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NEWS RELEASE

AFRICA OIL 2018 FIRST QUARTER FINANCIAL AND OPERATING RESULTS

May 10, 2018 (AOI–TSX, AOI–Nasdaq-Stockholm) … Africa Oil Corp. ("Africa Oil" or the "Company") is pleased to announce its financial and operating results for the three months ended March 31, 2018.

As at March 31, 2018, the Company had cash of $378.9 million and working capital of $408.7 million as compared to cash of $392.3 million and working capital of $436.3 million at December 31, 2017. During the second quarter of 2017, the Company and Maersk (who has subsequently been acquired by Total S.A.) agreed to payment terms related to the $75.0 million advance development carry. Africa Oil is due to receive equal quarterly payments of $18.75 million at the end of each calendar quarter during 2018. The first quarterly payment was received during the first quarter of 2018.

On March 7, 2018, the Company announced that it acquired 129.8 million shares and 45.4 million share purchase warrants providing the Company with an approximate 25.2% equity ownership interest in Impact Oil and Gas Limited ("Impact"). Impact is an oil and gas exploration company with assets located offshore South Africa and West Africa.

Impact acquired its first asset, the Tugela South Exploration Right, offshore South Africa in 2011 and has subsequently expanded its asset base across the offshore margins of South and West Africa. It has since partnered with ExxonMobil and Statoil (South Africa), CNOOC (AGC - between Senegal and Guinea Bissau) and Total S.A. (Namibia and South Africa). Impact's portfolio covers a combined area of over 90,000 km² (gross).

<u>Blocks 10BB and 13T (Kenya)</u>

Operational activity remains primarily focused in the South Lokichar basin. Work continues at both the Amosing and Ngamia fields, focused on collecting dynamic field data through extended production and water injection testing. The Ngamia-11 appraisal well (143 meters of net oil pay) is being utilized in a waterflood pilot test planned to be run throughout the first half of 2018. The waterflood pilot will include the previously drilled Ngamia 3, 6 and 8 wells. This pilot is 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 follows up the successful water injection testing program which was completed during the first half of 2017 on the Ngamia and Amosing fields. Additionally, extended well testing has been initiated in the Ngamia field, with produced oil from testing initially being stored in the field. A comprehensive set of results from this program is expected in the third quarter of 2018. To date, the initial results are positive.

The first production from the Early Oil Production System ("EOPS") is expected to commence in the first half of 2018, subject to receiving all necessary consents and approvals for the transfer of crude oil to Mombasa by road. Discussions between local and national Governments are on-going with expectations of being able commence the trucking of oil in coming months.

Since January 2018, work to deliver on the agreed development plan has been underway with strong alignment between the Government of Kenya and the Joint Venture Partners. The project remains on track for an FID in 2019. The initial 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 early Final Investment Decision (FID) of the Amosing and Ngamia fields, taking full advantage of the current low-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.

The initial stage is planned to include 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. Additional stages of development are expected to increase plateau production to 100,000 bopd or greater. The upstream baseline data collection for the Environmental and Social Impact Assessment (“ESIA”) has commenced and the Front End Engineering and Design (“FEED”) contract is expected to be awarded in the near term.

A Joint Development Agreement (“JDA”), setting out a structure for the Government of Kenya and the Kenya Joint Venture Partners to progress the development of the export pipeline, was signed on 25 October, 2017. The associated FEED and ESIA have commenced, as well as studies on pipeline financing and ownership, which are expected to continue throughout 2018

Africa Oil Corp. has a 25% working interest in Blocks 10BB and 13T with Tullow Oil plc (50% and Operator) and Total S.A. (25%) holding the remaining interests.

2018 First Quarter Financial Results

Results of Operations
(Thousands United States Dollars)
(unaudited)

(thousands)	Three months ended March 31, 2018	Three months ended March 31, 2017
Salaries and benefits	$ 430	$ 250
Equity-based compensation	233	455
Travel	337	197
Office and general	356	57
Project evaluation	180	-
Donation	-	850
Depreciation	27	25
Professional fees	68	110
Stock exchange and filing fees	182	187
Fair market value adjustment of warrants	54	-
Share of loss from equity investment	708	280
Operating expenses	$ 2,575	$ 2,411

Operating expenses were slightly higher during the three months ended March 31, 2018 compared to the same period in 2017. Salaries and benefits increased $0.2 million during the first quarter of 2018 compared to the same period in 2017 due to the recovery of costs relating to the secondment of an employee during 2017. Equity-based compensation decreased $0.2 million which can be mainly attributed to the decrease in the number and fair value of stock options granted at the end of 2017. Office and general increased $0.3 million during the first quarter of 2018 compared to the same period in 2017 which is primarily due to increased activity related to current operations. Project evaluation increased $0.2 million during the first quarter of 2018 due to costs associated with assessing potential Africa-related investment opportunities. Donations decreased as the Company made a donation of $0.9 million during the first quarter of 2017 compared $ nil during the first quarter of 2018. The share of loss from equity investment increased $0.4 million during the three months ended March 31, 2018 compared to the same period in 2017. This is due to the company recognizing losses from its investments in Africa Energy, Eco and Impact. The Eco investment was completed during November 2017 and the Impact investment was completed during March 2018.

Financial income and expense is made up of the following items:
(Thousands of United States Dollars)
(unaudited)

For the three months ended		March 31, 2018		March 31, 2017
Interest and other income	$	1,287	$	769
Bank charges		(37)		(11)
Foreign exchange loss		(1)		12
Finance income	$	1,287	$	781
Finance expense	$	(38)	$	(11)

The Company holds the vast majority of its cash on hand in US dollars, the Company's functional currency. Interest Income fluctuates in accordance with cash balances, the currency that the cash is held in, and prevailing market interest rates. Interest rates on short-term U.S. dollar deposits have been increasing during the second half of 2017 and first quarter of 2018.

Consolidated Balance Sheets
(Thousands United States Dollars)
(unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 378,906	$ 392,290
Accounts receivable	56,300	75,052
Prepaid expenses	1,220	1,160
	436,426	468,502
Long-term assets		
Equity investments	42,107	17,053
Derivative financial instruments	4,290	-
Property and equipment	82	105
Intangible exploration assets	531,638	520,652
	578,117	537,810
Total assets	$ 1,014,543	$ 1,006,312
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 27,224	$ 31,658
Equity-based compensation liability	480	552
	27,704	32,210
Long-term liabilities		
Equity-based compensation liability	177	648
	177	648
Total liabilities	27,881	32,858
Equity attributable to common shareholders		
Share capital	1,305,129	1,290,796
Contributed surplus	50,015	49,814
Deficit	(368,482)	(367,156)
Total equity attributable to common shareholders	986,662	973,454
Total liabilities and equity attributable to common shareholders	$ 1,014,543	$ 1,006,312

Expenditures on intangible exploration assets of $11.0 million were incurred during the period ended March 31, 2018, related primarily to costs associated with appraisal activities and development studies associated with the South Lokichar Basin (Blocks 10BB and 13T Kenya). The Company utilized $15.8 million, acquiring shares and warrants in Impact, resulting in an increase in Equity Investments and Derivative Financial Instruments. The first of four quarterly $18.75 million payments was received during the first quarter of 2018, resulting in a decrease in Accounts Receivable. The Company is debt free.

Consolidated Statement of Cash Flows
(Thousands United States Dollars)
(unaudited)

For three months ended		March 31, 2018		March 31, 2017
Cash flows provided by (used in):				
Operations:				
Net loss and comprehensive loss for the period	$	(1,326)	$	(1,641)
Items not affecting cash:				
Equity-based compensation		233		455
Depreciation		27		25
Share of loss from equity investments		708		280
Fair value adjustment - warrants		54		-
Unrealized foreign exchange loss		1		(12)
Changes in non-cash operating working capital		(55)		155
		(358)		(738)
Investing:				
Property and equipment expenditures		(4)		(2)
Intangible exploration expenditures		(10,986)		(14,871)
Advance carry relating to farmout		18,750		-
Equity investment		(12,922)		-
Warrants acquired in equity investment		(2,857)		-
Changes in non-cash investing working capital		(4,438)		2,867
		(12,457)		(12,006)
Financing:				
Common shares issued		5		304
Settlement of Restricted Share Units		(573)		(553)
		(568)		(249)
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currency		(1)		12
Increase (decrease) in cash and cash equivalents		(13,384)		(12,981)
Cash and cash equivalents, beginning of the period	$	392,290	$	463,061
Cash and cash equivalents, end of the period	$	378,906	$	450,080
Supplementary information:				
Interest paid		Nil		Nil
Income taxes paid		Nil		Nil

The following table breaks down the material components of intangible exploration expenditures for the three months ended March 31, 2018 and 2017:

For the three months ended	March 31, 2018			March 31, 2017		
(thousands)	Kenya	Ethiopia	Total	Kenya	Ethiopia	Total
Drilling and completion	$ 4,767	$ 9	**$ 4,776**	$ 7,665	$ 16	**$ 7,681**
Development studies	2,823	-	**2,823**	1,885	-	**1,885**
Exploration surveys and studies	14	38	**52**	379	14	**393**
PSA and G&A related	2,911	424	**3,335**	4,593	319	**4,912**
Total	$ 10,515	$ 471	**$ 10,986**	$ 14,522	$ 349	**$ 14,871**

Africa Oil incurred $10.5 million of intangible exploration expenditures in Kenya for the three months ended March 31, 2018. Drilling and completion expenditures primarily relate to the waterflood pilot test being performed on the Ngamia-11 appraisal well as well as extended well testing on the Ngamia field. Development study expenditures are associated with studies aimed at progressing towards project sanction for the South Lokichar Basin.

The Company incurred $0.5 million of intangible exploration expenditures in Ethiopia for the three months ended March 31, 2018, which consists of license fees and general and administrative costs.

Consolidated Statement of Equity
(Thousands United States Dollars)
(unaudited)

		March 31, 2018		March 31, 2017
Share capital:				
Balance, beginning of the period	$	1,290,796	$	1,290,389
Shares issued to Helios Resources 2 Ltd.		14,327		-
Exercise of options		6		407
Balance, end of the period		1,305,129		1,290,796
Contributed surplus:				
Balance, beginning of the period	$	49,814	$	49,677
Equity-based compensation		202		455
Settlement of Restricted Share Units		-		(553)
Exercise of options		(1)		(103)
Balance, end of the period		50,015		49,476
Deficit:				
Balance, beginning of the period	$	(367,156)	$	(362,625)
Net loss and comprehensive loss attributable to common shareholders		(1,326)		(1,641)
Balance, end of the period		(368,482)		(364,266)
Total equity attributable to common shareholders	$	986,662	$	976,006

The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the three months ended March 31, 2018 and 2017, and the 2017 Annual Information Form have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.africaoilcorp.com).

About Africa oil

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

Additional Information

The information was submitted for publication, through the agency of the contact person set out below, on May 10, 2018 at 2:30 p.m. Pacific Time.

FORWARD LOOKING INFORMATION

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation). Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

ON BEHALF OF THE BOARD

"Keith C. Hill"
President and CEO

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