AfricaOil

Africa Oil Corp.

Production on the horizon and new opportunities for growth

A Lundin Group Company
AOI – TSX and Nasdaq Stockholm
February 2018

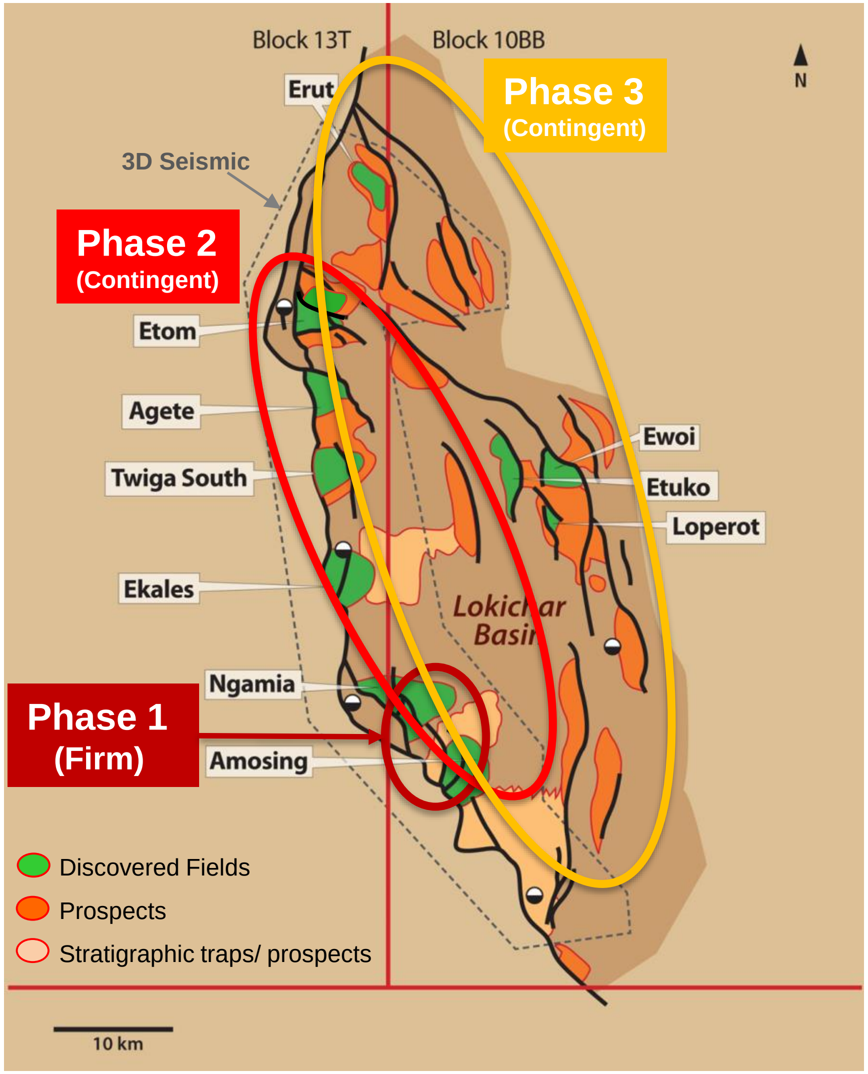
New Strategy Being Implemented

- Phased Lokichar Development
  - Partners and Government now aligned on phased development that will limit upfront capital expenditures while allowing a Kenyan export pipeline to move forward
- Exploration Growth Strategy
  - Africa Oil gains significant exposure to high profile diversified exploration portfolio with a limited upfront investment or ongoing capital commitments
- Potential acquisition of a Producing Asset
  - Several Africa based production deals being evaluated
  - Deploy portion of cash on hand targeting assets with free cash flow, gaining exposure to oil price recovery
- Maintain Strong Balance Sheet
  - Company has $424 million cash on hand with no debt as of end September 2017
  - Additional $75 million carry from Maersk covers entire Kenya 2018/2019 budget
  - Preserve ability to reach Kenya first oil, without issuing equity

South Lokichar Development Phases

Phase 1 – Amosing and Ngamia Sweet Spots (60 - 80k BOPD)

- Develop high productivity Auwerwer reservoirs in main fields
- Allows export pipeline to move forward, unlocking basin potential with minimal upfront investment
- Well and field performance will allow additional phases to be better defined and funded primarily from cash flow
- Target FID: 2019
- Target First Oil: 2021/2022

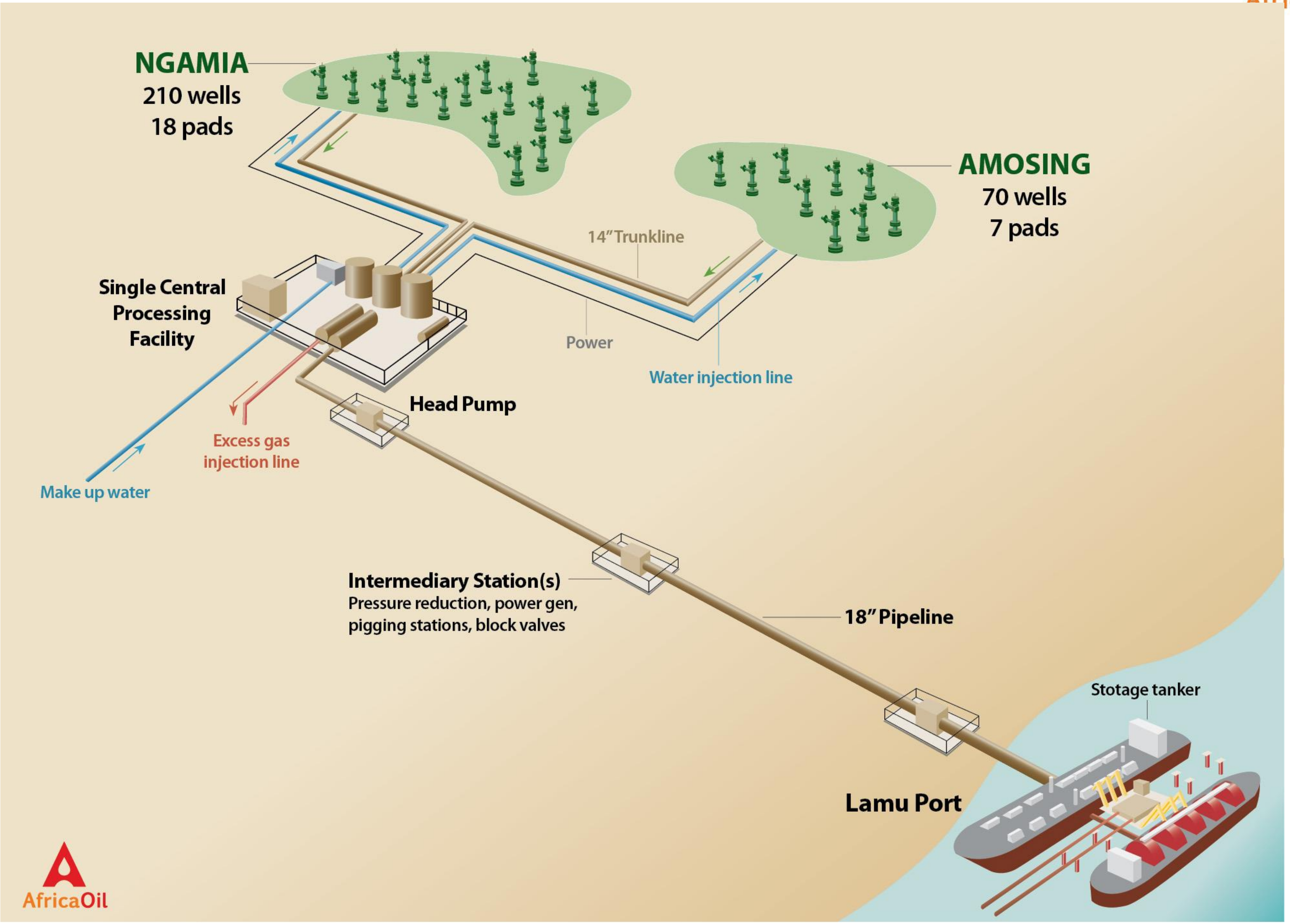


Phase 2/3 (Contingent) – Northern Fields and Exploration Upside (100-120k BOPD)

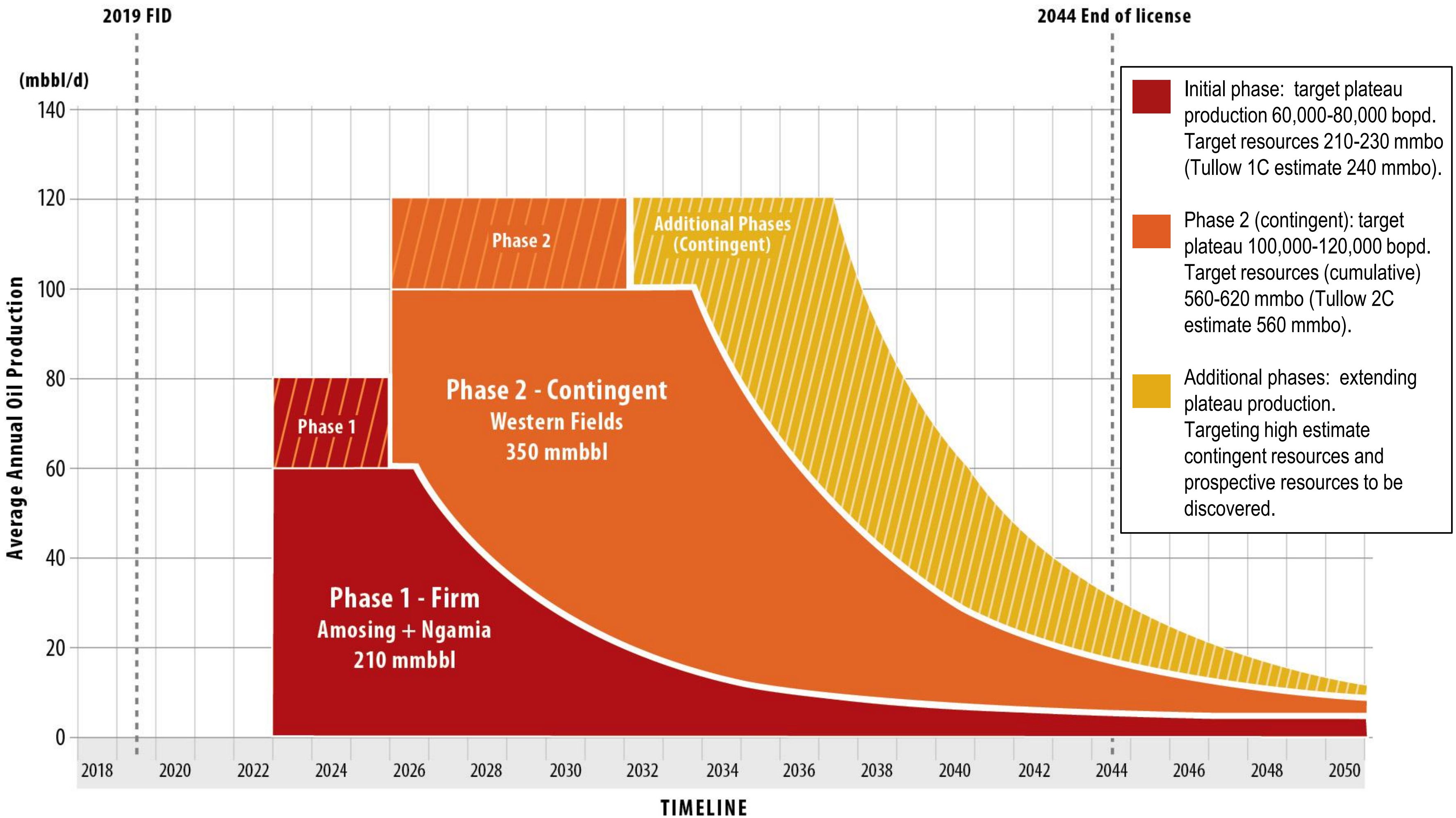
- With pipeline and CPF in place, incremental unit development costs expected to be greatly reduced and more marginal reservoirs and remote fields will become highly economic
- Up front cost savings by deferring inter-field pipelines, excess water handling and development wells
- Allows additional time to upgrade resources including exploration volumes
- Exploration and appraisal activity funded from cash flow

Africa Oil holds a 25% working interest in Blocks 10BB/13T (Kenya). The blocks are operated by Tullow Oil plc (“Tullow”.

Lokichar Phase 1 Development Concept

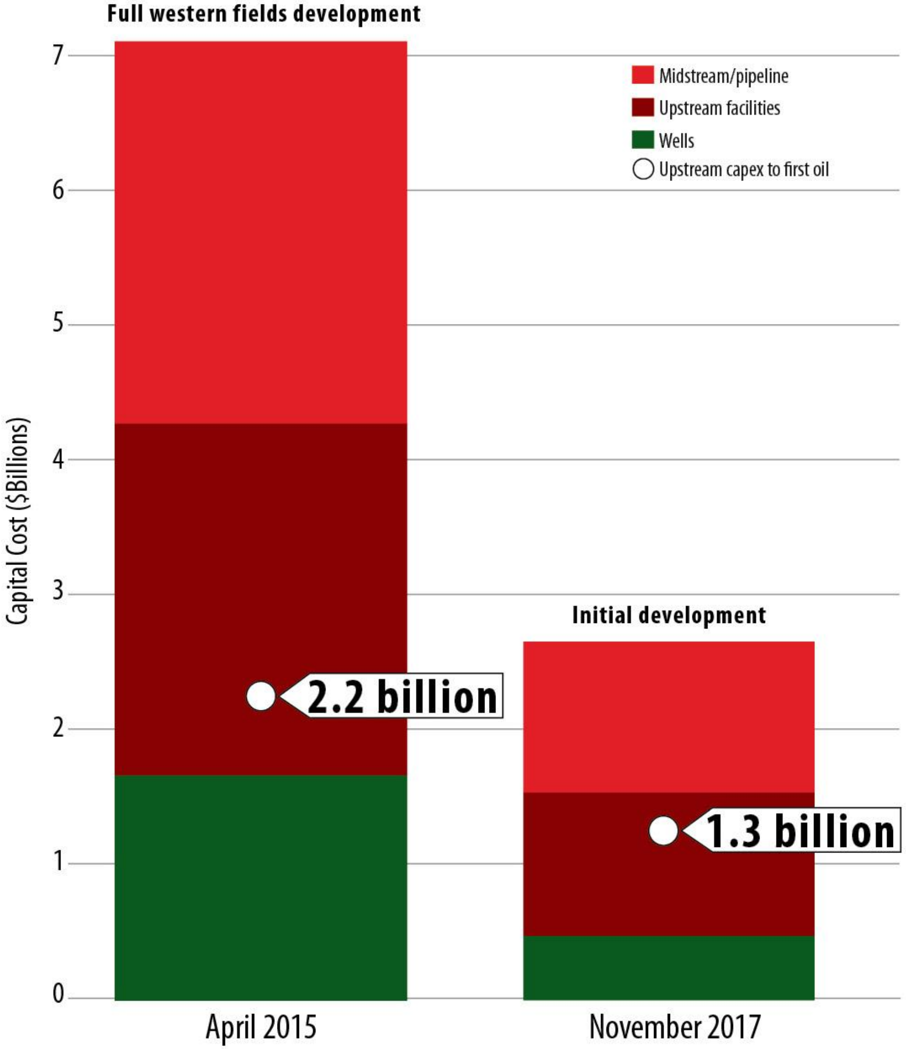


Phased Development Production Profile



Production profiles are indicative and based on Tullow's (operator) updated assessment of resources (refer to Tullow press release dated February 7, 2018). Results of Africa Oil's most recent independent assessments of Contingent resources in accordance with National Instrument 51-101 in the South Lokichar basin are contained in the Company's press release dated May 10, 2016.

Development Cost Reductions – including Capex to First Oil



April 2015	November 2017
20" line with bulk heaters Onshore tank farm at Lamu SPM loading facility	20% reduction in costs due to oil price environment Steel prices reduced by 40% 18" line with optimised route (50 km reduction) Reduced insulation, electrical line heating alone Reduction in pumpstations Offshore storage and loading facility ($150 million reduction)
80k per day facilities	20% reduction in costs due to oil price environment 50% reduction in the utilities needed 60k facilities Increased module size reducing the number of modules by 50% Increasing the equipment sizes reduced the equipment count by 50%
354 wells from 47 wellpads $4.8 Million per well Wellpad cost of $1 million per well	280 wells from 25 well pads $2.2 million per well Wellpad cost of $0.5 million per well

New Exploration Portfolio Approach

- Portfolio approach allows Africa Oil to access a larger number of highly prospective blocks, with near term wells, many of which are carried by majors, for a low entry cost and limited capital commitments
- $50MM maximum combined investment will not impact Kenya development funding
- AOI has board representation and will be the largest or second largest shareholder in all portfolio companies

Impact Oil & Gas Limited (5 years) (ownership interest ~25%)

- Have an impressive portfolio of deep water exploration blocks, most of which have farm in agreements and carries by major oil companies (Exxon, TOTAL, Statoil, CNOOC).
- Private U.K. Company
- Definitive agreements entered into, closing expected in Q1 2018

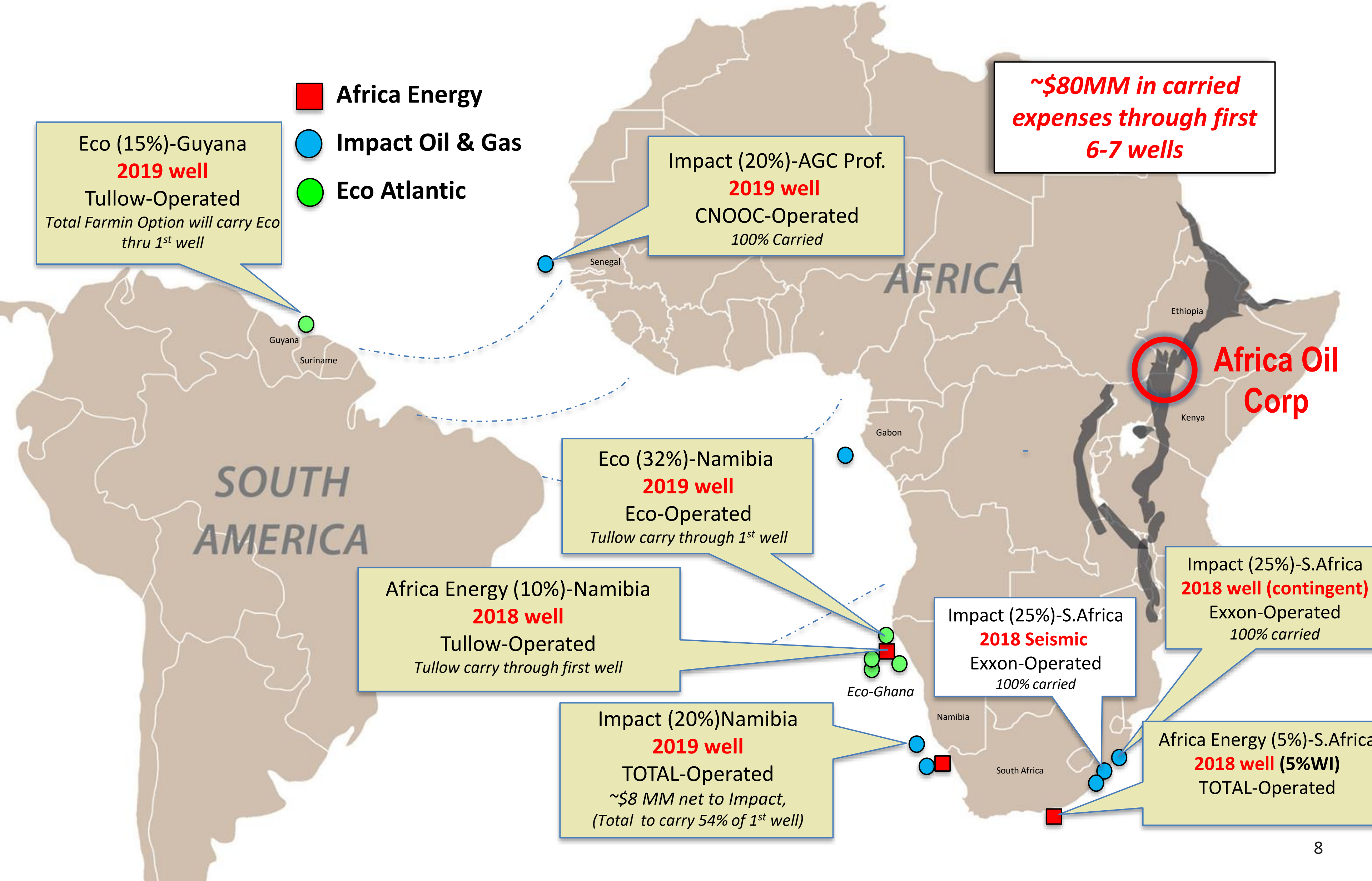
Eco-Atlantic Oil & Gas Ltd. (3 years) (ownership interest ~19.75%)

- Namibia: multiple high potential prospective blocks which will be derisked by planned Africa Energy well
- Guyana: updip and adjacent to Exxon Liza discovery and play fairway
- Right to take 20% ground floor interest in new blocks
- TSXV/AIM listed

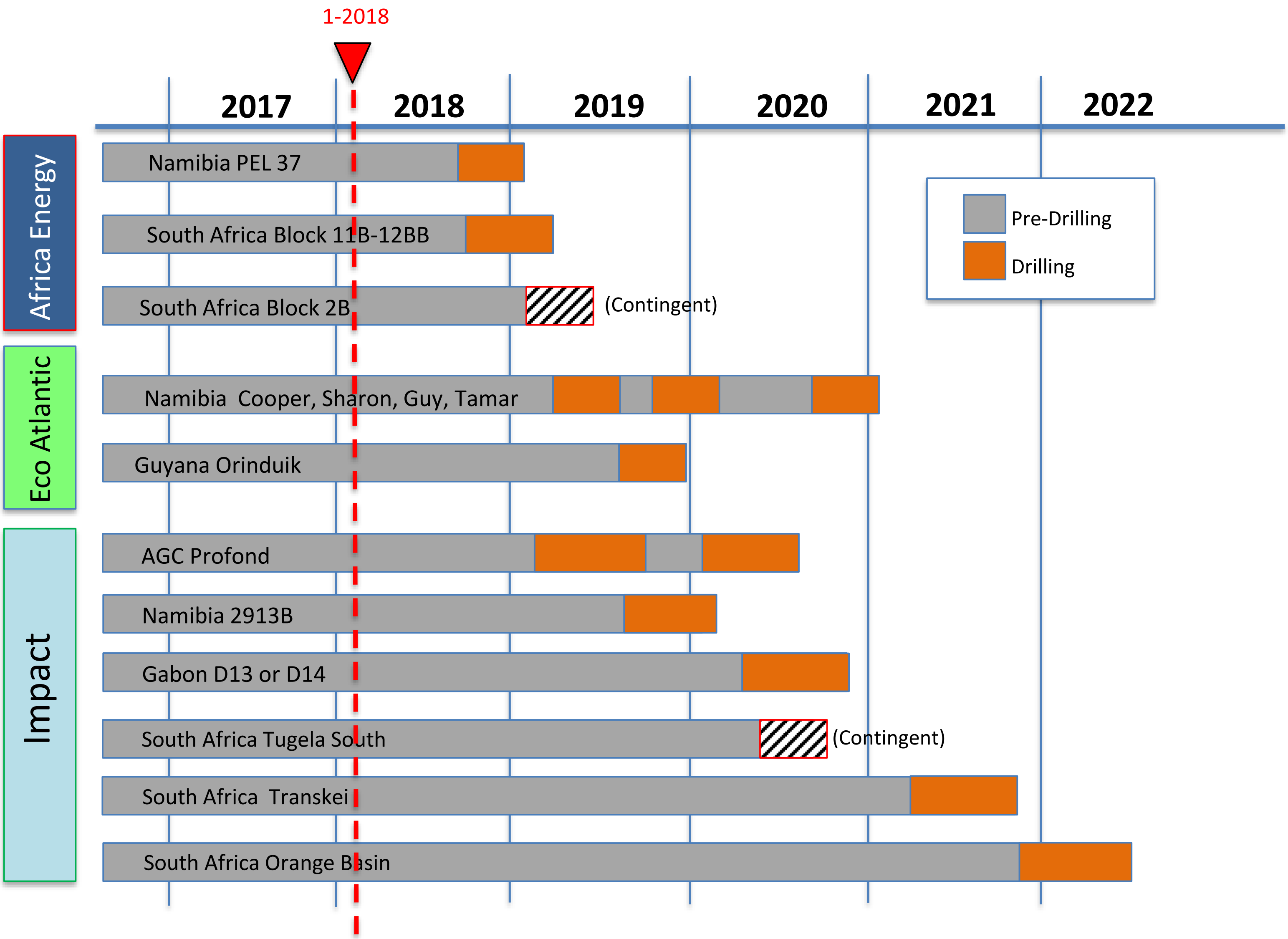
Africa Energy Corp. (2 years) (ownership interest ~28%)

- Strong inventory of exploration prospects, including high potential TOTAL operated South Africa Block and Tullow operated Namibia Block –both with wells planned in 2018
- Multiple prospective opportunities being evaluated
- TSXV listed

Location of Exploration Blocks:
Africa Energy, Impact & Eco Atlantic



Potential Drilling Schedule: AEC, Eco & Impact



Africa Energy has announced a transaction to acquire 49% of an entity holding a 10% interest in Blocks 11B/12B. Closing is subject to standard conditions, including government approval.

Producing Asset Strategy and Criteria

- **Deploy portion of cash on hand, targeting free cash flowing assets, enhancing return and gaining oil price exposure**
  - Maintain ability to fund Kenya development without issuing additional equity
  - Avoid early stage assets with high development spending requirements
  - Provide upside exposure to oil price recovery

- **Focus on producing assets in Africa with cash flow**
  - Stable cash flow at $50-60 oil price mandatory
  - Oil rather than gas unless long term high value gas contracts in place
  - Upside development or exploration potential and funded from cash flow, highly desirable

- **Currently reviewing several opportunities that fit above criteria**

Summary

- Strong Financial Position – $423.9 million cash (September 30, 2017) with a full carry on Kenya expenditures in 2018/2019 from Maersk
- Lokichar project now moving forward with optimized phased development that assures a low cost pipeline solution that unlocks basin potential
- New exploration portfolio strategy gives AOI exposure to highly prospective exploration projects, mostly carried by industry, with 2 to 3 high impact wells drilling every year for next 3 to 4 years
- M&A targeting a producing property to put our cash to work and expose ourselves to oil price recovery with development/appraisal upside
- **No requirement for future equity raises to fund Kenya development or new exploration initiative**
- Goal is to create an integrated Africa based oil company with production and cash flow to fund the world class development /exploration projects already secured in our portfolio