued (A) while that individual was acting in such capacity; or (B) after that individual ceased to act in that capacity and which resulted from an event that occurred while that person was acting in such capacity; or
      ii. Became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets (A) while that person was acting in such capacity, or (B) within a year of that person ceasing to act in that capacity; or

b) Personal
   a. No director or executive officer of the Company has, within the ten (10) years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold that person's assets; or
   b. No director, executive officer, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or has been the subject of any penalties or sanctions (A)

imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or (B) imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Mr. John Craig was a director of Sirocco Mining Inc. until November 2013. Sirocco Mining Inc. was financially solvent at the time of Mr. Craig's resignation. In October 2014, RB Energy Inc., a successor company to Sirocco Mining Inc. commenced proceedings under the *Companies' Creditors Arrangement Act* and an order for creditor protection was issued by the Quebec Superior Court on October 14, 2014. The TSX de-listed RB Energy Inc.'s common shares in November 24, 2014 for failure to meet the continued listing requirements of the TSX. Mr. Craig was never a director, officer or insider of RB Energy Inc. He was, however, a director of Sirocco Mining Inc. within the 12-month period prior to RB Energy Inc. filing under the CCAA.

Conflicts of Interest

The Company's, or its subsidiaries', directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict shall abstain from voting for or against the approval of such participation, or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company shall assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company shall participate in a particular program and the interest therein to be acquired by it, the directors shall primarily consider the degree of risk to which the Company may be exposed and the financial position at that time. Other than as disclosed above, the directors and officers of the Company are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving the Company.

Audit Committee

Overview

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee. The Committee is responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, the Company's internal accounting controls, the Code of Business Conduct and Ethics, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year. The Audit Committee's Charter is attached as Schedule "C" to this AIF.

Audit Committee Members

The Audit Committee is comprised of Mr. Andrew Bartlett (Chair), Mr. Gary Guidry, and Mr. Bryan Benitz. All present members are considered 'independent' within the meaning of NI 52-110 because they do not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship, which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

Each current member is also considered 'financially literate' within the meaning of NI 52-110. They have extensive experience with financial statements, accounting issues, understanding internal controls and procedures for financial reporting and other related matters relating to public resource-based companies. The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Audit Committee are as follows:

Member Name	Education and Experience Relevant to Performance of Audit Committee Duties
Andrew Bartlett (Chair)	Mr. Bartlett has over 38 years of experience in the Oil and Gas Industry, 21 of those with Shell. An experienced former investment banker based in London, Andrew was both the Global Head of Oil and Gas Project Finance and Global Head of Oil and Gas Mergers and Acquisitions at Standard Chartered Bank until July 2011 when he started advising Helios, an African Private Equity Partnership. He is currently a board member and heads the Audit Committees at Energean Oil & Gas plc and Impact Oil & Gas Ltd. He is also a director of Bartlett Energy Advisers.
Gary S. Guidry	Mr. Guidry is an Alberta registered P. Eng. and holds a B.Sc. in petroleum engineering from Texas A & M University. Mr. Guidry has attained financial experience and exposure to accounting and financial issues in his previous experience as CEO and director with a number of publicly-traded companies, including Gran Tierra Energy Inc., Glencore E&P (Canada) Inc. (formerly Caracal Energy Inc.), Griffiths Energy International Inc., Orion Oil & Gas Corporation, Tanganyika Oil Company Ltd., Calpine Natural Gas Trust and Alberta Energy Company.
Bryan M. Benitz	Mr. Benitz has been engaged in investment banking and management, and corporate development in Canada, the United States and Europe for over forty years in a variety of senior executive positions in natural resources finance and investment. Mr. Benitz has attained financial experience and exposure to accounting and financial issues while on boards and audit committees of various public companies. Mr. Benitz graduated from Fettes College in Edinburgh Scotland in 1951.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the board of directors.

Reliance on Certain Exemptions

Since the commencement of the Company's recently completed financial year, the Company has not relied on the exemptions contained in section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter attached as Schedule "C" to this AIF.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two fiscal years:

Financial Year Ending	Audit Fees(1) (CAD$)	Audit Related Fees(2) (CAD$)	Tax Fees(3) (CAD$)	All Other Fees(4) (CAD$)
December 31, 2018	170,050	4,900	109,027	0
December 31, 2017	174,006	2,835	75,353	0

Notes:

(1) Aggregate billed for audit services.

(2) Aggregate billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not disclosed in (1). Includes the review of the Company's interim consolidated financial statements and specified audit procedures not included as part of the audit of the consolidated financial statements.

(3) Aggregate billed for tax compliance, tax advice, and tax planning, including the preparation of the Company's tax return preparation.

(4) Aggregate billed other than the services reported under (1)(2), and (3) above.

Legal Proceedings and Regulatory Actions

Legal Proceedings

Neither the Company nor its material subsidiaries and material properties are currently subject to any material legal proceedings or regulatory actions, except for those set out below.

The Company has, since 2010, been a party to two separate court proceedings in Kenya. Each of the court proceedings were initiated by Interstate Petroleum Ltd., and certain parties related to Interstate Petroleum Ltd., as applicants. Both proceedings, Judicial Review Number 30 of 2010 and Judicial Review Number 1 of 2012, involved a dispute concerning the administrative process that led to the issuance of exploration permits in respect of, amongst others, Blocks 10BA, 10BB, 12A and 13T. The primary Respondents in the proceedings included the Minister and the Ministry of Energy and Petroleum, Republic of Kenya. The Company and certain of its affiliates were named as Interested Parties.

To date, the Company has ultimately been successful in defending all of these proceedings, and in appealing unfavorable decisions. Most recently, in light of the Company's successful appeal of a High Court decision relating to Judicial Review Number 1 of 2012, the Kenyan High Court in Kitale approved the Company's application for the release of certain funds that had been posted as security for costs in respect of that appeal.

Because Interstate Petroleum Ltd. and its related parties continue to make applications to the courts in Kenya in respect of matters that have already been decided, the Company will, going forward, be taking the position that the matters are *Res Judicata* and that the applications are an abuse of the court process. The Company has also initiated a process to have one of the applicants declared a vexatious litigant as provided under Kenyan law. In the interim, it continues to pursue both the awards of costs made in favor of the Company by the Kenyan courts and the winding-up proceedings previously initiated against Interstate Petroleum Ltd. by the Company.

In addition, the Kenyan Branch of Africa Oil Kenya B.V., the Company's wholly owned subsidiary, has been assessed corporate income tax and value added tax by the Kenya Revenue Authority relating to farmout transactions completed during the period 2012 to 2017.

The Company has objected to the assessment and is prepared to appeal any further claims made by the KRA in regard to this matter. Management has determined that based on the facts and Kenya tax law that the probability of paying the assessed tax is low. The KRA assessed tax is $51.5 million. Multiple avenues are available to resolve this dispute including alternative dispute resolution and appeal to the Tax Appeals Tribunal. An appeal has been made to the Tax Appeals Tribunal. There is no agreed upon timeline for the appeal to be considered by the Tax Appeals Tribunal, as the Tribunal is not currently constituted.

Regulatory Actions

No penalties or sanctions were imposed by a court relating to securities legislation or by a securities regulatory authority during the Company's recently completed financial year, nor were there any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, nor were any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority during the Company's recently completed financial year.

Interest of Management and Others in Material Transactions

No director or executive director of the Company, or person or company that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the Company's common shares, nor any associate or affiliate of any such person, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years of the Company, or during the current financial year, that has materially affected or will materially affect the Company.

Names and Interests of Experts

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing made under NI 51-102 by the Company during the current financial year other than PricewaterhouseCoopers LLP, Africa Oil's auditors. PricewaterhouseCoopers LLP, the Company's auditors, are independent in accordance with the auditor's rules of professional conduct in Canada.
In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Africa Oil or any associate or affiliate of Africa Oil.

Additional Information

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and options to purchase securities, where applicable, is contained in the Company's information circular for its most recent annual meeting of security holders that involved the election of directors.

Additional financial information is provided in the Company's audited consolidated financial statements as at and for the year ended December 31, 2018 and the MD&A.

SCHEDULE A

AFRICA OIL CORP.

(the "Reporting Issuer" or the "Company")

FORM NI 51-101F1
STATEMENT OF RESERVES DATA AND
OTHER OIL AND GAS INFORMATION
For fiscal year ended December 31, 2018

(This is the form referred to in item 1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Terms for which a meaning is given in NI 51-101 have the same meaning in this Form 51-101F1.)

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PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. The date of this report and statement is: February 28, 2019.
2. The Effective Date of information provided in this statement is as of the Company's most recently completed fiscal year ended: December 31, 2018.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

The Company's oil and gas properties are all located onshore in Kenya and Ethiopia.

In Kenya, as at December 31, 2018, the Company held working interests in three production sharing contacts ("PSC") with the Government of the Republic of Kenya in the Tertiary Rift play: Blocks 10BB, 13T, and 10BA. The exploration areas covered by these PSCs are on trend with the significant Tullow Oil plc ("Tullow") Albert Graben oil discovery in neighboring Uganda where Tullow is working with the Government of Uganda and its joint venture partners, CNOOC and Total to complete a Lake Albert basin wide development plan which would include the construction of an oil export pipeline to the coast of East Africa. Multiple discoveries have been made by the Company and its joint venture partners in Blocks 10BB and 13T.

Also in Kenya, the Company held a working interest in the Block 9 PSC, located in the Anza Graben play, which is a Mesozoic basin related to similar Mesozoic basins located in southern Sudan (Muglad Basin) where the petroleum system is proven and productive. The Company relinquished Block 9 in June 2018.

In Ethiopia, as of December 31, 2018, the Company held an interest in one PSC with the Government of the Federal Democratic Republic of Ethiopia in the Tertiary Rift play: the Rift Basin Area PSC is an extension of the Tertiary Rift trend to the north of the three Kenyan Tertiary Rift blocks. The Company is continuing to seek joint venture partners to farmin to its 100% interest in the Rift Basin Area (Ethiopia). An application has been made to the Ethiopian government, seeking an extension of the current exploration period until August 2019.

Item 6.2 Properties with No Attributed Reserves

The Company's working interest at the preparation date of this report in the various concessions, in which it has a direct working interest, is outlined in the table below together with the gross and net acreage of each.

Region	Production Sharing Contracts	Operator	Current Working Interest (1)	Gross Acreage (km^2)	Net Acreage (2) (km^2)
Kenya	Block 10BB	Tullow	25%	8,835	2,209
	Block 10BA	Tullow	25%	11,760	2,940
	Block 13T	Tullow	25%	6,296	1,574
Ethiopia	Rift Basin Area	Africa Oil Corp.	100%	15,782	15,782

(1) Net Working Interests are subject to back-in rights, if any, of respective governments.

(2) Net acreage is calculated by multiplying Gross Acreage by the Current Working Interest.

During November 2017, the Company acquired a 19.77% ownership interest in Eco (Atlantic) Oil and Gas Ltd. ("ECO"). ECO is publically listed on the Toronto Stock Exchange (TSX-V) and AIM and holds working interests in four exploration blocks offshore Namibia and one exploration block offshore in Guyana. No reserves are attributable to these blocks. The Company's ownership interest in ECO at December 31, 2018 was 18.3%.

In February 2018 the Company acquired a 25.2% ownership in Impact Oil and Gas Ltd. Through subsequent investments the Company's ownership has increased to approximately 30%. Impact is privately held and holds working interest in multiple blocks offshore Namibia, the Senegal-Guinea Bissau AGC Joint Cooperation Zone, Gabon, and South Africa.

In 2018 the Company increased its ownership in Africa Energy Corp. to approximate 34.5%. Africa Energy Corp. is publically listed on the Toronto TSX and Nasdaq First North Exchange in Stockholm (TSXV:AFE or Nasdaq First North: AEC) and holds a working interest in Block 2B, offshore South Africa and an effective net interest of approximately 4.9% in Block 11B-12B, offshore South Africa.

In October 2018 the Company announced the acquisition of producing assets in Deepwater Nigeria through a consortium led by Vitol and comprising Africa Oil Corp ("Africa Oil") (25%), Delonex Energy Ltd. ("Delonex") (25%) and Vitol Investment Partnership II Ltd. ("Vitol") (50%), (collectively, the "PetroVida"). PetroVida has entered into a Share Purchase Agreement ("SPA") to acquire a 50% ownership interest in Petrobras Oil and Gas B.V. for $1.407 billion. The transaction is subject to customary conditions precedent prior to the close of the transaction. The primary assets of POGBV are an indirect 8% interest in Oil Mining Lease ("OML") 127, which contains the producing Agbami Field, operated by affiliates of Chevron Corporation, and an indirect 16% interest in OML 130, operated by affiliates of TOTAL S.A., which contains the producing Akpo and Egina Fields. As of the date of this report, the transaction has not completed.

The principal work commitments, timing of completion and minimum expenditures to be incurred during the current exploration period of each of the respective Production Sharing Contracts are listed in the following tables:

Region	Block	Exploration Period and Expiry	Work Commitments	Minimum Expenditures (Gross US$)	Relinquishments end of current Period
Kenya	10BA	Second Additional Period – Oct 27, 2019	1 well	19.0 million	Final Relinquishment
Kenya	10BB	Second Additional Period - Sept 18, 2020	Drill a minimum of four wells between Blocks 13T and 10BB	No financial commitment	Final Relinquishment
Kenya	13T	Second Additional Period- Sept. 18, 2020	Drill a minimum of four wells between Blocks 13T and 10BB	No financial commitment	Final Relinquishment
Ethiopia	Rift Basin Area	Initial Exploration Phase – February, 2019 (1)	Geological and geophysical studies 2D seismic (400 km) Full tensor gravity (8,000 km2)	5.0 million	25% of original contract area

(1) The Company is applying for an extension of the expiry until August 2019 in order to continue efforts to attract joint venture partners

Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

As at the effective date of this report, reserves have yet to be attributed to any of the properties in which the Company directly holds an interest. Contingent resources have been attributed to the Lokichar Basin (Kenya) (Blocks 10BB and 13T). The key contingencies associated with the Lokichar Basin discoveries are as follows:

- Further data acquisition and analysis, including updated seismic mapping and depth conversion, to better characterize the reservoir extent and reduce sub-surface uncertainties in order to mature the sub-surface development plans;
- Definition of field development plans and infrastructure requirements; and
- Government approval and project sanction.

Seismic Mapping and Depth Conversion

The structural closure at each discovery is constrained by multi-vintage 2D seismic data and in some cases newly acquired 3D seismic data. These data are sufficient to define a structural closure at each discovery; however, there remains some uncertainty related to depth-conversion which may also impact the size of traps, particularly in fields that are constrained by only 1-2 wells. The area of closure and height of closure are dependent on the depth conversion methodology used. Most fields have confirmed the presence of multiple hydrocarbon pools. Within fields the oil-water contacts for some pools are well-constrained by pressure data and testing while others require additional drilling and testing to confirm the extent of pools. The resource estimates consider the uncertainty between the lowest known oil and structural spill-points. However, further appraisal drilling and well testing is required to reduce the uncertainty in the areal extent of reservoir pay zones.

Reservoir Characterisation

The Auwerwer and Lokhone Formations have been penetrated by the wells, drilled by AOC and its co-venturers. However, log interpretation is challenging and there remains significant uncertainty with regard to the average and total thickness of the reservoir pay zones and reservoir quality (porosity, net-to-gross and hydrocarbon saturation). There is also significant uncertainty with regard to well production rates, required well-spacing for development wells, andultimate recovery efficiency of Auwerwer and Lokone reservoirs.

Maturation of Subsurface Development Plans

Oil from the Lokichar Basin wells is a waxy crude (24 per cent to >35 per cent wax), with a wax appearance temperature in the region of 50°C to 70°C and a pour point of 40°C to 50°C. The use of artificial lift for production wells and hot water injection for secondary recovery is proposed. In order to validate this concept and optimize development, additional data gathering and evaluations are required including further production and inter-well interference testing, water injection trials, additional fluid and special core analyses, further G&G and modeling studies.

Field Development Plan and Infrastructure Requirements

The issues outlined above must be addressed to reduce the large uncertainty currently associated with the discoveries before field development plans can be finalized and submitted for approval.

Kenya has limited oil infrastructure and no export facilities currently in place. The discoveries in Blocks 10BB and 13T are remote and cannot be delivered to market without significant infrastructure investment.

The Lokichar Basin is in a remote part of Kenya, approximately 750 km from the most likely point of export at Lamu. New build pipeline infrastructure and road upgrades will be required to permit field development and production export for these resources. Whilst there may be outline plans for this new infrastructure, there is currently no firm commitment or government approval.

Government Approval and Project Sanction

All of the Kenyan discoveries are located within areas defined in various Exploration Contracts. The Government of Kenya has extended these Exploration Contracts to allow further exploration and appraisal. Conversion of these permits to production permits has yet to be agreed.

Regulatory support and approval will be required for the commercialization of the company's Kenyan Contingent Resources to proceed. In accordance with the Company's Production Sharing Contracts and joint venture agreements, field development plans must be agreed by the Company and its joint venture partners before submission for approval by the government.

Given the possible large scale of future development projects in Kenya to commercialize the Contingent Resources, significant capital requirements are anticipated which are potentially beyond the Company's current sources of capital. The Company may require financing from external sources, including issuance of new common shares, issuance of debt or disposition arrangements. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to the Company.

Prior to project sanction for the areas in which the Company has an interest in Contingent Resources, numerous agreements and studies will need to be completed in addition to field development plans, including major engineering/procurement/construction agreements, environmental and social impact assessments, land acquisition agreements and community development plans.

Item 6.3 Forward Contracts

The Company is not party to any agreements relating to the transportation or marketing of oil and gas.

Item 6.5 Tax Horizon

The Company was not required to pay income taxes during 2018. Given the Company is in the exploration stage and does not currently have reserves, no reasonable estimate may be made as to when the Company will be required to pay income taxes in the future.

Item 6.6 Costs Incurred

The net costs incurred by the Company in relation to the various geographic areas in which the Company operated during 2018 were as follows:

Geographic Region	Costs ($US million) Exploration
Ethiopia	$2.5
Kenya	$42.3

Item 6.7 Exploration, Appraisal and Development Activities

Gross Wells and Net Wells Completed During 2018

No exploration appraisal or development wells were drilled during 2018.

Waterflood Pilot, Injection and Extended Well Tests were undertaken in the Ngamia and Amosing fields (Blocks 10BB and 13T – Kenya).

Most Important Current and Likely Exploration and Development Activities

As of December 31, 2018, the Company has been engaged in exploration and appraisal activities aimed at fulfilling or exceeding work commitments outlined in the table included in Item 6.2 above. The Company's assets are wholly located in East Africa. East Africa is vastly under-explored. The majority of the Company's assets are located in the East African Tertiary Rift Play, which is one of the last large unexplored rift basins. The Company acquired its interests in East Africa as several multi-billion barrel oil-prone basins were being discovered in Sudan and neighboring Uganda. The Company and partners have acquired extensive seismic programs over these assets and have identified a large inventory of prospects and leads within a vast exploration acreage position.

The Company has made a number of oil discoveries to date in the South Lokichar Basin (Blocks 10BB/13T Kenya) and is focusing its planned activities on ongoing appraisal and pre-development activities in this Basin.

The Company worked closely with Tullow to focus the 2018 work program and budget on advancing the upstream South Lokichar development in Blocks 10BB and 13T (Kenya) by undertaking activities aimed at increasing resource certainty. These activities included:

- Waterflood pilot testing, Ngamia Field
- Ngamia and Amosing Subsurface Studies
- Ngamia and Amosing Shallow hazards Studies
- Ngamia and Amosing static and dynamic reservoir modelling
- Well Engineering Studies
- Well and Pad location optimisation
-
- Upstream Facilities studies, including iPMT Award and FEED
- Continuing Environmental and Social Impact Assessments
- Preparation for Early Oil Production Scheme (EOPS)
- Extended Well Testing- Ngamia Field wells 8 and 3

In addition, Africa Oil and its joint venture partners continue to work closely with the Government of Kenya in advancing the oil export pipeline by undertakingMidstream studies and initiating FEED and Environmental and Social Impact Assessments.

2018 Activity Summary by Block

KENYA

The 2018 work program has been primarily focused on appraisal of the discoveries in the South Lokichar Basin with the following objectives; confirming reservoir quality and deliverability, resource size and definition, and advancement of the development plans, including the export pipeline.

Block 10BB and 13T

The 2018 work program included continuing studies to support reservoir modeling, additional core analysis, petrophysical analysis, well tests, water injection pilot, the preparation of full field static and dynamic reservoir models, and advancement of the development plans associated with both upstream and midstream activities.

Exploration and Appraisal Drilling

Activity in 2018 was focused on collecting dynamic field data through extended production and water injection testing. The Ngamia-11 appraisal well (143 meters of net oil pay) was completed and was used in a waterflood pilot test that was run throughout the first half of 2018. The waterflood pilot included the previously drilled Ngamia 3, 6 and 8 wells. This pilot was designed to deliver a long-term assessment of the enhanced oil recovery that may be expected as a result of water injection. The waterflood pilot followed the successful water injection testing program which was completed during the first half of 2017 on the Ngamia and Amosing fields. Additionally, the partnership undertook extended well testing on wells in the Amosing and Ngamia fields, throughout 2018, with produced oil from testing being stored in the field until later transportation to storage tanks in Mombasa. The first production from EOPS is expected to commence in the first half of 2019, subject to receiving the necessary consents and approvals.

Field Development (Blocks 10BB and 13T)

In January 2018 the Joint Venture Partners proposed to the Government of Kenya that the Amosing and Ngamia fields be developed as the initial stage of the South Lokichar development (in mid-2018 the initial stage of development was expanded to include the Twiga field). This phase of the development is planned to include a 60,000 to 80,000 barrels of oil per day (bopd) Central Processing Facility (CPF) and an export pipeline to Lamu, some 750 kilometers from the South Lokichar basin on the Kenyan coast. This approach is expected to bring significant benefits as it enables an earlier Final Investment Decision (FID) of the fields taking advantage of the lower-cost environment for both the field and infrastructure development, as well as providing the best opportunity to deliver first oil in a timeline that meets the Government of Kenya expectations. The installed infrastructure can then be utilized for the optimization of the remaining and yet to be discovered South Lokichar oil fields, allowing the incremental development of these fields to be completed in an efficient and low-cost manner post first oil. Additional stages of development are expected to increase plateau production to 100,000 bopd or greater. The FEED for the initial stage commenced in 2018, with FID targeted for 2019 and first oil in 2022.

Block 10BA

Prior to 2015 the Company and its operating partner on Block 10BA, Tullow, completed a 1,450 kilometer 2D seismic program, split evenly between onshore and offshore. After review of the newly-acquired seismic data partners selected the Engomo-1 Prospect to test a Tertiary rift basin in the northwestern corner of Block 10BA.

The Engomo-1 well was drilled in the first quarter of 2015 and was drilled to a total depth of 2,353 meters. The well encountered Tertiary-aged interbedded siltstones, sandstones and claystones, becoming more tuffaceous and tight until reaching a total depth in basement. No significant oil or gas shows were encountered and the well has been plugged and abandoned. The prevalence of tight facies in the wellbore may be due to the well's close proximity to the basin bounding fault. Future analysis will be focused on understanding how this result impacts the remaining prospectivity in the basin. The

Company and partners met all work commitments for the first exploration period and entered the second additional exploration period in 2017. In 2018 the Company and its partners worked to prepare for the drilling of an exploratory well in the block and is seeking to align the timing of the well commitment to align with the restart of other drilling activities in Blocks 10BB and 13T

Block 9

Block 9 was relinquished during 2018.

ETHIOPIA

Rift Basin Area

As of December 31, 2018, the Company was engaged in a farmout effort and commercial ranking of the prospect inventory in advance of a decision point to enter the next exploration period. An application has been made to the Ethiopian Government to extend the current exploration period until August 2019 to allow the Company to continue farmout efforts.

Item 6.8 Production Estimates

The Company is unable to estimate production of future net revenues from its oil and gas activities as of December 31, 2018.

Item 6.9 Production History

The Company had no oil and gas production history as of December 31, 2018**.**

SCHEDULE B

FORM 51-101F3

Report of Management and Directors on Oil and Gas Disclosure

(This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.

Report of Management and Directors on Reserves Data and Other Information

The Reserves Committee of the board of directors of Africa Oil Corp. (the "Company") has reviewed the oil and gas activities of the Company and has determined that the Company had no reserves as of December 31, 2018.

An independent qualified reserves evaluator or qualified reserves auditor has not been retained to evaluate the Company's reserves data. No report of an independent qualified reserves evaluator or qualified reserves auditor will be filed with securities regulatory authorities with respect to the financial year ended on December 31, 2018**.**

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing information detailing the Company's oil and gas activities; and
(b) the content and filing of this report.

/s/Keith Hill
Keith C. Hill, Chief Executive Officer

/s/Ian Gibbs
Ian Gibbs, Chief Financial Officer

/s/Gary S. Guidry
Gary S. Guidry, Director

/s/Andrew Bartlett
Andrew Bartlett, Director

Date: February 28, 2018

SCHEDULE C

AFRICA OIL CORP.
(the "Company")

MANDATE OF THE AUDIT COMMITTEE

1. Purpose of the Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries.

2. Members of the Audit Committee

2.1. The Audit Committee shall be appointed annually by the Board and shall be composed of three members, each of whom must be a director of the Company and a majority of whom must be independent.

2.2. At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3. Meeting Requirements

3.1. The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without a meeting the Committee may act by unanimous written consent of all members.

3.2. Two members of the Audit Committee shall constitute a quorum.

4. Duties and Responsibilities

4.1. Appointment, Oversight and Compensation of Auditor

4.1.1. The Audit Committee shall recommend to the Board:

a) The auditor (the "Auditor") to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

b) The compensation of the Auditor.

In making such recommendations, the Audit Committee shall evaluate the Auditor's performance and review the Auditor's fees for the preceding year.

4.1.2. The Auditor shall report directly to the Audit Committee.

4.1.3. The Audit Committee shall be directly responsible for overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting.

4.1.4. The Audit Committee shall review information, including written statements from the Auditor, concerning any relationships between the Auditor and the Company or any other relationships that may adversely affect the independence of the Auditor and assess the independence of the Auditor.

4.2. Non-Audit Services

4.2.1. All auditing services and non-audit services provided to the Company or the Company's subsidiaries by the Auditor shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Audit Committee. In no circumstances shall the Auditor provide any non-audit services to the Company that are prohibited by applicable law or regulation.

4.3. Review of Financial Statements etc.

4.3.1. The Audit Committee shall review the Company's interim and annual financial statements and Management's Discussion and Analysis ("MD&A"), intended for circulation among shareholders; and shall report on them to the Board.

4.3.2. The Audit Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles and that the auditors have no reservations about such statements.

4.3.3. The Audit Committee shall review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the Auditor that may have a significant impact on the Company's financial reports, and report on them to the Board.

4.4. Review of Public Disclosure of Financial Information

4.4.1. The Audit Committee shall review the Company's annual and interim press releases relating to financial results before the Company publicly discloses this information.

4.4.2. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection 5.4.1, and must periodically assess the adequacy of those procedures.

4.5. Review of Annual Audit

4.5.1. The Audit Committee shall review the nature and scope of the annual audit, and the results of the annual audit examination by the Auditor, including any reports of the Auditor prepared in connection with the annual audit.

4.5.2. The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.

4.5.3. The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect the audited financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.5.4. The Audit Committee shall satisfy itself that there is generally a good working relationship between management and the Auditor.

4.6. Review of Quarterly Review Engagements

4.6.1. The Audit Committee shall review the nature and scope of any review engagements for interim financial statements, and the results of such review engagements by the Auditor, including any reports of the Auditor prepared in connection with such review engagements.

4.6.2. The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect any interim financial statements.

4.6.3. The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect any interim financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.7. Internal Controls

4.7.1. The Audit Committee shall have responsibility for oversight of management reporting and internal control for the Company and its subsidiaries.

4.7.2. The Audit Committee shall satisfy itself that there are adequate procedures for review of interim statements and other financial information prior to distribution to shareholders.

4.8. Complaints and Concerns

4.8.1. The Audit Committee shall establish procedures for:

a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4.9. Hiring Practices

4.9.1. The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former Auditors of the Company.

4.10. Other Matters

4.10.1. The Audit Committee shall be responsible for oversight of the effectiveness of management's interaction with and responsiveness to the Board;

4.10.2. The Audit Committee shall review and monitor all related party transactions which may be entered into by the Company.

4.10.3. The Audit Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.

4.10.4. The Audit Committee shall satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulations relating to insider trading, continuous disclosure and financial reporting.

4.10.5. The Audit Committee shall periodically review the adequacy of this Charter and recommend any changes to the Board.

4.10.6. The Board may refer to the Audit Committee such matters and questions relating to the financial position of the Company and its affiliates as the Board from time to time may see fit.

5. Rights and Authority of the Audit Committee and the Members Thereof

5.1. The Audit Committee has the authority:

a) To engage independent counsel and other advisors as it determines necessary to carry out its duties;

b) To set and require the Company to pay the compensation for any advisors employed by the Audit Committee; and

c) To communicate directly with the Auditor and, if applicable, the Company's internal auditor.

5.2. The members of the Audit Committee shall have the right, for the purpose of performing their duties, to inspect all the books and records of the Company and its affiliates and to discuss those accounts and records and any matters relating to the financial position of the Company with the officers and Auditor of the Company and its affiliates, and any member of the Audit Committee may require the Auditor to attend any or every meeting of the Audit Committee.

6. Miscellaneous

Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Audit Committee. The purposes, responsibilities, duties and authorities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.