

AFRICA OIL CORP.

SEPTEMBER, 2017

A Lundin Group Company
AOI – TSX and Nasdaq Stockholm



Moving Forward to Development

- **Highly Enviably Financial Position**

- US\$437MM (Aug 10th 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**

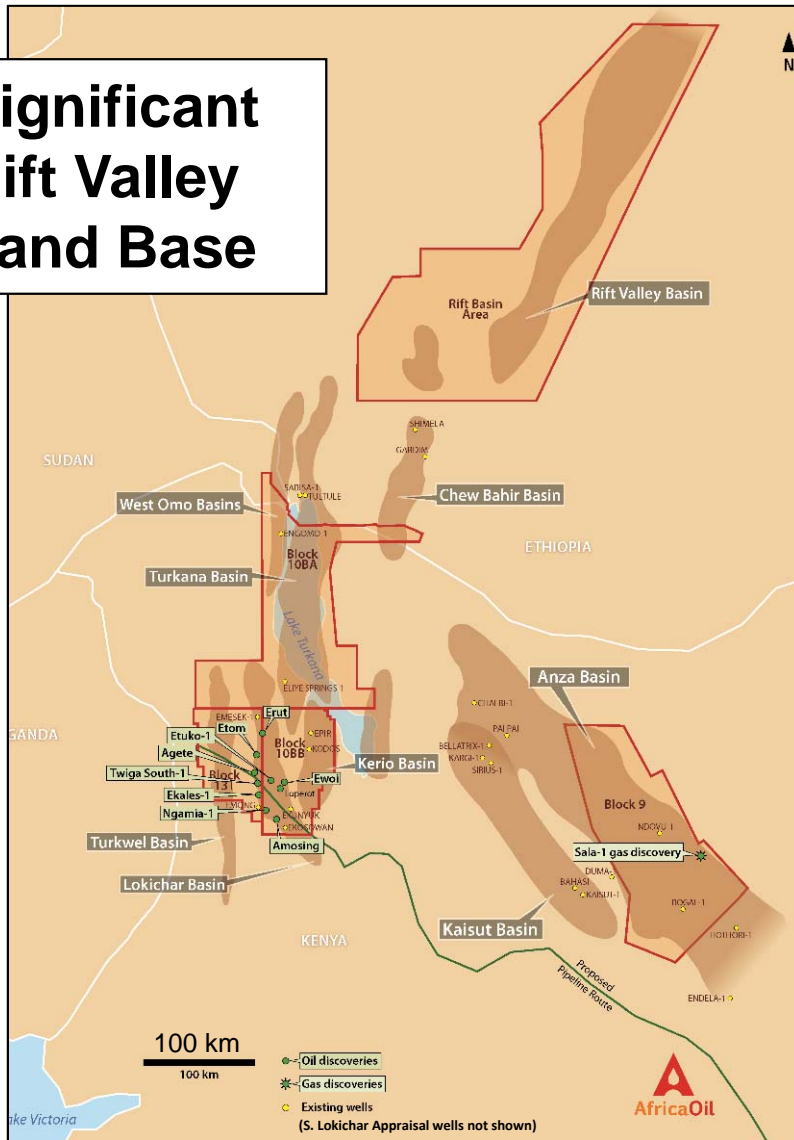
- Erut and Emekuya wells announced as discoveries
- Successful injection testing complete and small scale waterflood pilot is planned to further de-risk resource base

- **Development Accelerating**

- Joint Venture aggressively pursuing pipeline, the development studies and facilities design are progressing, with full support of Kenyan Government
- Re-election of President Kenyatta is viewed positively for project delivery

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
- Discovered oil 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

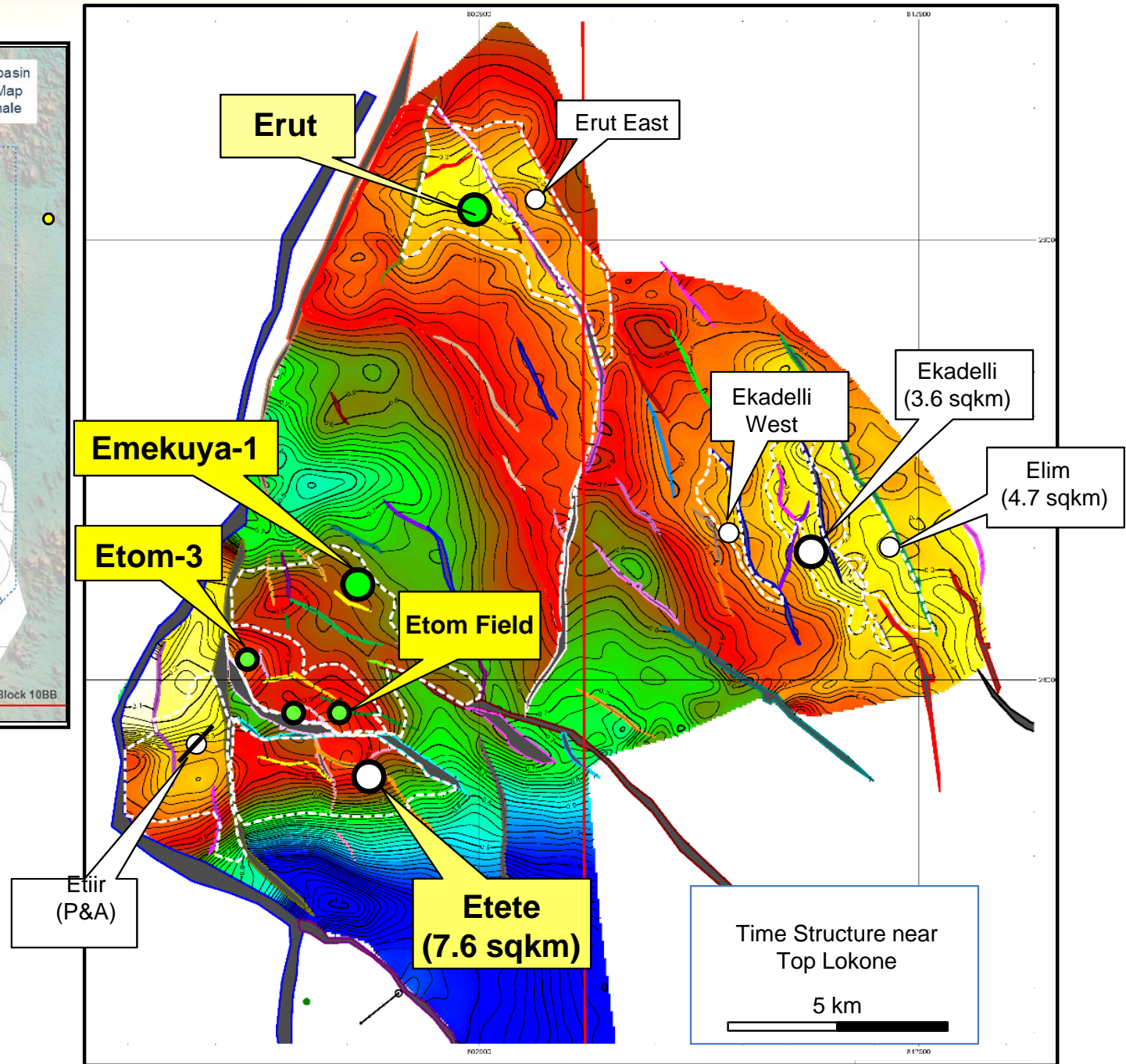
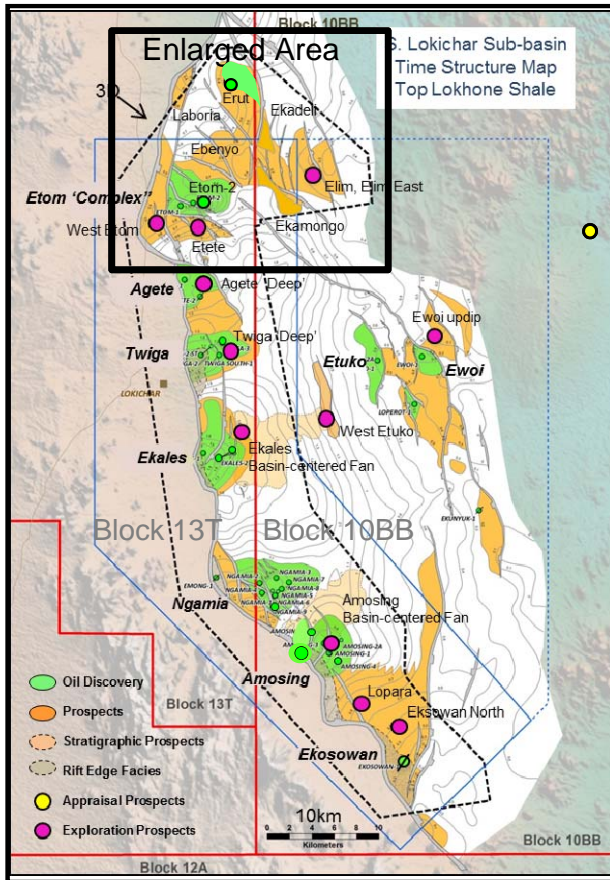
*Please refer to Africa Oil's press release dated May 9 2016 for details of the contingent resources by field

South Lokichar Basin – Upside Still Remains



- Steady growth in resources Year on Year since 2012
- Erut and Emekuya discoveries further re-enforces potential of the northern play fairway
- Extended well production and successful injectivity tests confirm good quality reservoir as seen on logs and in core measurements

Etete, Erut and Northern Prospects

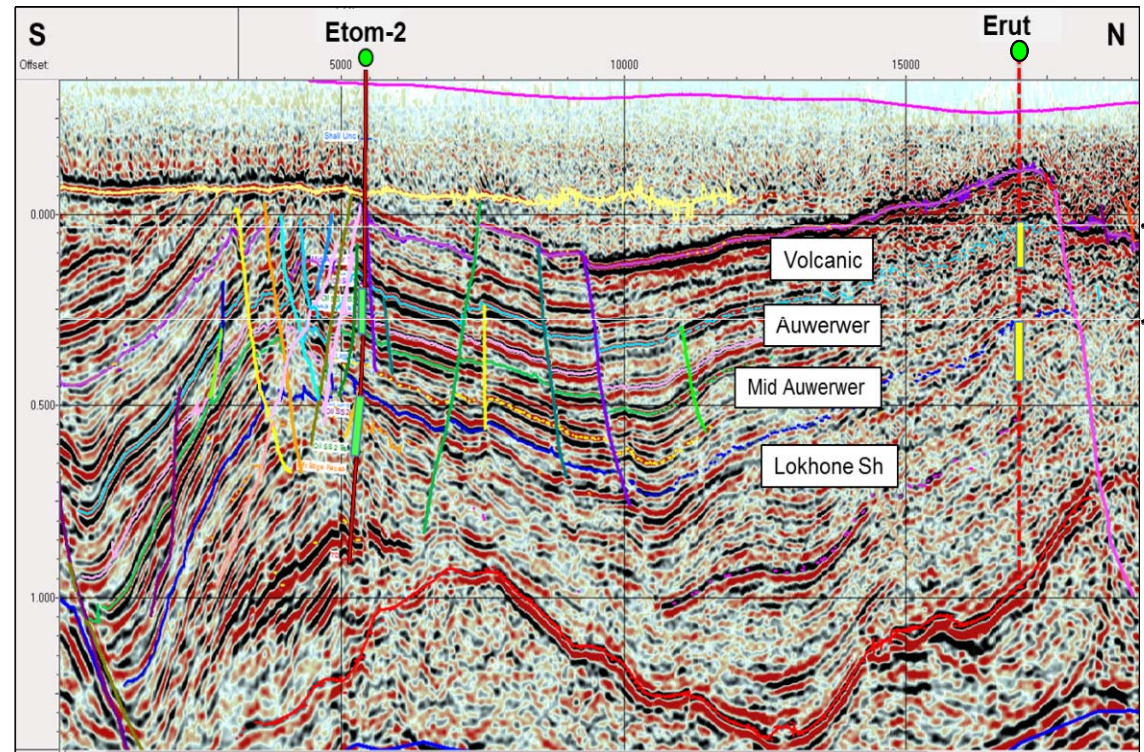
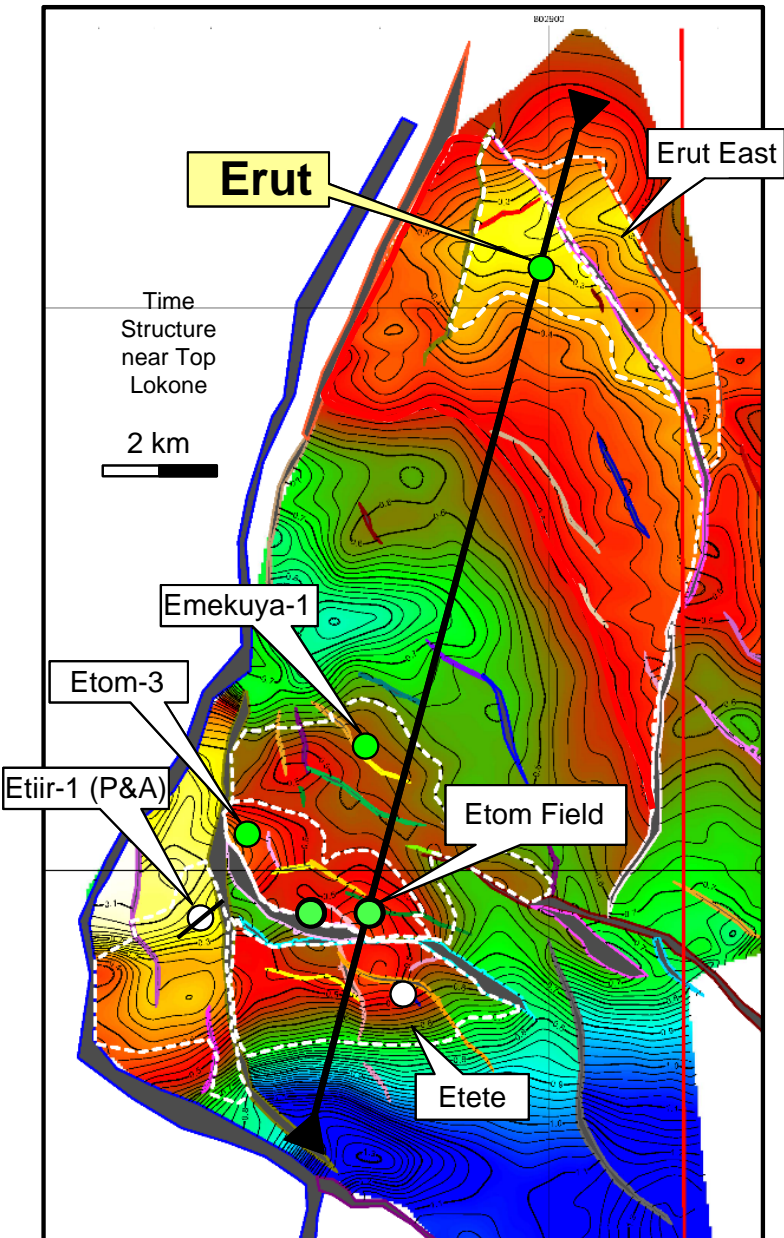


-Many Large Undrilled Prospects

- Some of the Best Reservoir Seen in the Basin

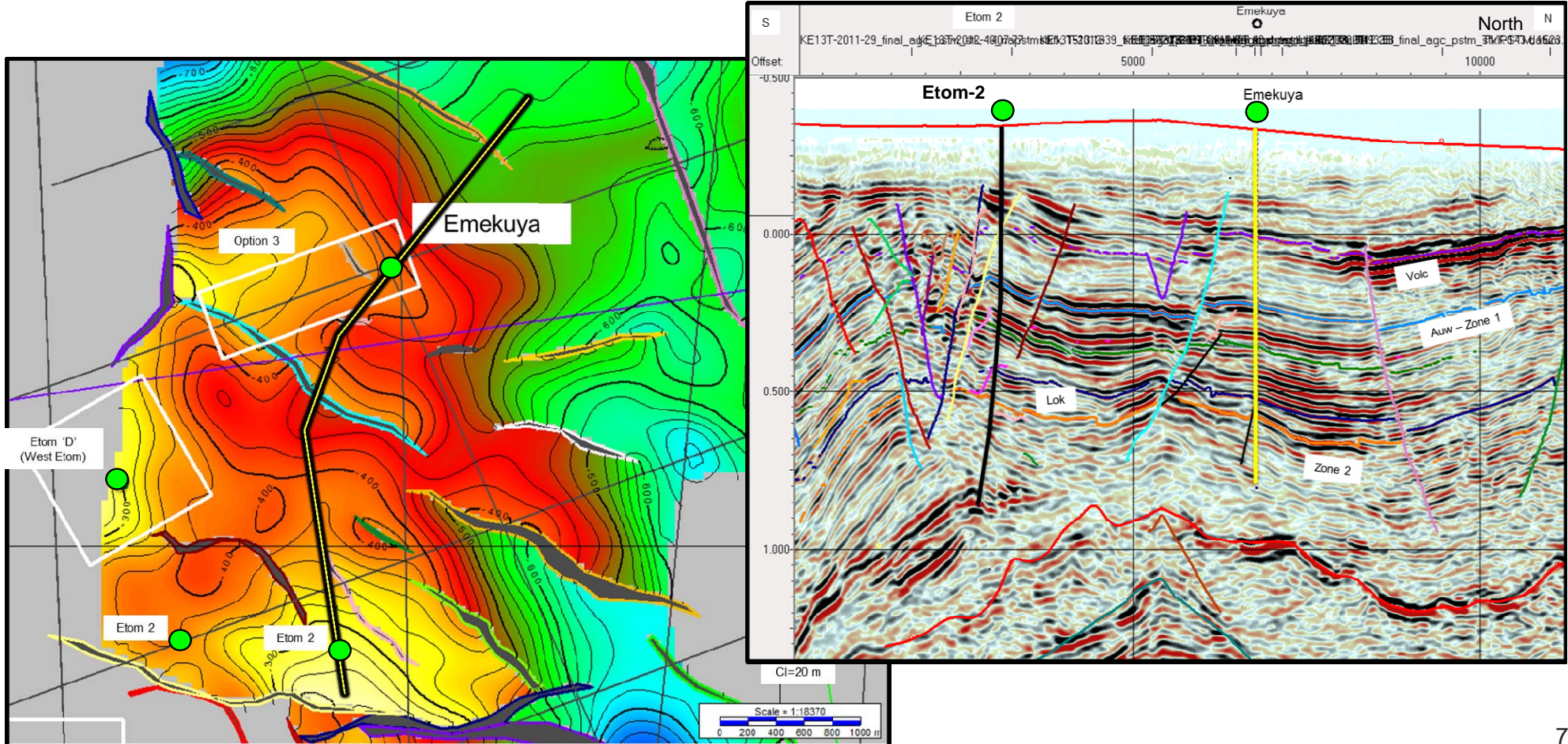
Erut-1 Discovery

- TD of 1317m reached
- Overall oil column between 100 and 125m
- 55m Gross Oil Interval
- 25m Net Oil Pay



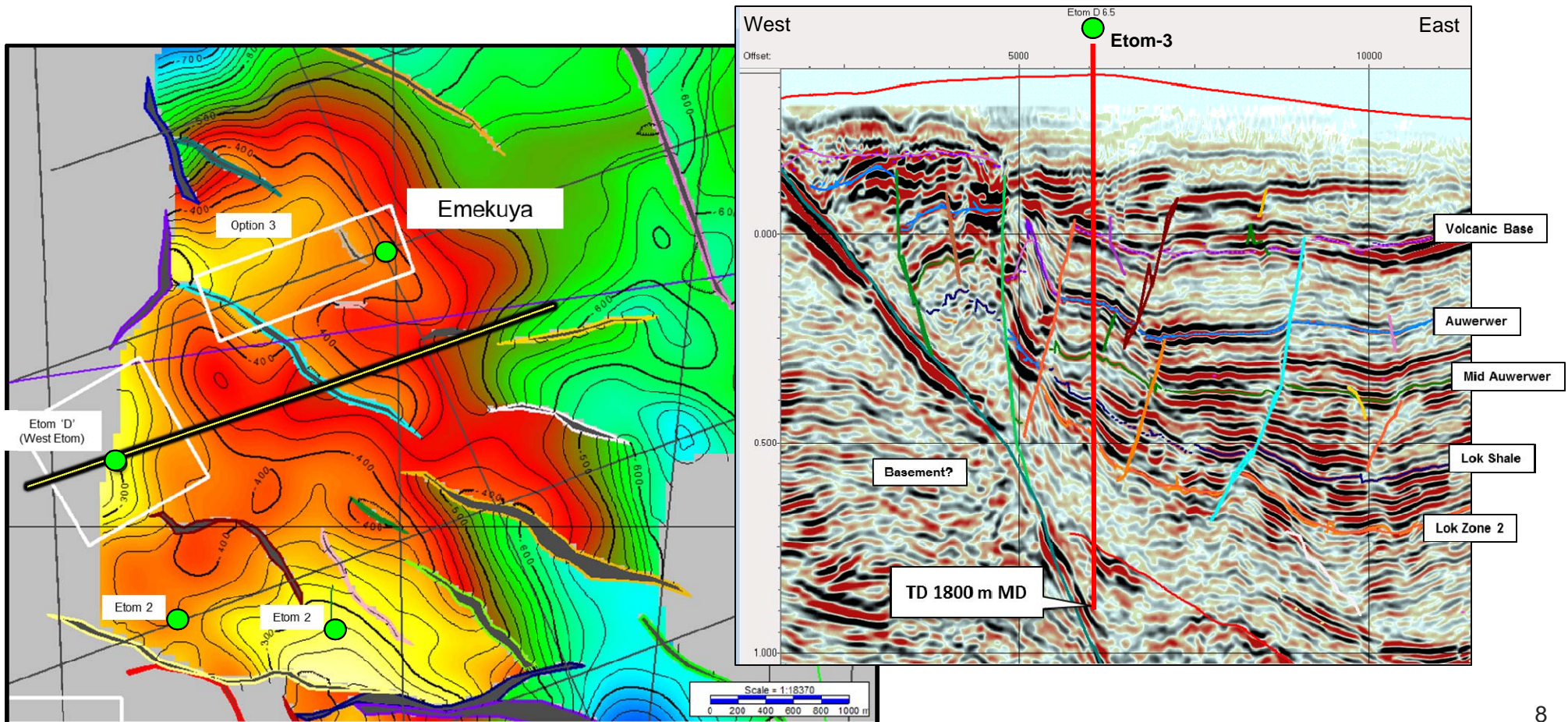
Emekuya-1 Discovery

- Reached Total Depth of 1,356m after testing main Auwerwer and Lokone Pools
- Approximately 75m Net Oil Pay
- Pressures indicate continuity with Etom-2
- Proven Oil-water contact extended deeper than pre-drill estimates



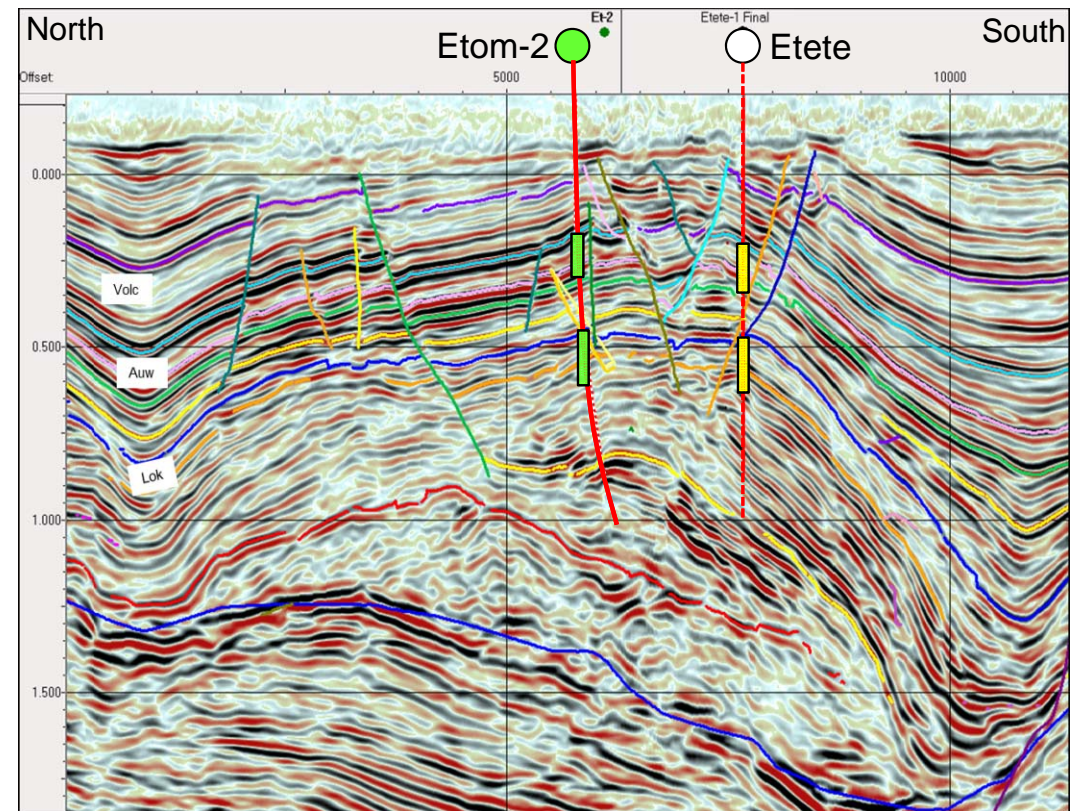
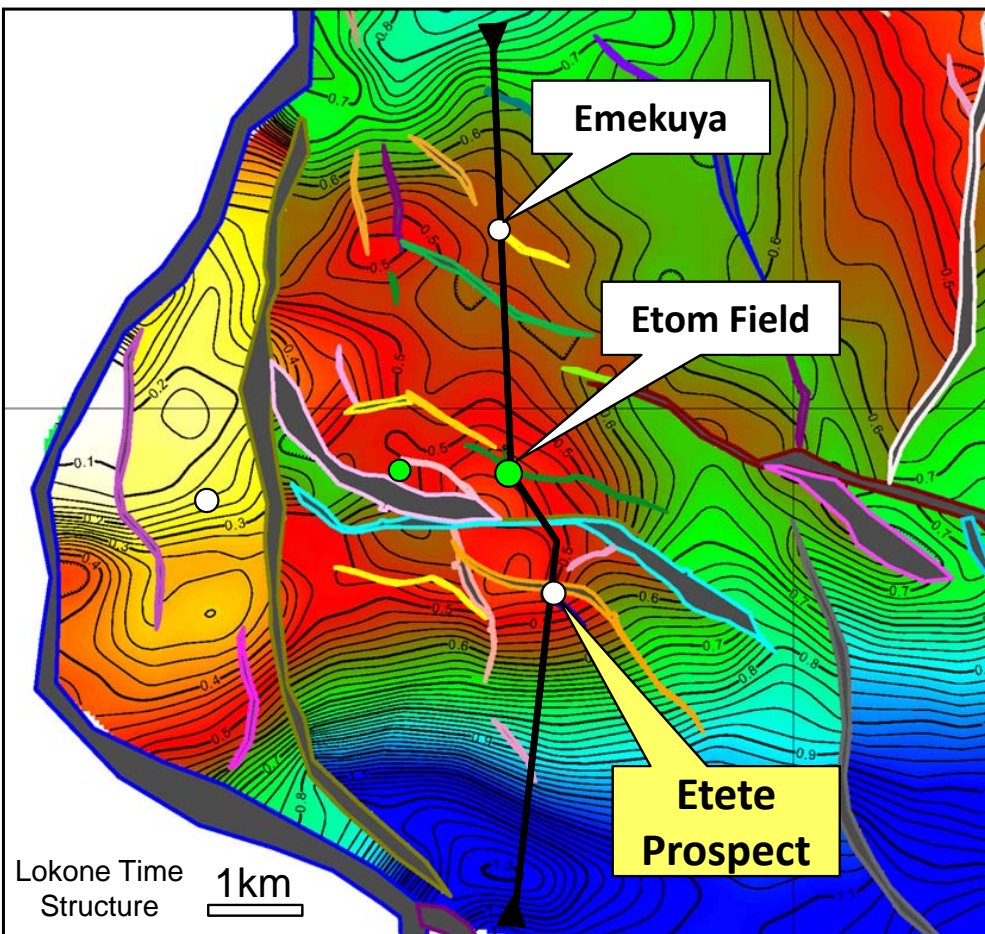
Etom-3 Discovery

- Reached total depth of 1,244m after penetrating Auwerwer and Lokone formations
- Approximately 29m net oil and gas pay
- Pressures indicate continuity with greater Etom field
- Well confirmed increasing amount of rift facies towards western rift-bounding fault

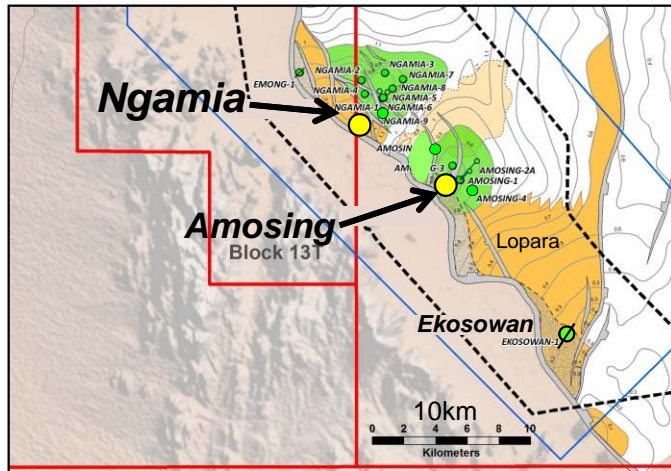


Etete Prospect

- Tests southern side of 'Etom Complex'
- Auwerwer and Lokone targets less than 1,800 meters

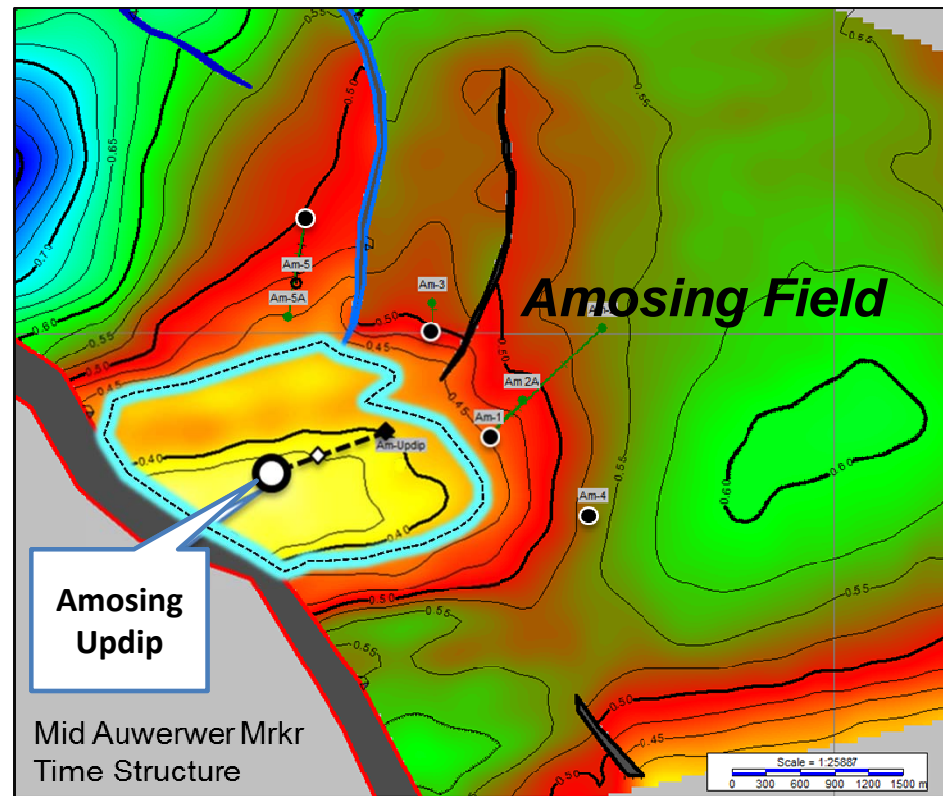
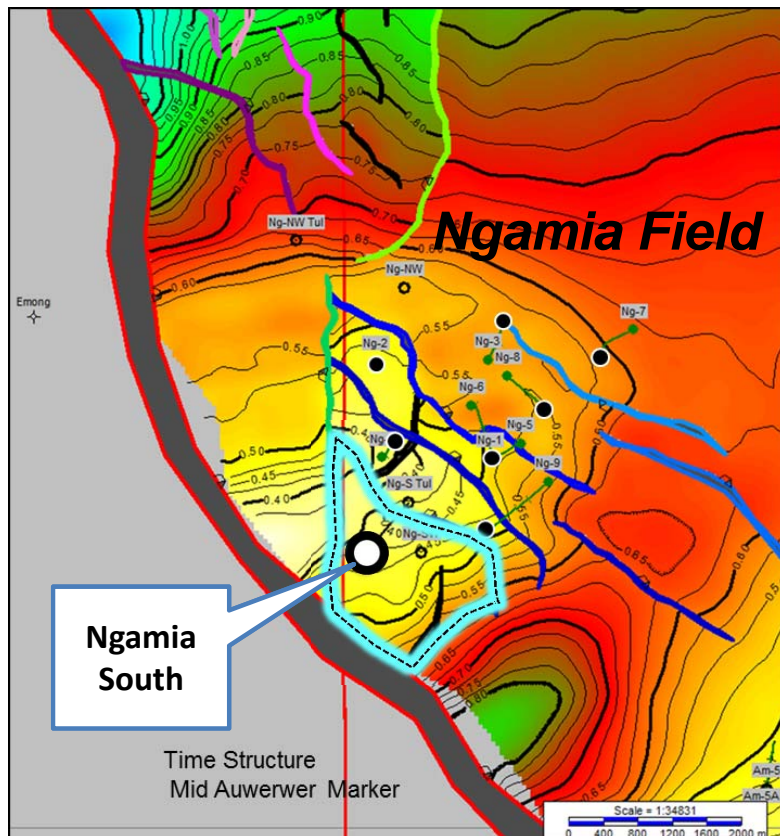


Ngamia and Amosing Appraisal Drilling Results



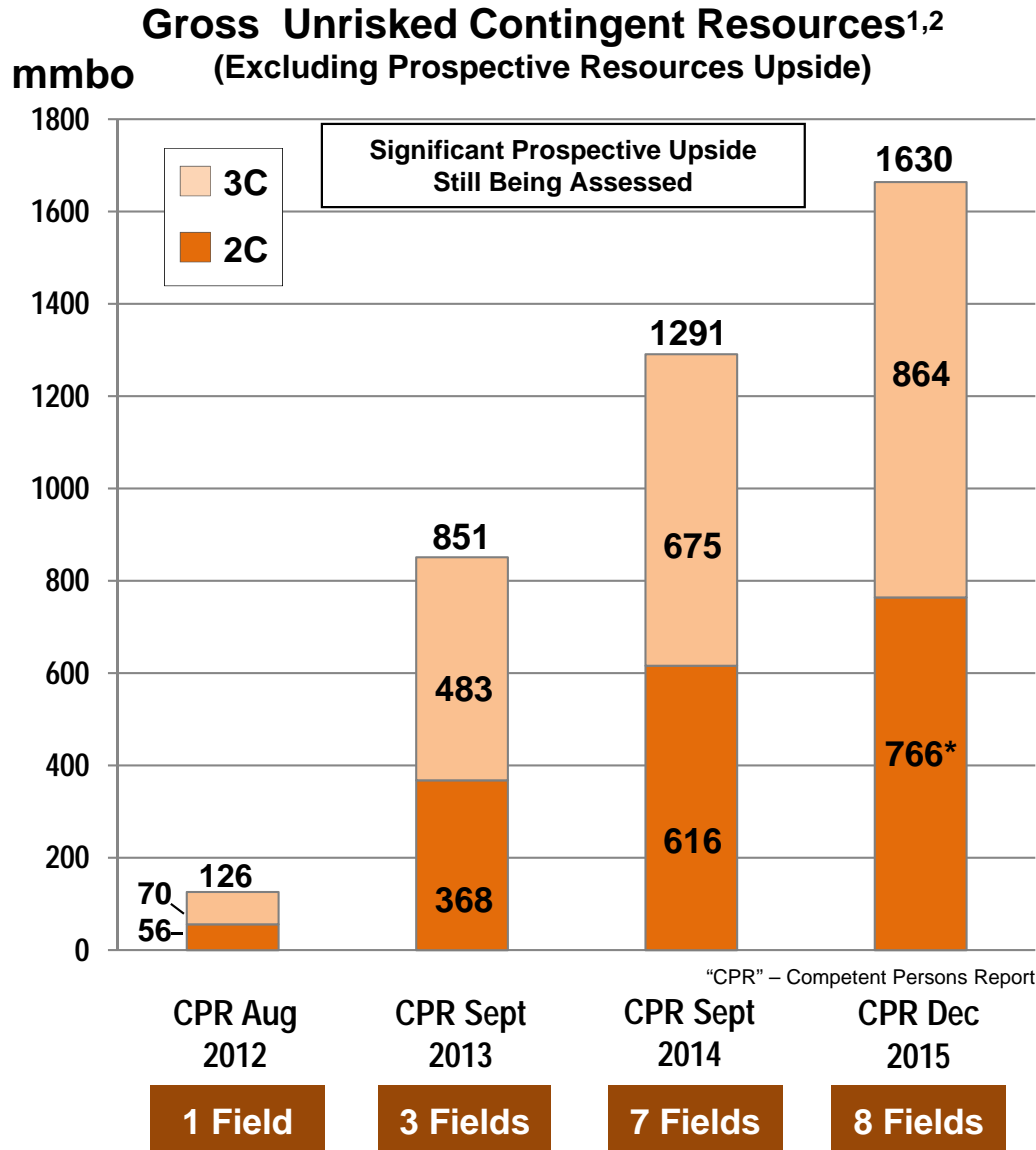
Ngamia South
– 65m net oil pay

Amosing Updip Appraisal
– 35m net gas and oil pay



South Lokichar Basin - World Class Discovered Resource Base

(Based on CPR reports dated Aug 2012, Sept 2013, Sept 2014 & Dec 2015)



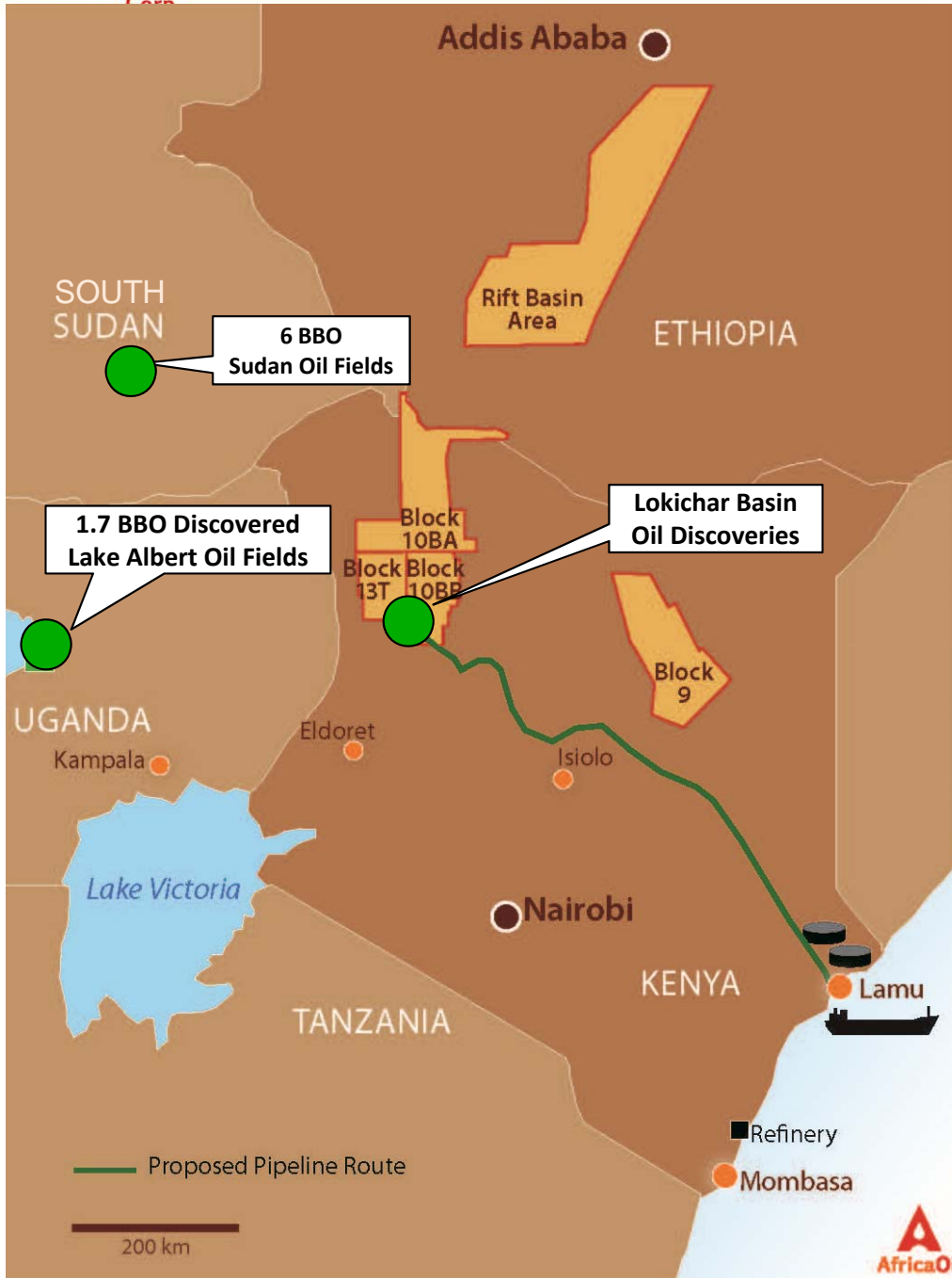
- Steady year on year resource growth since 2012
- Significant increase in 3C resources, much of which can be converted to 2C resources if recovery factors improve

1. This summary chart was prepared by Company management for the convenience of readers.

2. Please refer to the Company's press releases dated August 22, 2012, September 3, 2013, September 16, 2014 & May 10, 2016 for details of the contingent resources by field, risks associated with contingent resources, including chance of commerciality, and related estimates of net present value.

3. Development Pending: 754 mmbo including Development Unclarified 12 mmbo

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 progressing



Lamu Port progressing

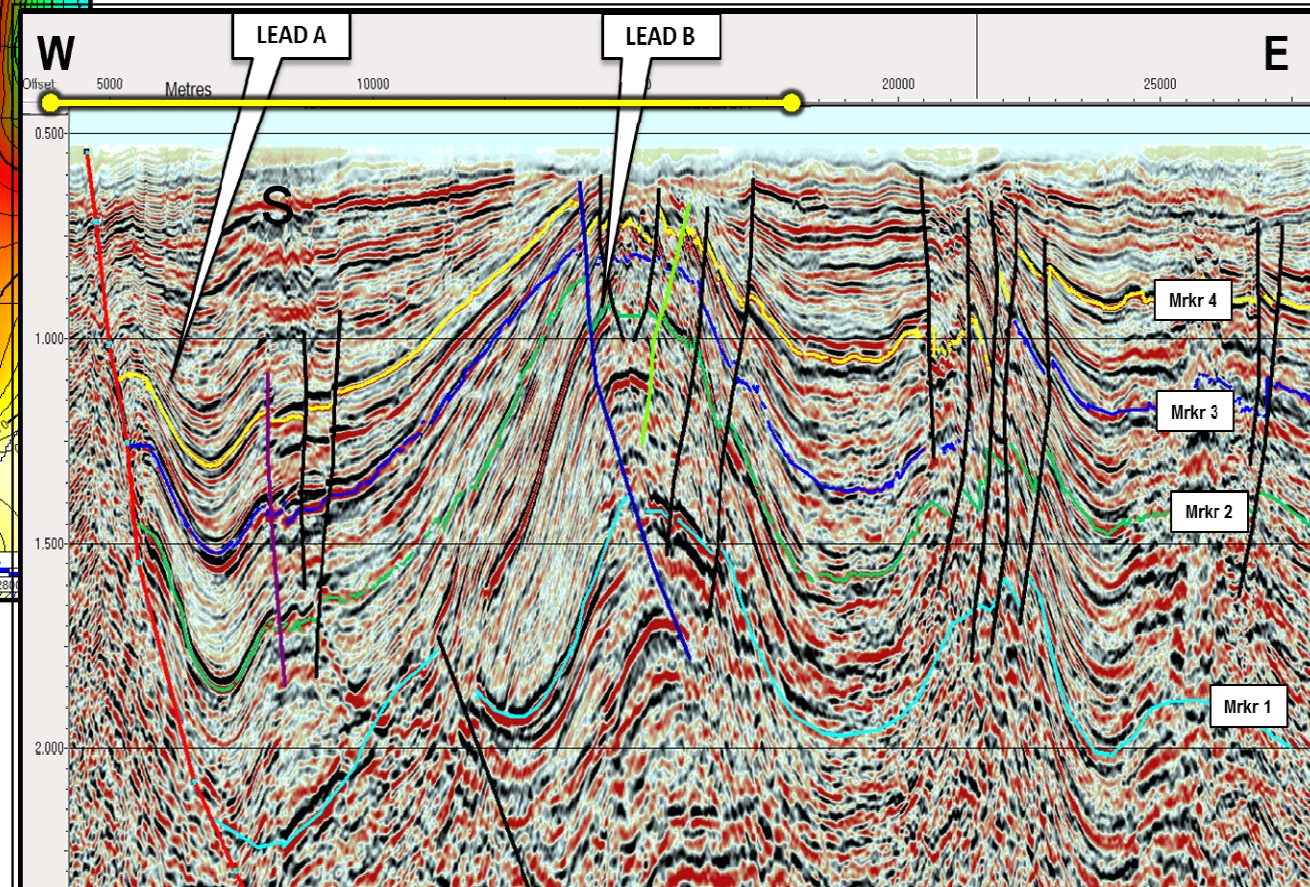
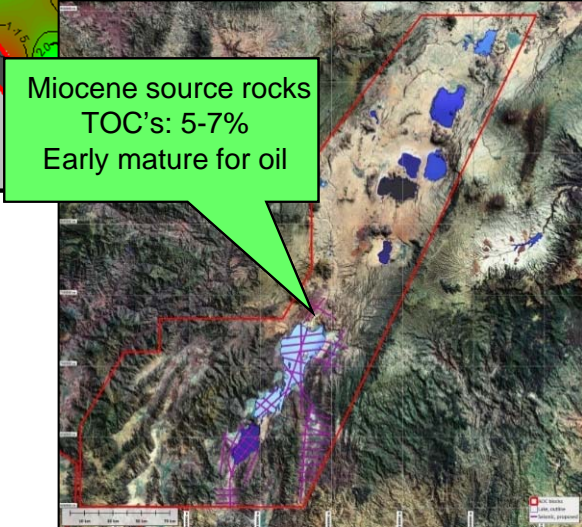
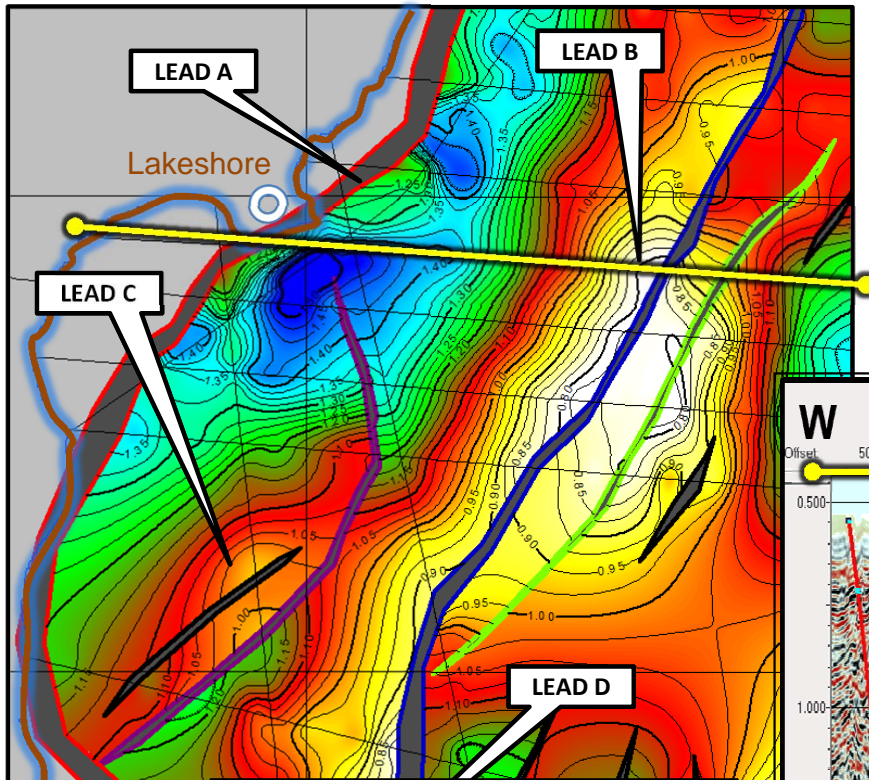


Lamu Port progressing



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'
- One year extension granted to pursue drilling options and partner



- **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

- **Progress Development Studies**
 - Prepare for Upstream facilities FEED
 - Continue engagement with the Government and other Stakeholders on Final FDP preparations

- **Move forward with Stakeholders to progress pipeline**
 - JDA signing expected post election
 - Initiate ESIA and prepare for pipeline FEED

- Strong Financial Position – US\$437MM (Aug 10th 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



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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.