

AFRICA OIL CORP.

October 2017

A Lundin Group Company
AOI – TSX and Nasdaq Stockholm



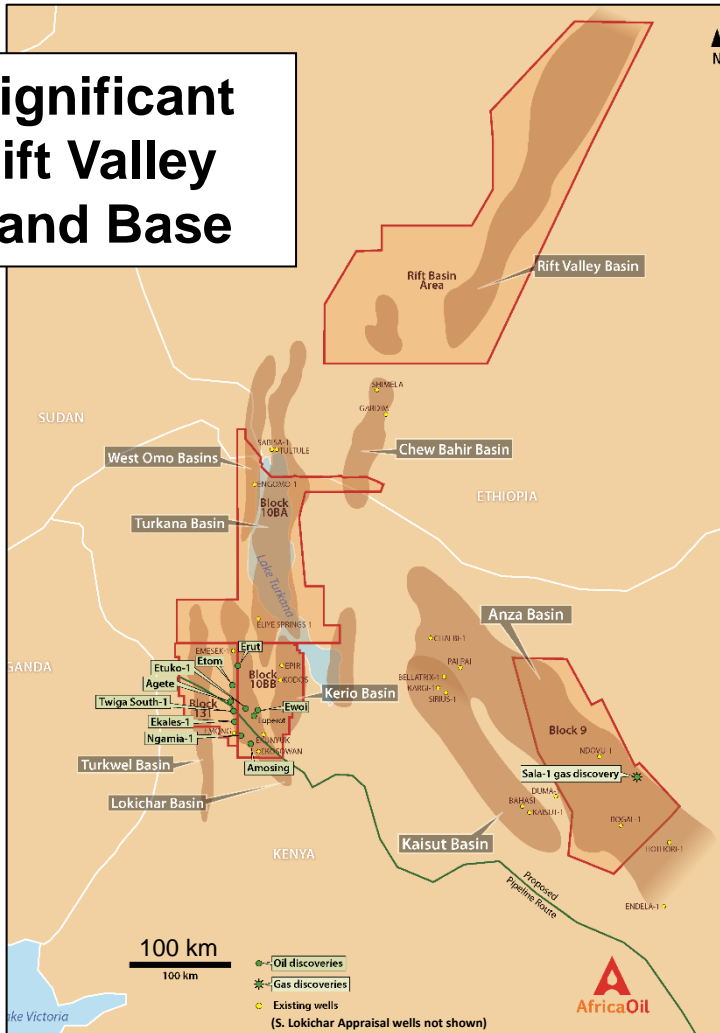
Moving Forward to Development

In Leading Position for Oil Price Recovery

- **Highly Enviably Financial Position**
 - US\$437MM (June 30th 2017) in cash with no debt due to Maersk farmout and 2015 fund raising efforts
 - A further \$75MM of proceeds from Maersk farmout to be received in 2018
 - Potential for up to \$405MM in additional development carry from Maersk, dependent on resource growth and timing of first oil
 - No additional equity raise should be required to get to first oil
- **Drilling and Evaluation Program Continues**
 - Erut and Emekuya wells announced as recent discoveries
 - Successful injection testing complete and small scale waterflood pilot is planned to further de-risk resource base
- **Development Accelerating**
 - Joint Venture aggressively pursuing pipeline, the development studies and facilities design are progressing, with full support of Kenyan Government

A Strategic Position in a World Class Oil Project Onshore East Africa

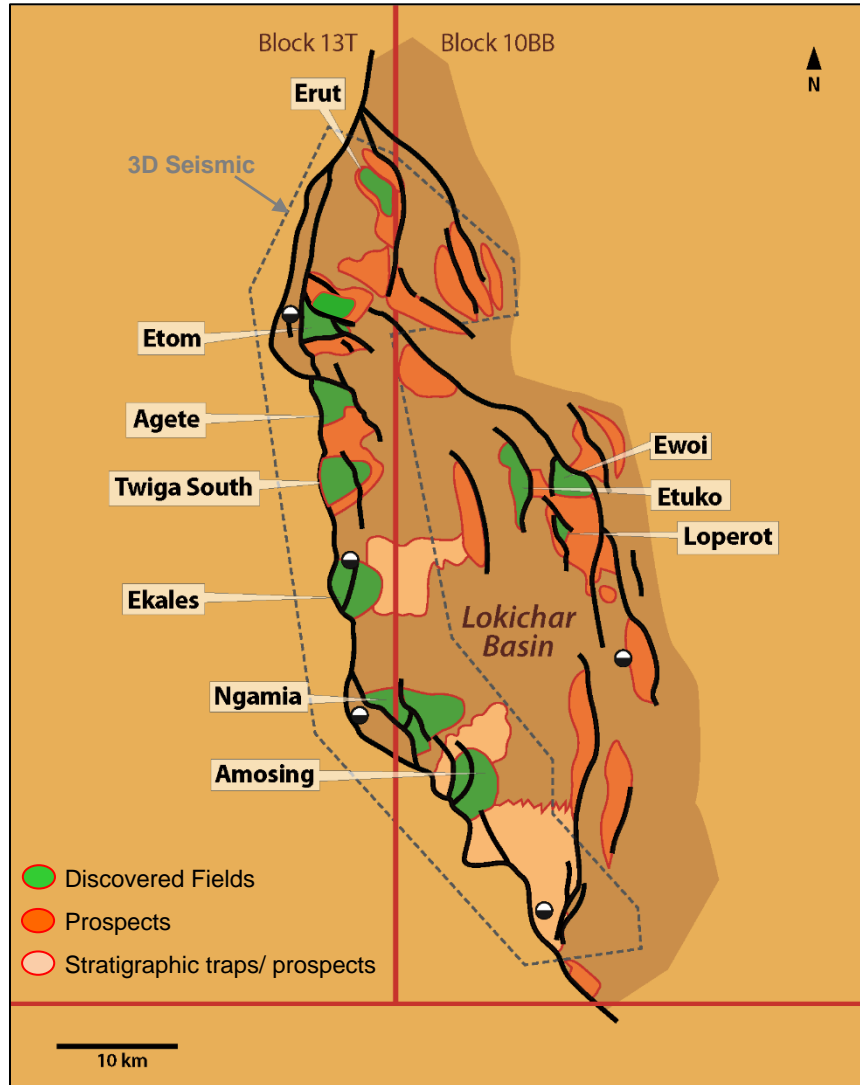
**Significant
Rift Valley
Land Base**



- World Class onshore oil discovery in the South Lokichar Basin in Kenya
- 2C resources of 760 MM barrels with an upside of 1.6 BN barrels*
- Low cost development, good fiscal terms and strong economics
- Development planning underway with oil export pipeline route identified that is supported by Government of Kenya
- New basin exploration is still an area of high growth potential with several untested basins and drill-ready prospects remaining in the inventory

*Please refer to Africa Oil's press release dated May 9 2016 for details of the contingent resources by field

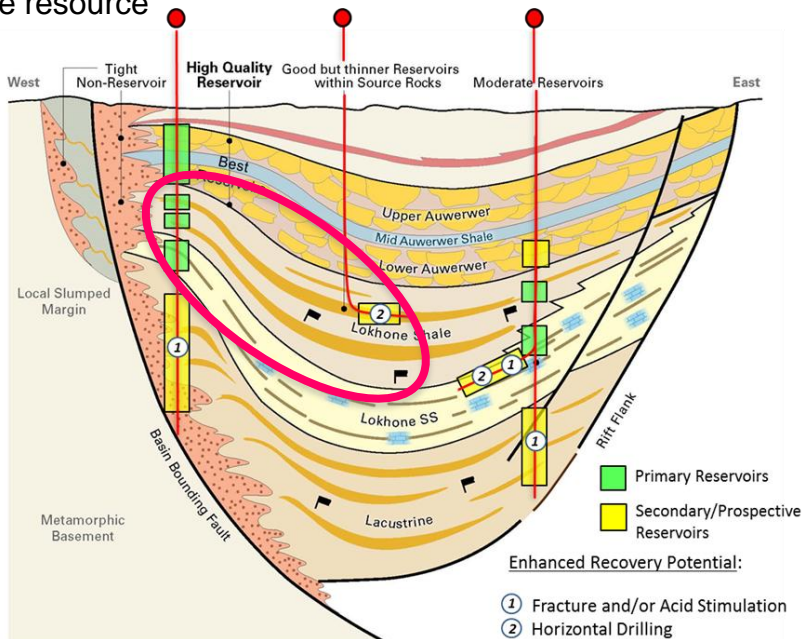
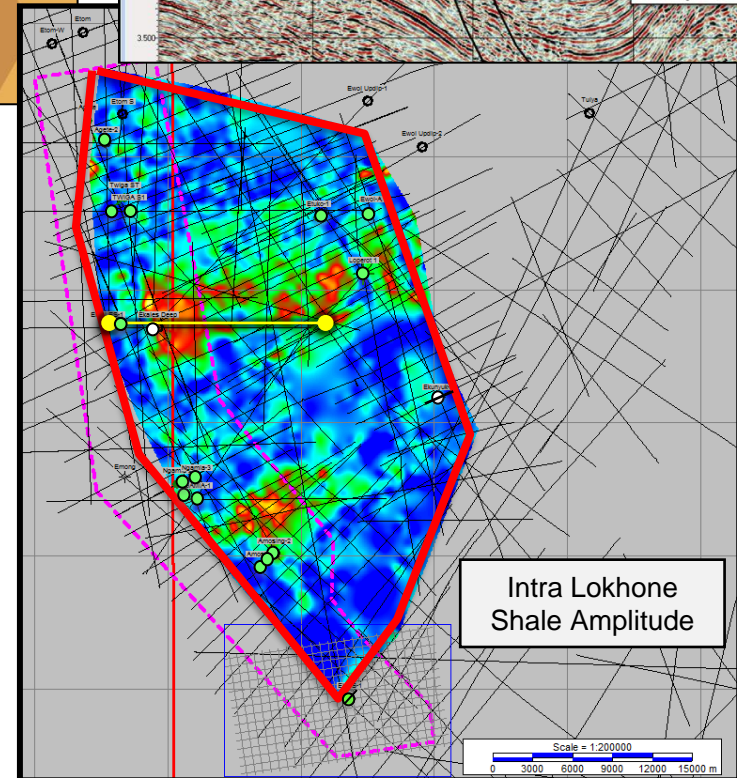
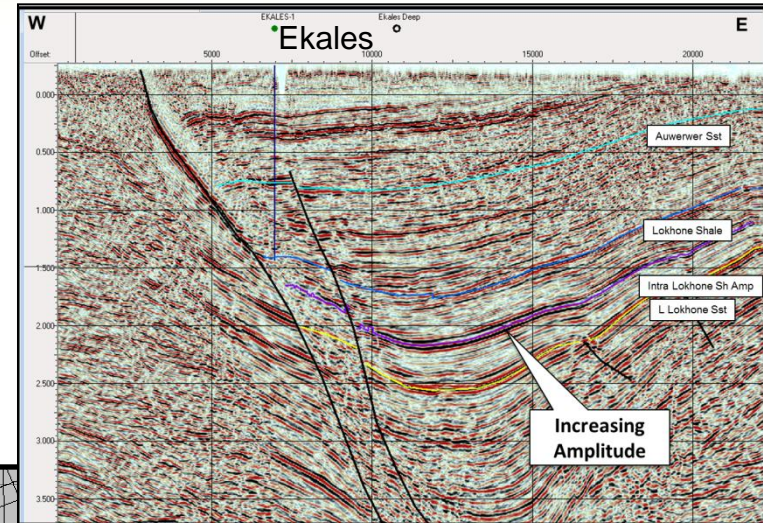
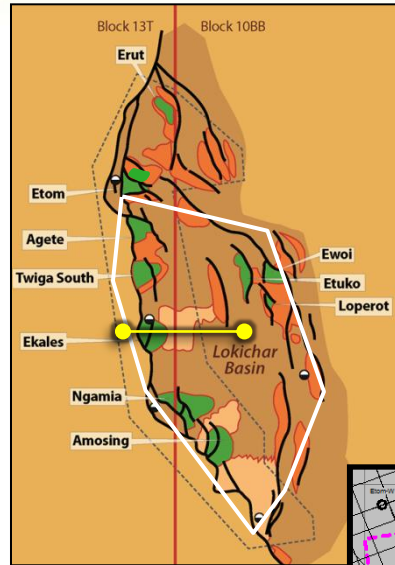
South Lokichar Basin – Huge Upside Still Remains



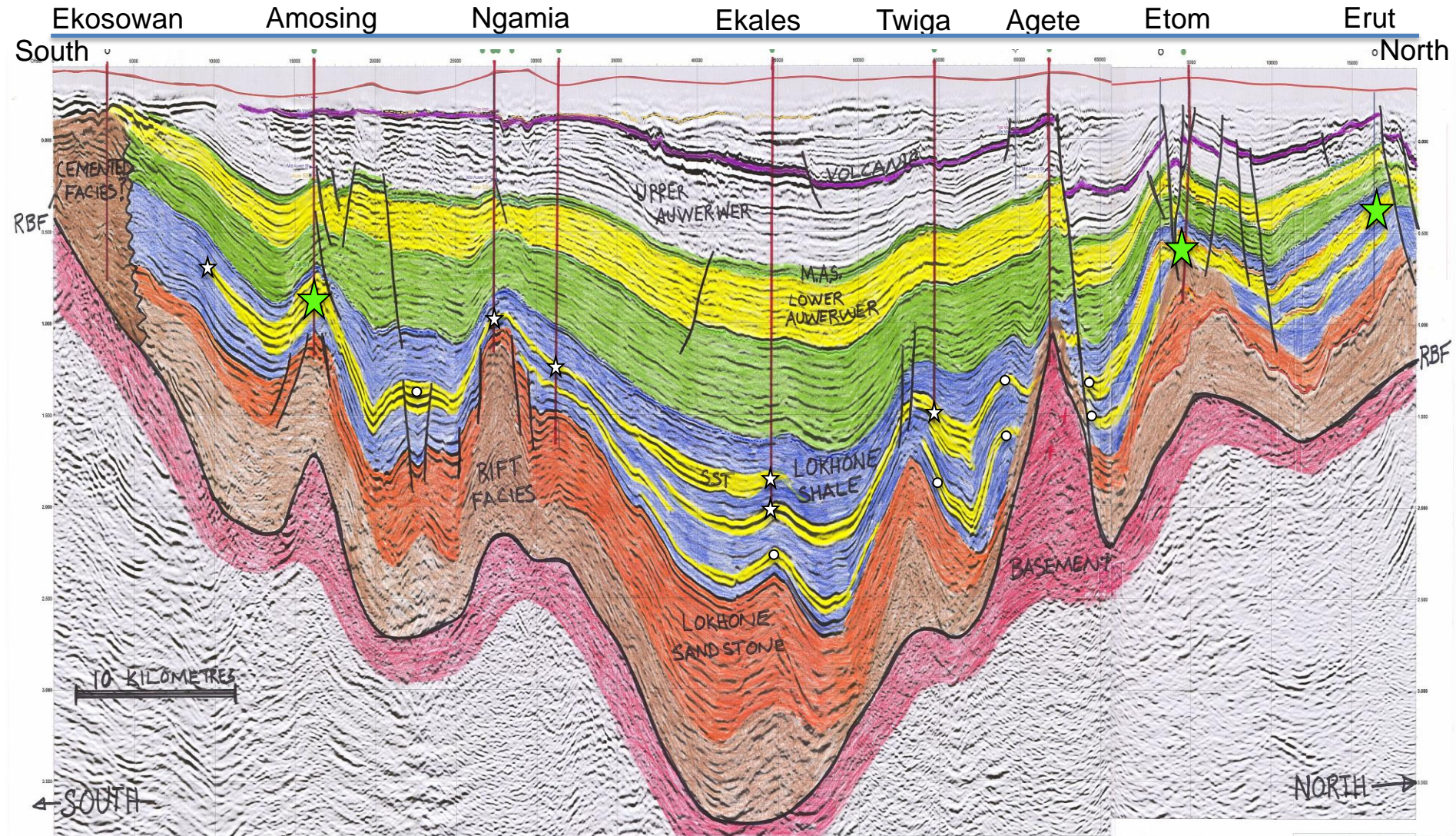
- Very high success rate including 8 discoveries in a row to open up basin
- Have only explored about 20% of the basin
- 3D Seismic demonstrates additional prospectivity
- Erut, Emekuya/Etom discoveries further reinforces potential of the northern play fairway
- Several untested play types still remain including basin centered fans and stratigraphic traps

South Lokichar Basin: Basin Center Fan Reservoirs

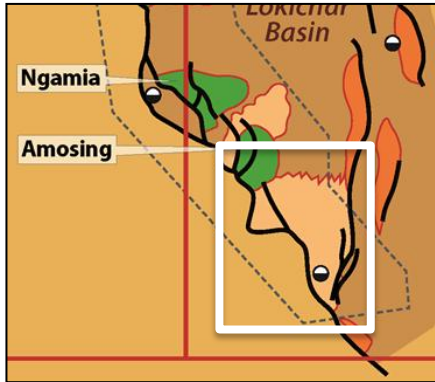
- Twiga South wells tested oil at high rates from sandstones within source rocks (rates up to 3270 bopd, with estimated potential of 10,000+ bopd unconstrained)
- Apparent inflow from sandstones at Ngamia, prospective reservoirs intersected by Ekales-2 and Twiga-3 (not yet flow tested)
- These apparent turbidite or storm deposits could be prolific and widespread
- New 3D will help to explore for this potentially large resource



The Basin-Centered (Intra-Lokone) Plays

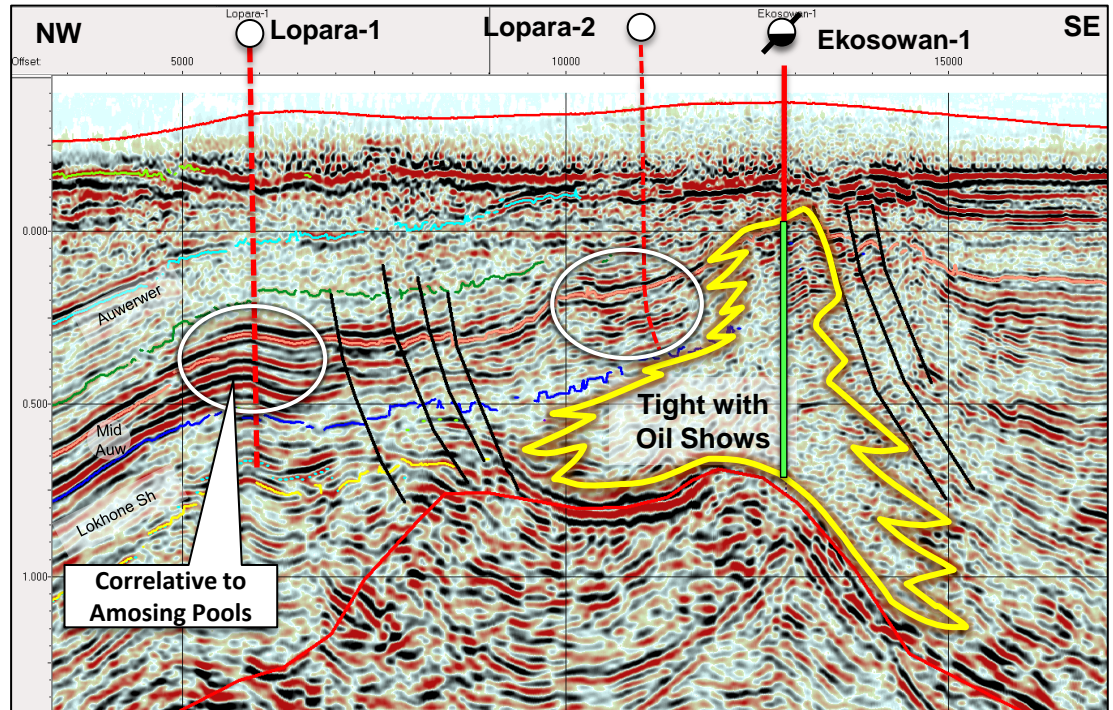
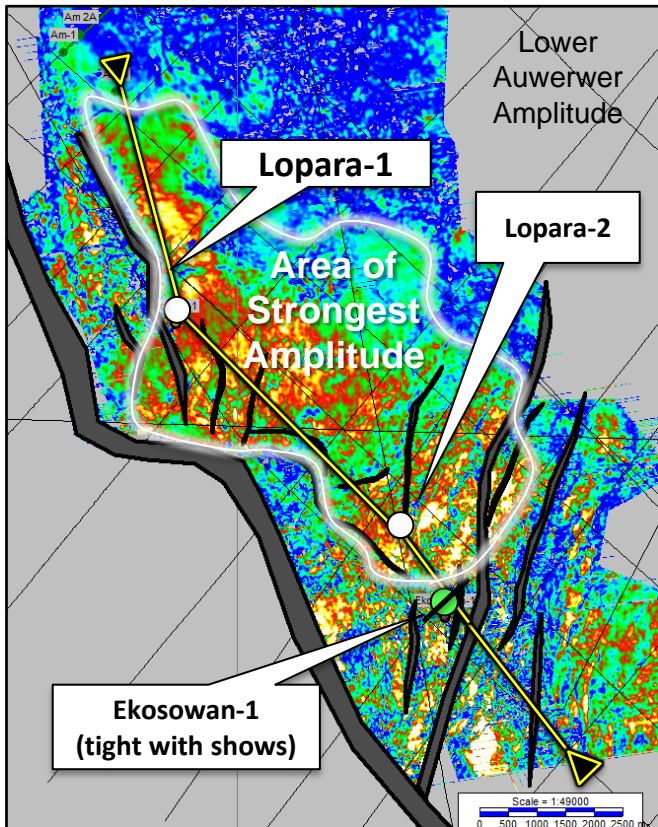


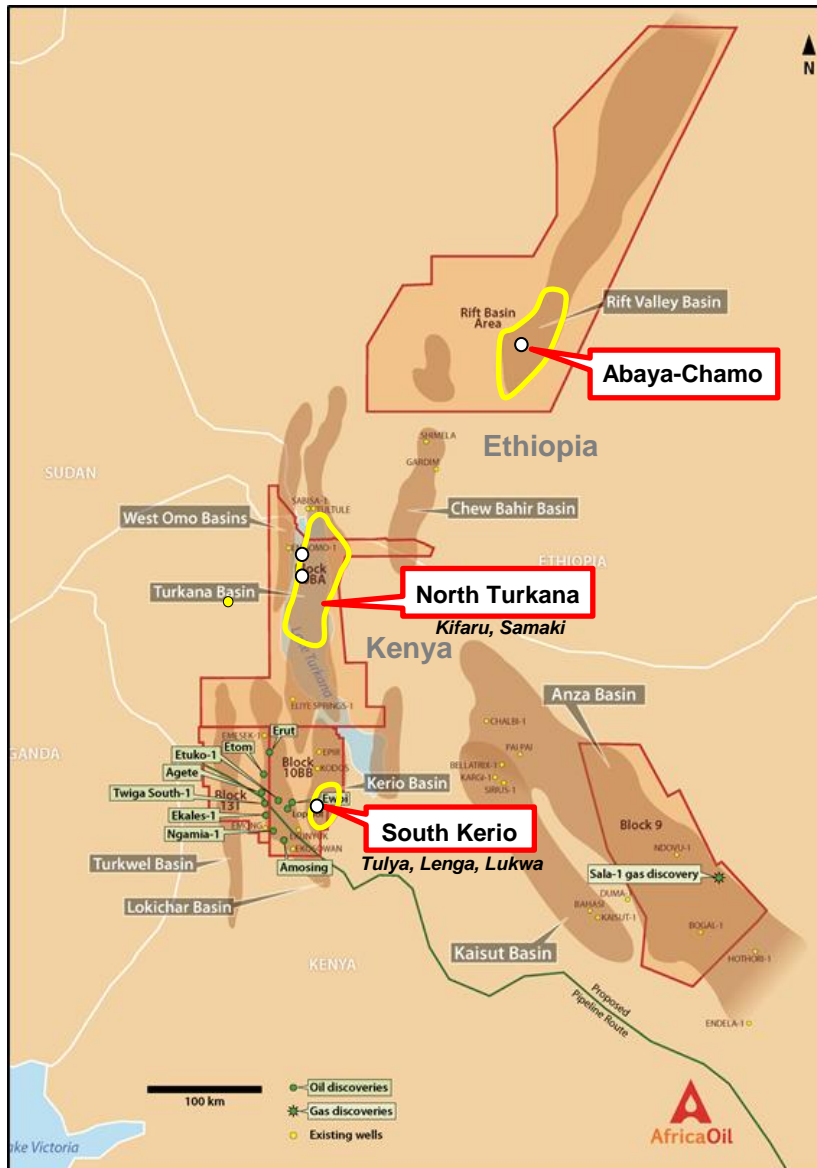
Southern Area Prospects- Lopara



Lopara-1 & 2 Prospects:

- Test large stratigraphic trap between Amosing & Ekosowan
- Pinchout of Auwerwer and Lokone at basin edge
- Potential to add significant resources & extend Amosing trend





Near-term Basin Openers:

South Kerio Basin (Block 10BB)

- Could share same source rocks as South Lokichar
- Tulya, Thilli, Linga, or Lukwa Prospects similar in style to South Lokichar

North Turkana Basin (Block 10BA)

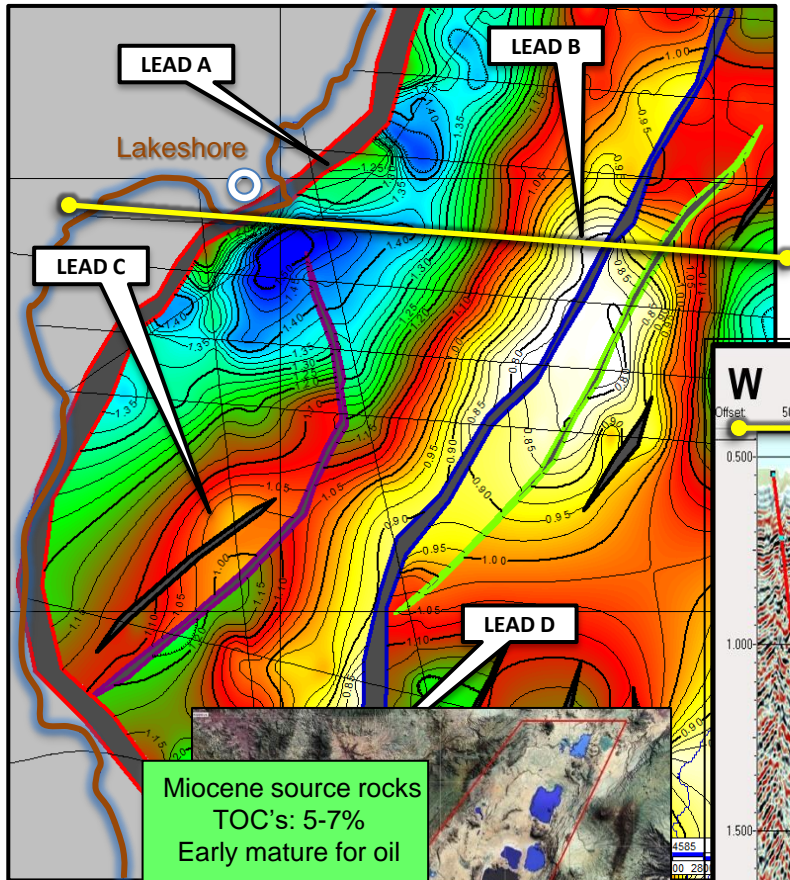
- West Kifaru prioritized for drilling
- Samaki prospects (drilled from shore) could de-risk large number of prospects onshore and offshore

Lake Abaya-Chamo Basin (Rift Basin Block)

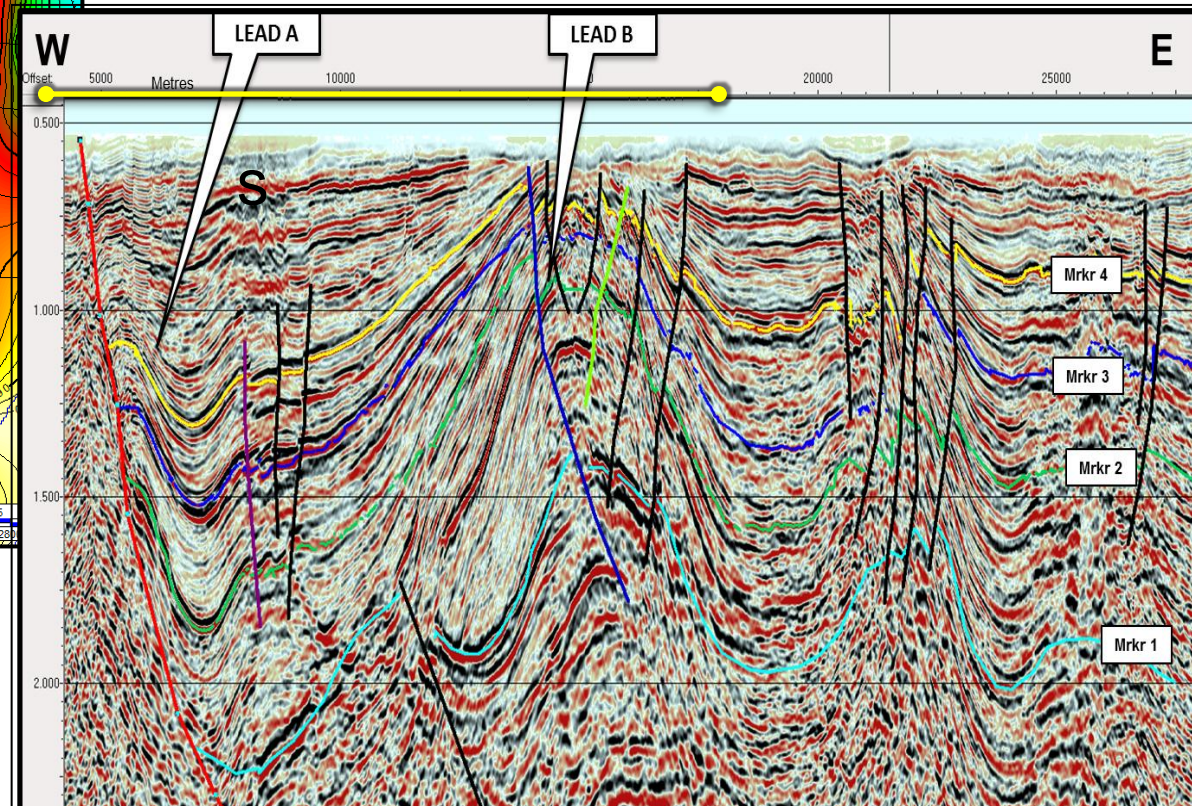
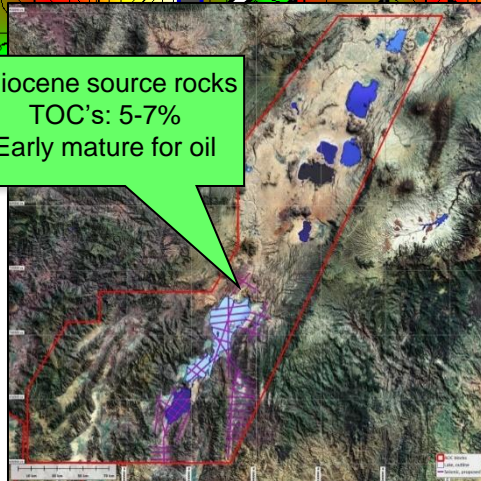
- Drilling 2-3 years away
- Newly acquired 600 km 2D seismic survey confirms rift basin structures and possible DHI's
- Scouting possible drilling locations

Ethiopia- North Lake Abaya Prospects

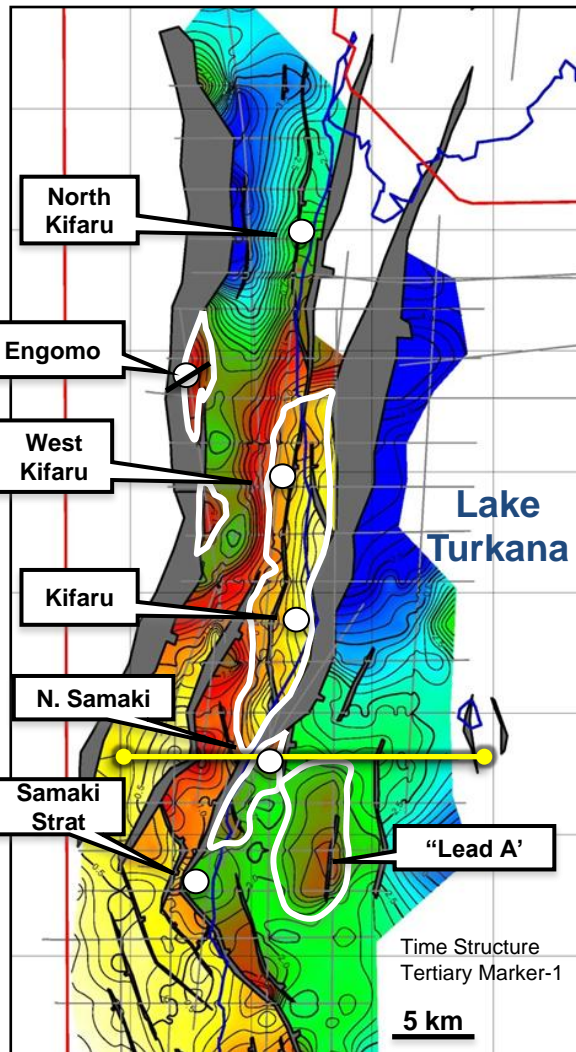
- Acquired infill seismic over North Lake Abaya Prospects
- Ngamia-style structures reachable from shore
- Large structures offshore could provide materiality once basin is 'proven'
- Accessible infrastructure could facilitate development
- One year extension granted to pursue drilling options



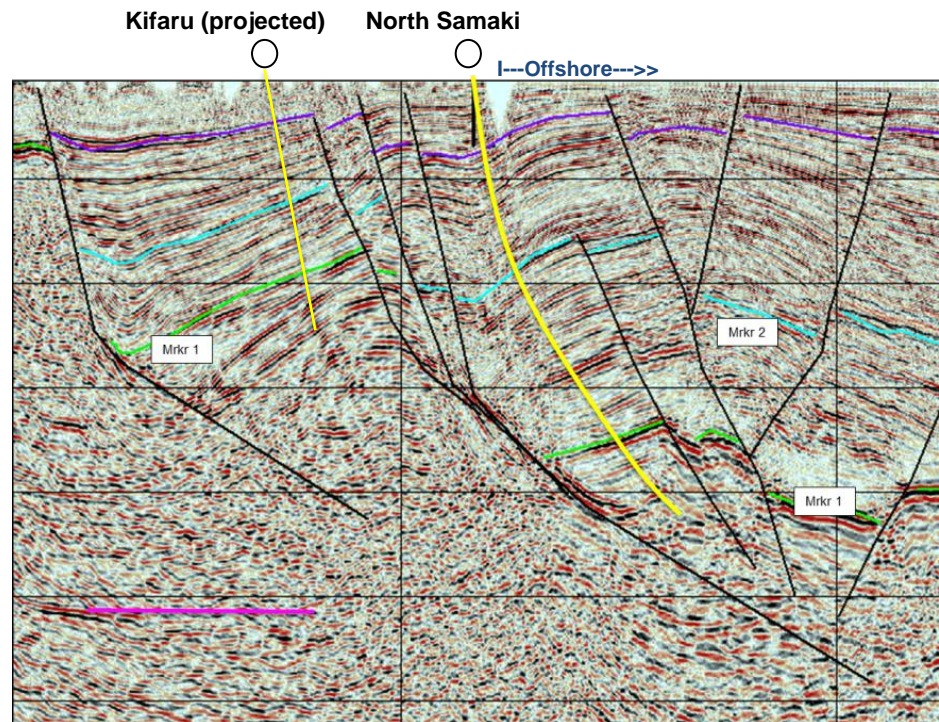
Miocene source rocks
TOC's: 5-7%
Early mature for oil



Block 10BA: Northern Turkana Lake Basin (25% WI)



- Preparing to enter Second Exploration Period
- West Kifaru-1 planned to test Miocene and Pliocene in a large, relatively shallow anticline
- Good inventory of prospects to follow a discovery
- Samaki prospects can test Turkana Lake basin from shore



- **Resource size and certainty**

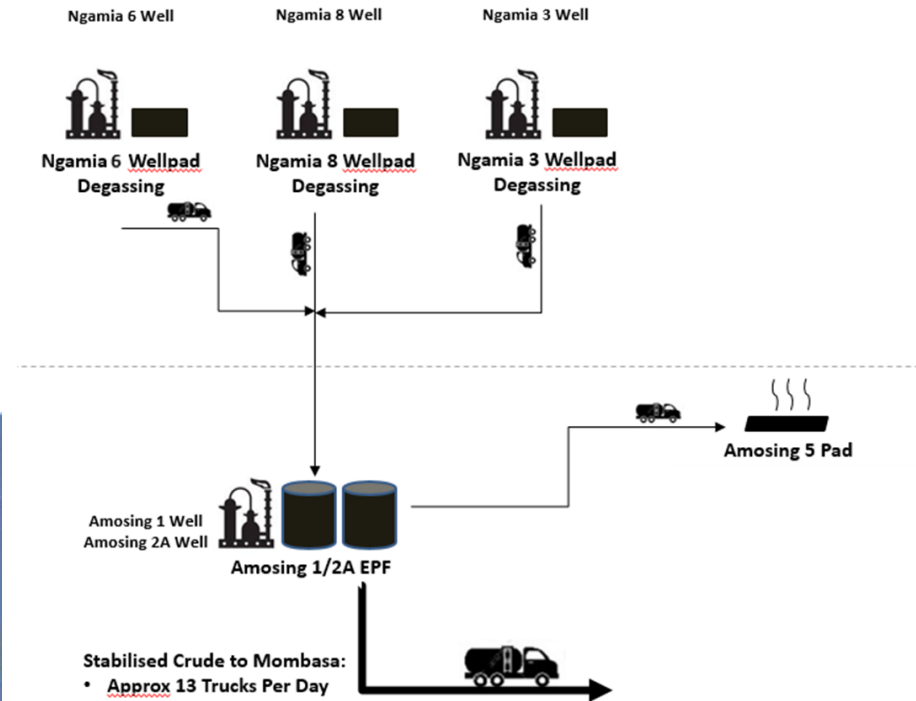
- Ongoing operational activities, including water injection pilot, Single Well Tracer Testing (SWTT) will enhance predictions for waterflood results and selected production testing will enhance dynamic reservoir modelling
- Continue with technical studies including core analysis and full field simulation and optimization

- **Progress Development Studies**

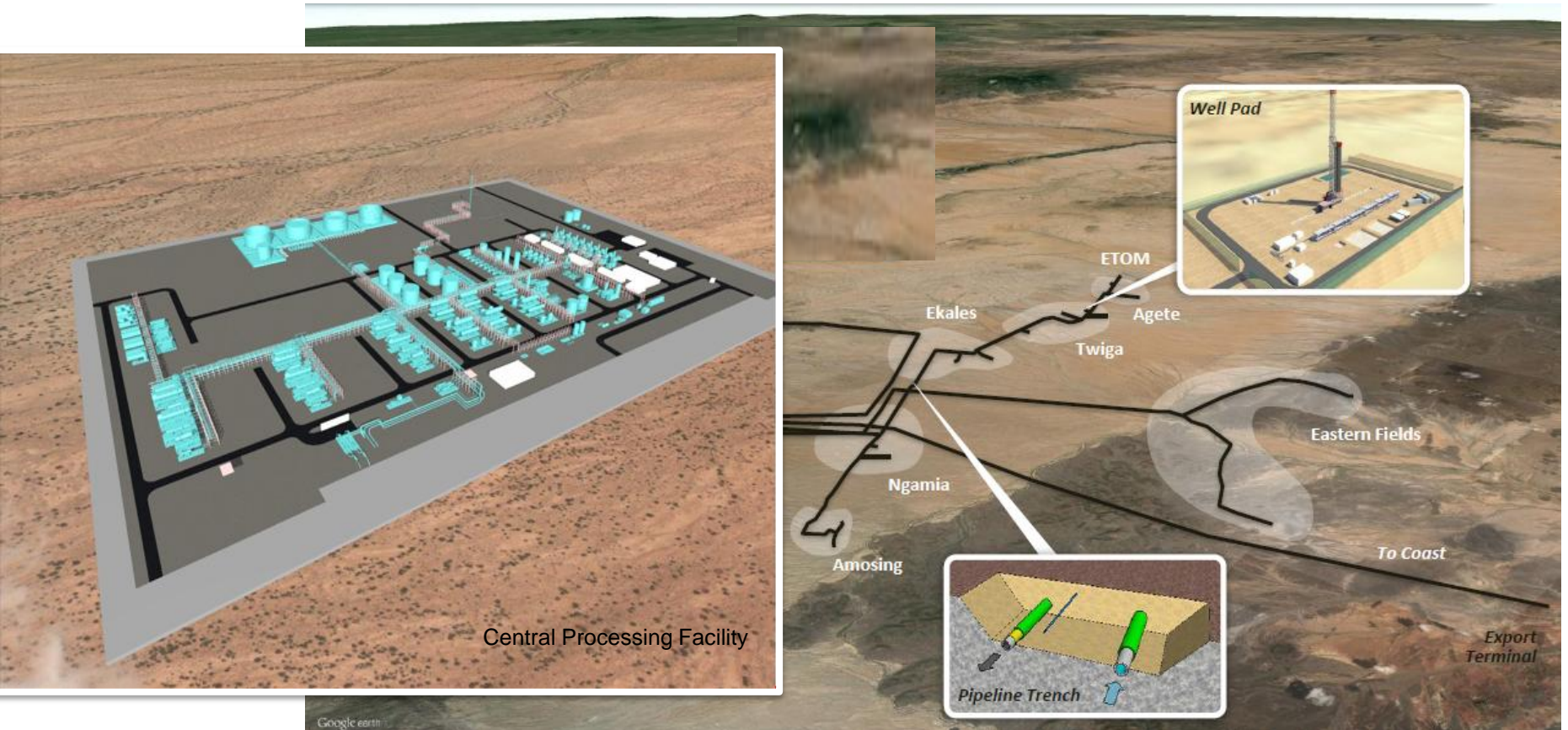
- Prepare for Upstream Facilities and Pipeline FEED
- Initiate ESIA and sign Pipeline Joint Development Agreement (JDA)
- Continue engagement with the Government and other Stakeholders on Final Field Development Plan (FDP)

Further production testing – starting early Q1 2018

Production testing provides crucial reservoir information that will allow the JV to more accurately predict well rates, recovery factors and develop markets for crude

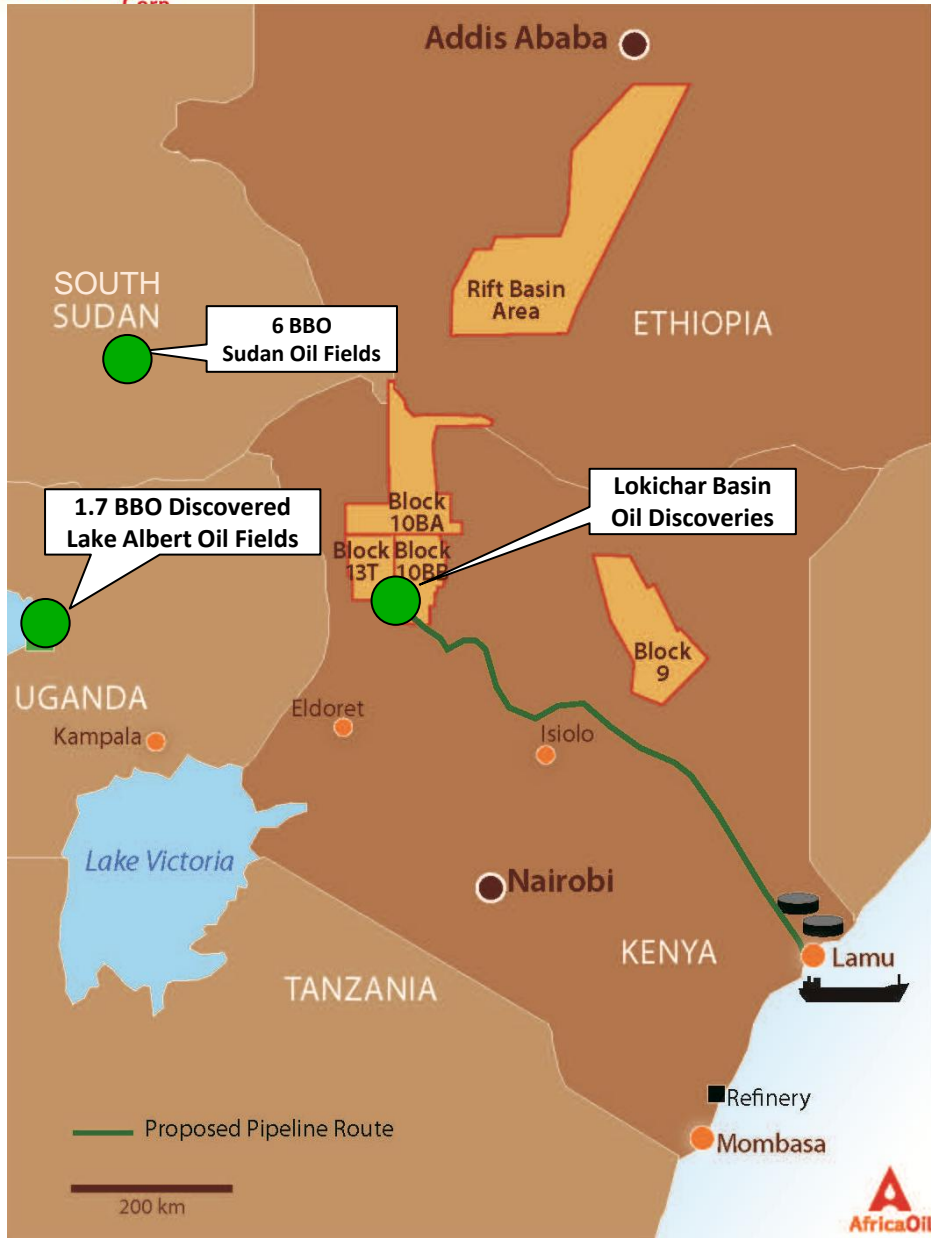


Full Field Development - Facilities



Studies will focus on field facilities layout, processing trains, water supply and power requirements

Kenya oil export pipeline status



- Kenya Government committed to northern route crude oil pipeline – Still leaving open potential to add Uganda and/or South Sudan into regional pipeline
- Pipeline Joint Development Agreement (JDA) being finalized with Government and Joint Venture partners
- Pipeline Pre-FEED, routing and environmental screening studies are all being progressed
- Commercial structure and security being developed in cooperation with Kenyan government

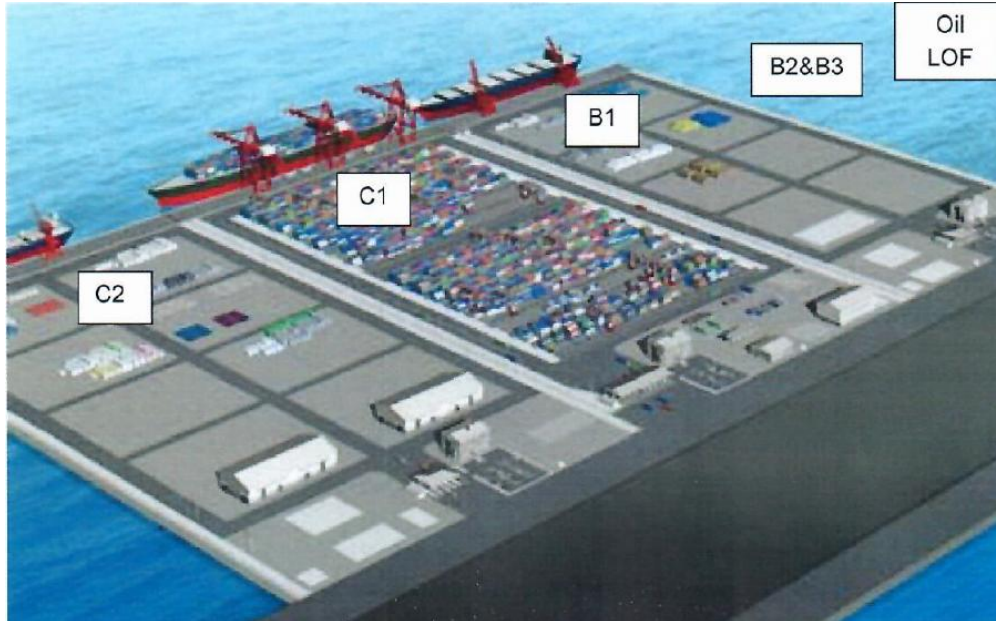
Lamu Port and LAPPSET project progressing



- Building of causeway completed
- Berths and channel dredging underway
- Road to Isiolo funded and contract being finalized



Terminal – Lamu Port planning well underway



Finalizing export terminal plans which are expected to include an FSO for loading which will result in significant capital savings



- Strong Financial Position – US\$437MM (June 30th 2017) in bank with \$75MM to be received in 2018 from Maersk farmout and potential for up to US\$405MM in additional development carries
- South Lokichar project still has growth potential in new and existing discoveries and play types
- Highly focused on moving upstream and midstream projects for development
 - Key agreements for pipeline and upstream will be finalized post the election
 - Water injection project on course, additional operational activity planned to confirm resources, which is viewed key to making Final Investment Decision (FID)
- New basin exploration is still considered an area of high growth potential
- Consider other growth opportunities including M&A involving companies with production and cash flow along with exploration and development upside



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Prospective and Contingent Resources

There is no certainty that any discovered resources referred to in this presentation will be commercially viable to produce. There is no certainty that any portion of the undiscovered resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Risks associated with discovering oil:

The estimation of prospective resource volumes for high-risk and poorly calibrated basins can be subject to large variation from the introduction of new information. The estimates presented herein are based on all of the information available at the effective date of the resource estimate. New data or information is likely to have a material effect on the resource assessment values. Since the effective date of the resource estimates provided, the Company has continued to actively explore, with multiple 2D seismic crews operational and several exploration wells drilled. While discoveries have been made at Ngamia-1, Twiga South-1, and Etuko-1 in the Lokichar basin of the Tertiary rift in Kenya, there is no certainty that any additional resources will be discovered. Once discovered, there is no certainty that the discovery will be commercially viable to produce any portion of the resources. Given that most of the resources in the portfolio are in leads that require additional data to fully define their potential it is likely that significant changes to the resource estimates will occur with the incorporation of additional data and information.

Risk Associated with the Estimates:

In the event of a discovery, basic reservoir parameters, such as porosity, net hydrocarbon pay thickness, fluid composition and water saturation, may vary from those assumed by the Company's independent third party resource evaluator affecting the volume of hydrocarbon estimated to be present. Other factors such as the reservoir pressure, density and viscosity of the oil and solution gas/oil ratio will affect the volume of oil that can be recovered. Additional reservoir parameters such as permeability, the presence or absence of water drive and the specific mineralogy of the reservoir rock may affect the efficiency of the recovery process. Recovery of the resources may also be affected by well performance, reliability of production and process facilities, the availability and quality of source water for enhanced recovery processes and availability of fuel gas. There is no certainty that certain mineral interests are not affected by ownership considerations that have not yet come to light.

Substantial Capital Requirements:

Africa Oil expects to make substantial capital expenditures for exploration, development and production of oil and gas reserves in the future. The Company's ability to access the equity or debt markets may be affected by any prolonged market instability. The inability to access the equity or debt markets for sufficient capital, at acceptable terms and within required time frames, could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Ability to Execute Exploration and Development Program:

It may not always be possible for Africa Oil to execute its exploration and development strategies in the manner in which the Company considers optimal. Execution of exploration and development strategies is dependent upon the political and security climate in the host countries where the Company operates and agreement amongst the Company joint venture partners. The Company's exploration and development programs in East Africa may involve the need to obtain approvals from relevant authorities who may require conditions to be satisfied or the exercise of discretion by the relevant authorities. It may not be possible for such conditions to be satisfied.

Absence of a Formal Development Plan including Required Funding:

There is no certainty the Company will prepare and have approved a development plan for any portion of the contingent resources or that the Company will be successful in funding any development should such a plan be prepared. General market conditions, the sufficiency of such a development plan and the outlook regarding oil and gas prices are some factors that will influence the availability of funding or the Company's ability to attract oil and gas industry partners to participate in the project.

Access to Infrastructure:

Currently there is limited local infrastructure for the production and distribution of oil and gas in the countries in which Africa Oil operates. Export infrastructure to enable other markets to be accessed has not yet been developed and is contingent on numerous factors including, but not limited to, sufficient reserves being discovered to reach a commercial threshold to justify the construction of export pipelines and agreement amongst various government agencies regulating the transportation and sale of oil and gas. Africa Oil is working with its joint venture partners and government authorities to evaluate the commercial potential and technical feasibility of discoveries made to date and potential future discoveries.

Additional Risks:

Additional risks associated with the estimate of the prospective and contingent resources include risks associated with the oil and gas industry generally (i.e. financing; operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections related to production; costs and expenses; health, safety, security and environmental risks; and the uncertainty of resource estimates), drilling equipment availability and efficiency, the ability to attract and retain key personnel, the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with dealing with governments and obtaining regulatory approvals, and the risk associated with international activities.