

AFRICA OIL CORP.

February 2017

A Lundin Group Company
AOI – TSX and Nasdaq Stockholm



Moving Forward to Development

In Pole Position for Oil Price Recovery

- **Highly Enviably Financial Position**
 - US\$490MM (Sept 30th 2016) in cash with no debt due to Maersk farmout and 2015 fund raising efforts – New key shareholders include Helios and IFC
 - Potential for up to \$480MM 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
- **High Impact Drilling Program Underway**
 - 4 firm and 4 contingent wells aimed at growing resource volume and certainty in South Lokichar Basin – Erut well reached TD in January
- **Development Accelerating**
 - Pipeline decision allows partnership to move forward, aggressively pursuing development studies and facilities design with full support of Kenyan Government

A Strategic Position in a World Class Oil Project

Onshore East Africa

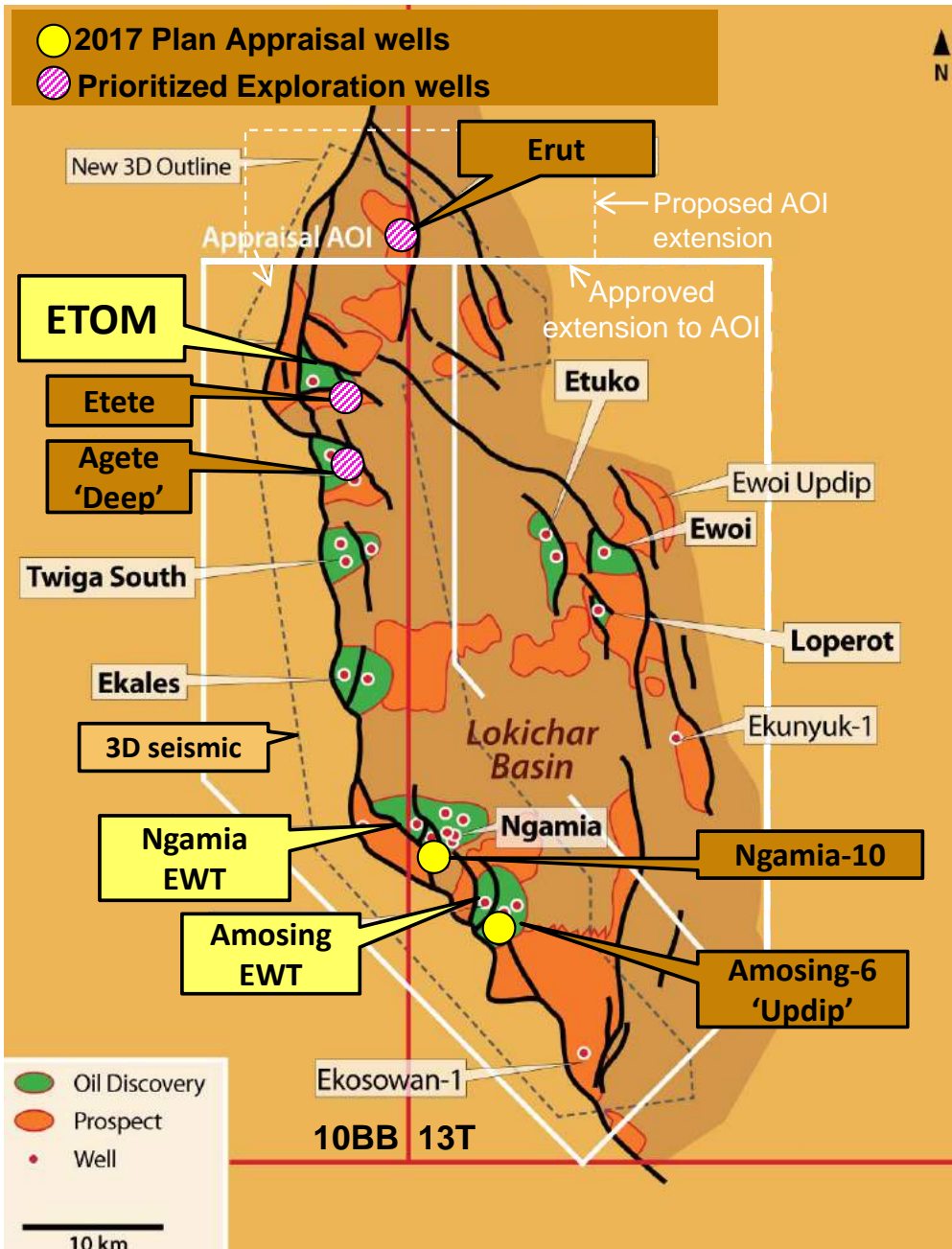
An Area the Size of the North Sea



- World Class onshore oil discovery in the South Lokichar Basin in Kenya
- Discovered oil resources of over 760 MM barrels with an upside of 1.6 BN barrels*
- Low cost development, good fiscal terms and strong economics that work in current price environment
- 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

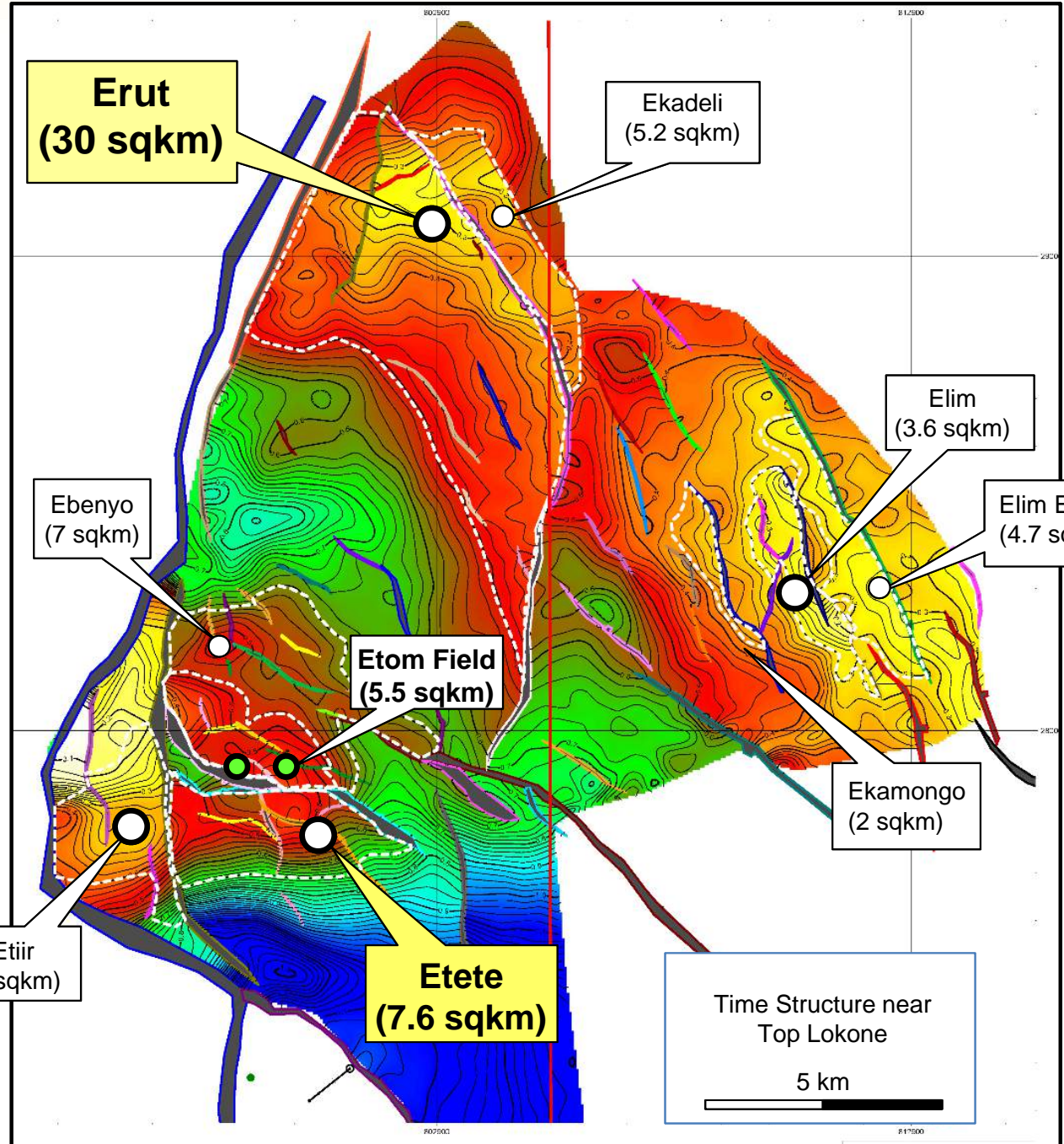
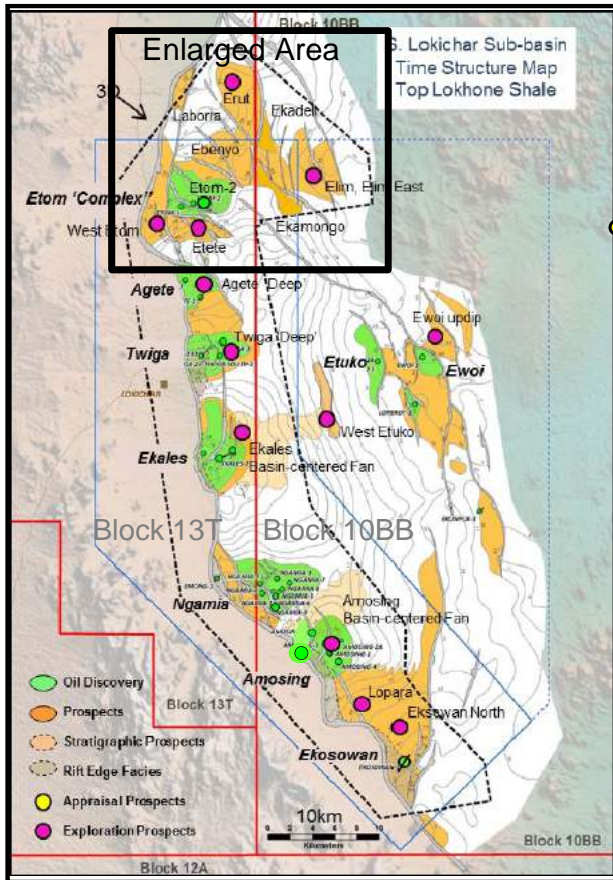
*Please refer to Africa Oil's press release dated May 9 2016 for details of the contingent resources by field

South Lokichar Basin – Huge Upside Remaining



- Resources have grown Year on Year by an average of 50% since 2012
- Etom 2 discovery encounters high net pay and increases prospectivity of greater Etom complex and opens up northern play fairway
- Large untested prospect fairways in deep intra-Lokhone sands and basin flank strat traps
- Extended Well Tests: Amosing and Ngamia well productivity met or exceeded expectations, reservoir continuity confirmed and current water injection testing showing encouraging results. This program continues

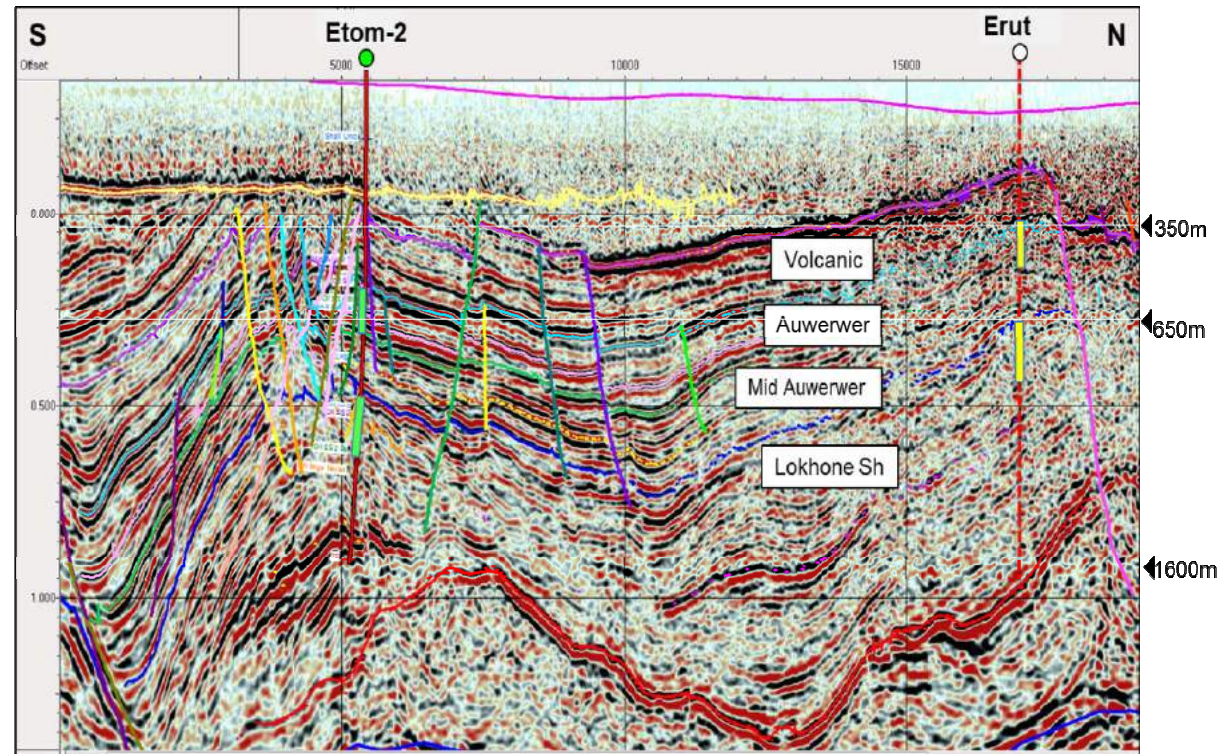
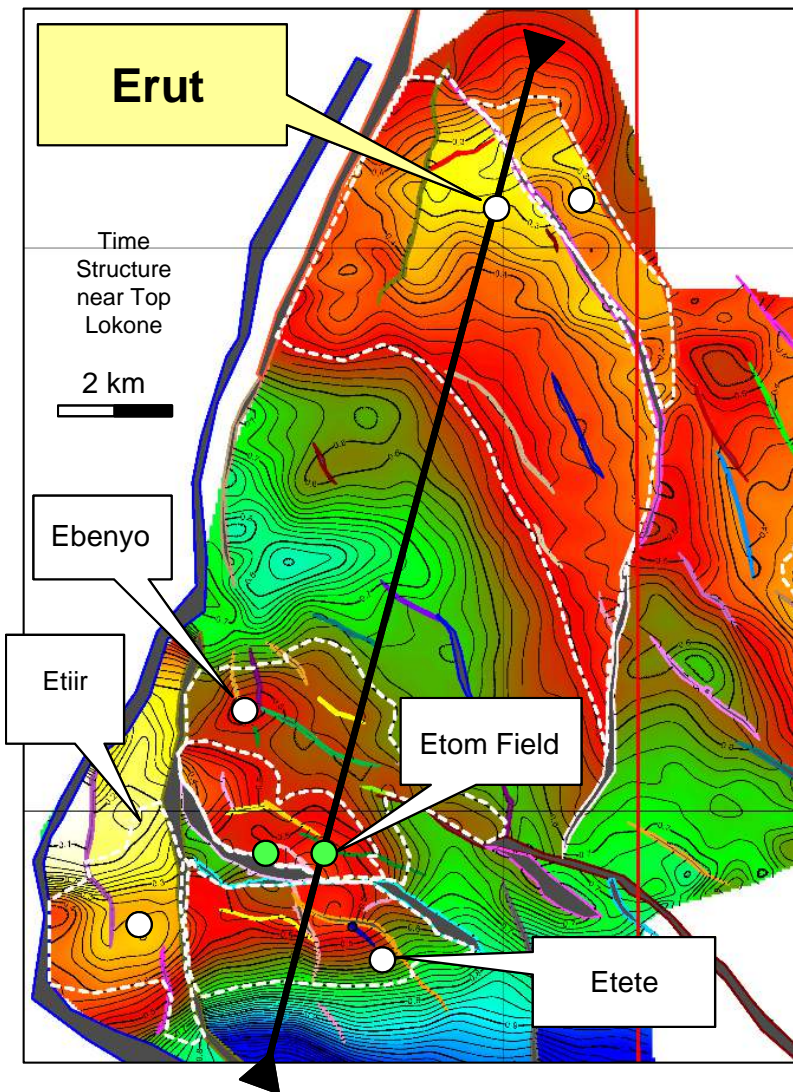
Etete, Erut and Northern Prospects



- Many Large Undrilled Prospects
- Some of the Best Reservoir Seen in the Basin

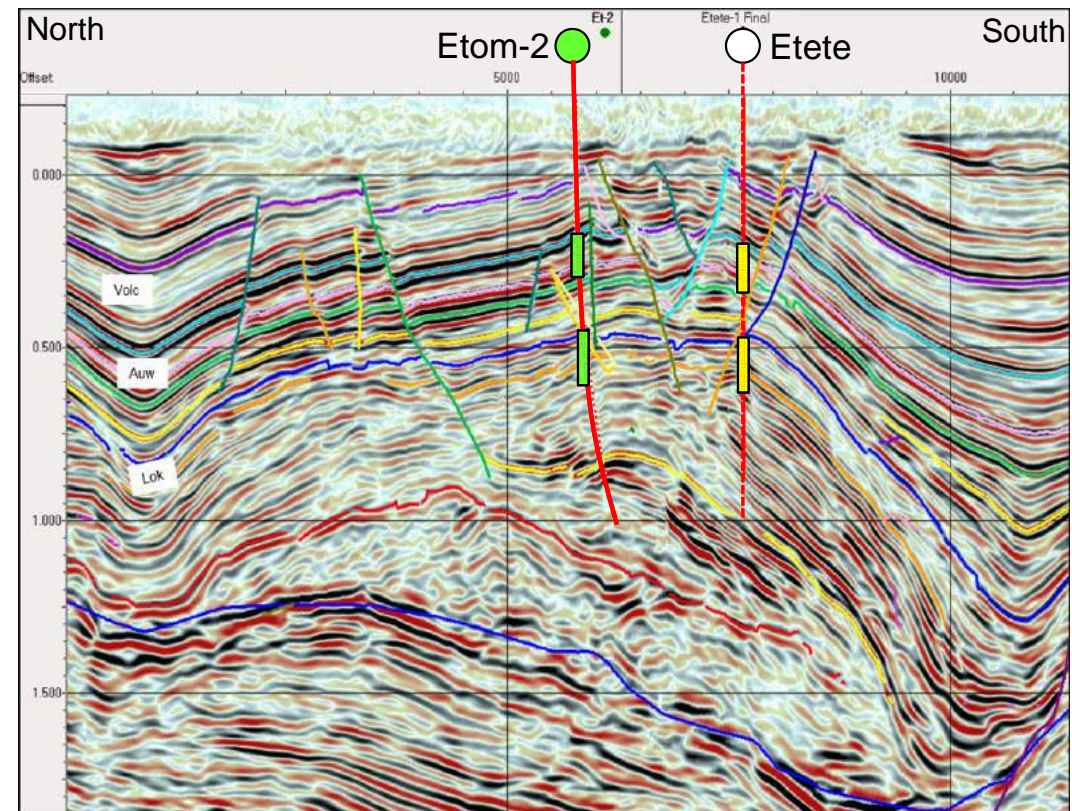
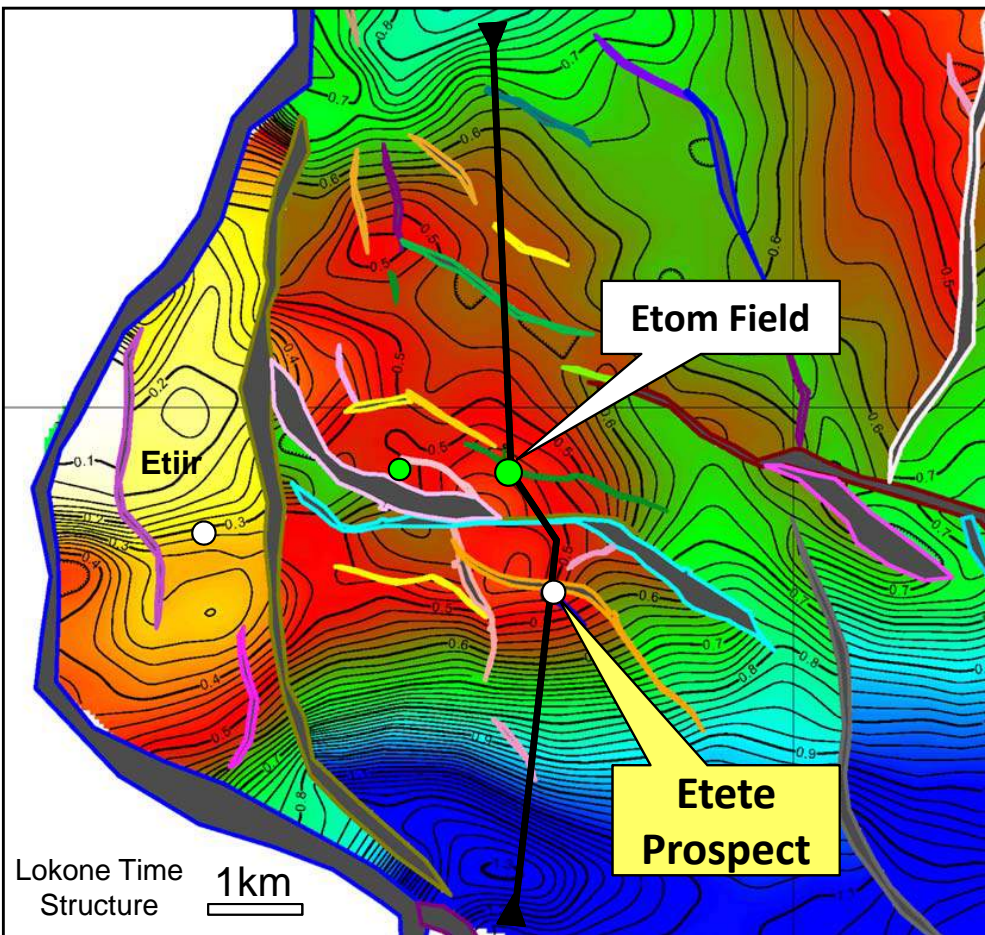
Erut Prospect

- TD of 1317m reached in January
- Overall oil column between 100 and 125m
- 55m Gross Oil Interval
- 25m Net Oil Pay
- Has de-risked other prospects



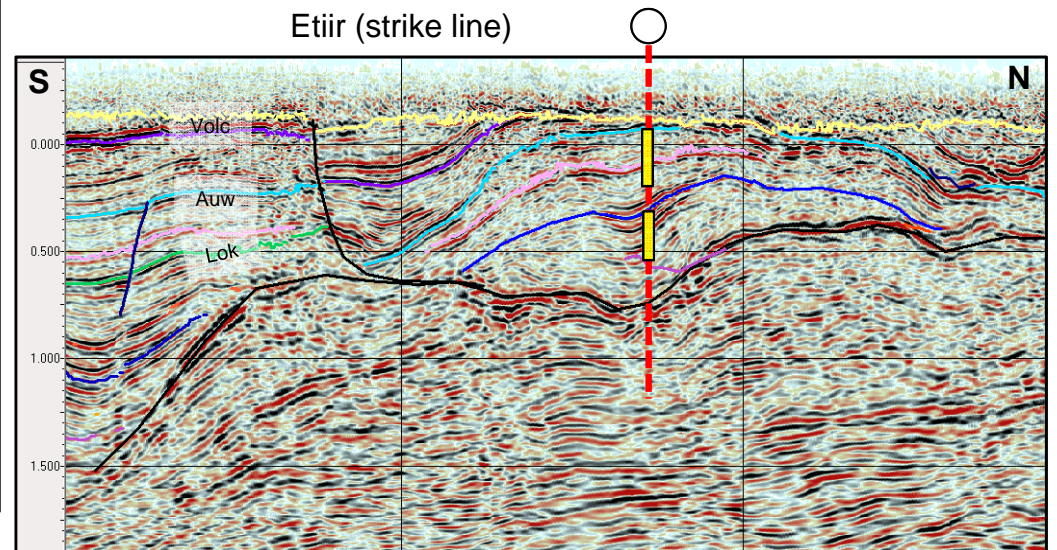
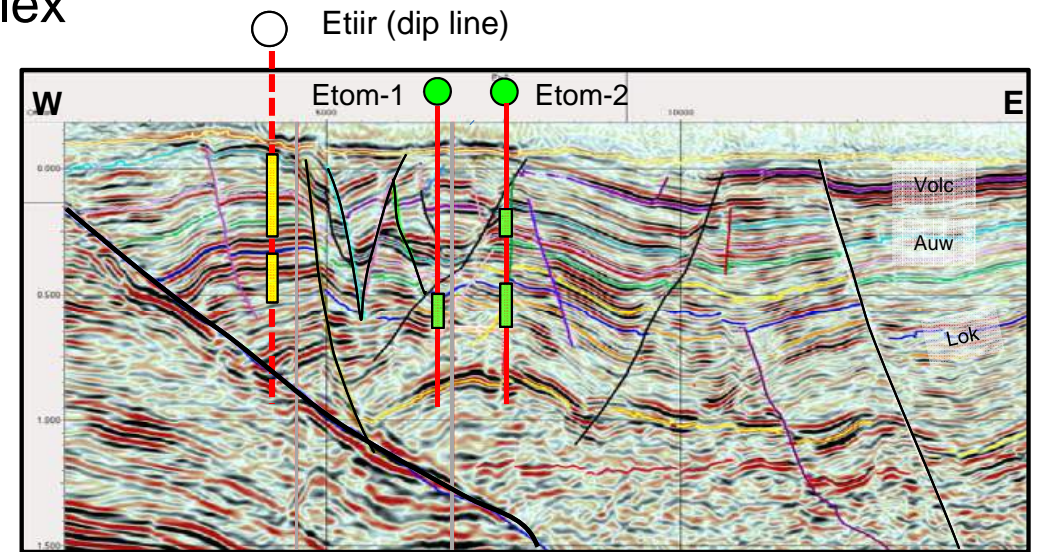
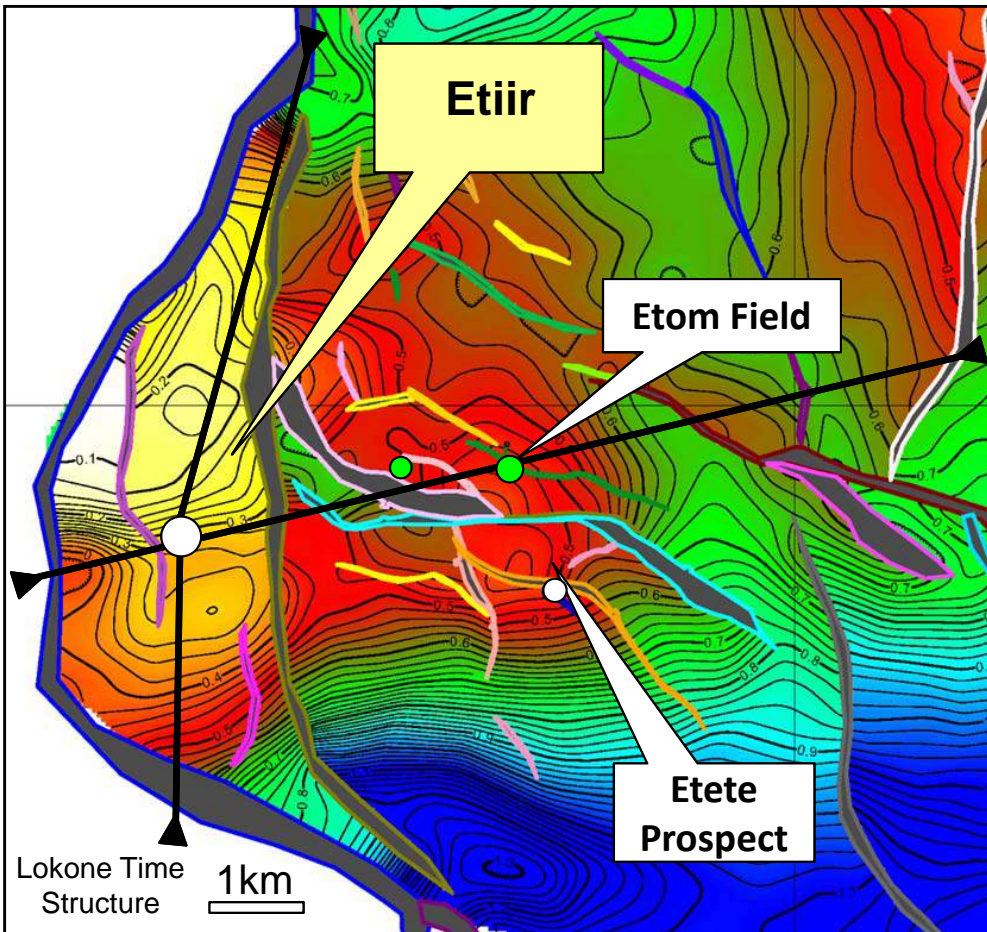
Etete Prospect

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



Etiir Prospect

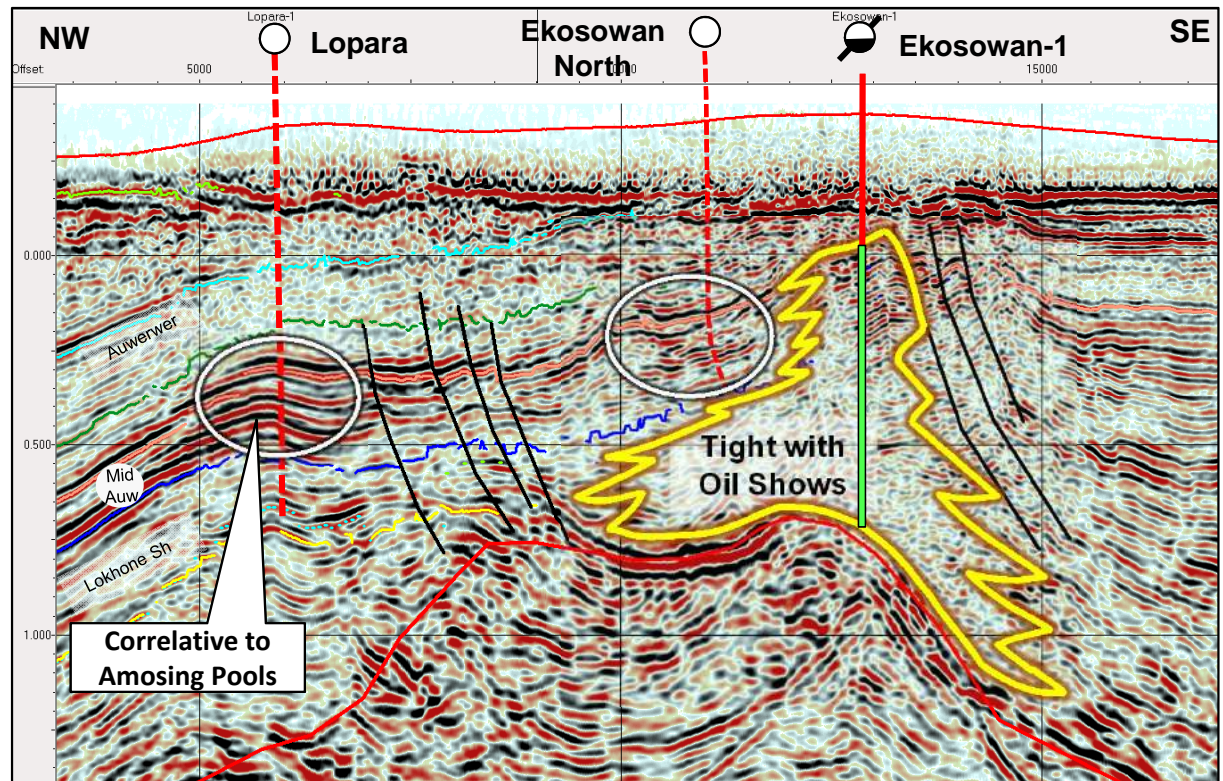
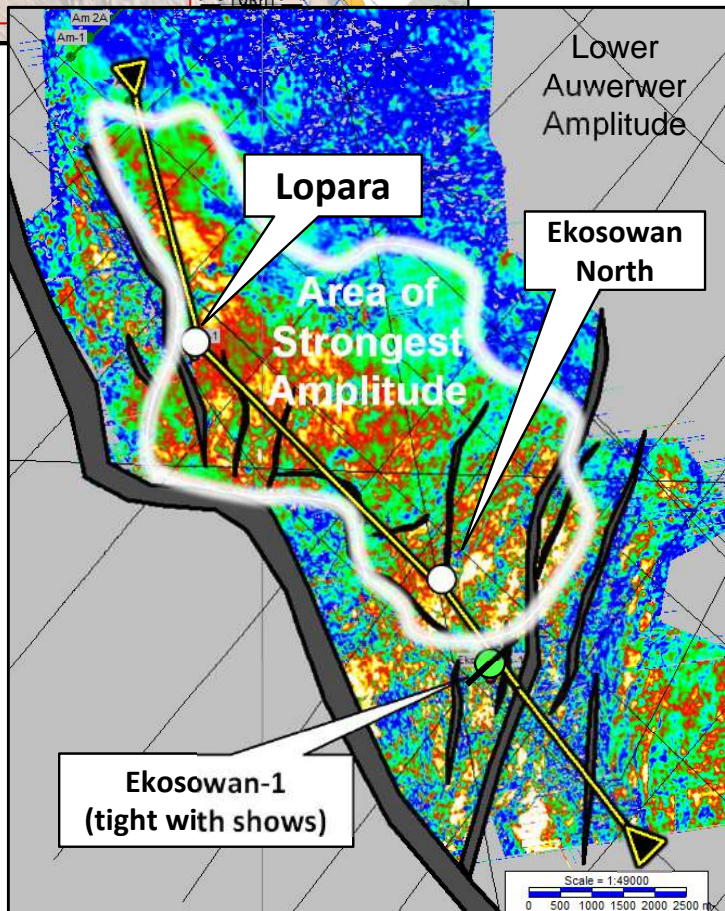
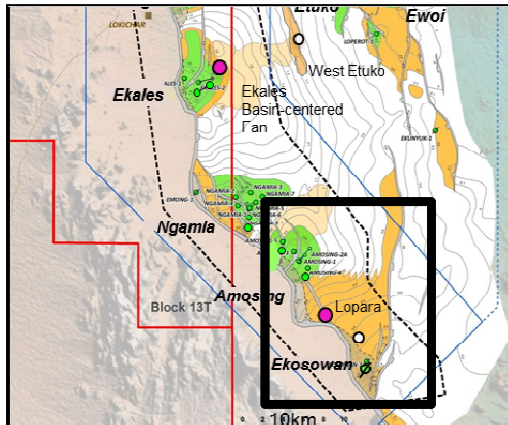
- Upside prospectivity within 'Etom Complex'
- Auwerwer and Lokone < 1500 meters



Inventory of High-impact Prospects

Lopara & Ekosowan North Prospects

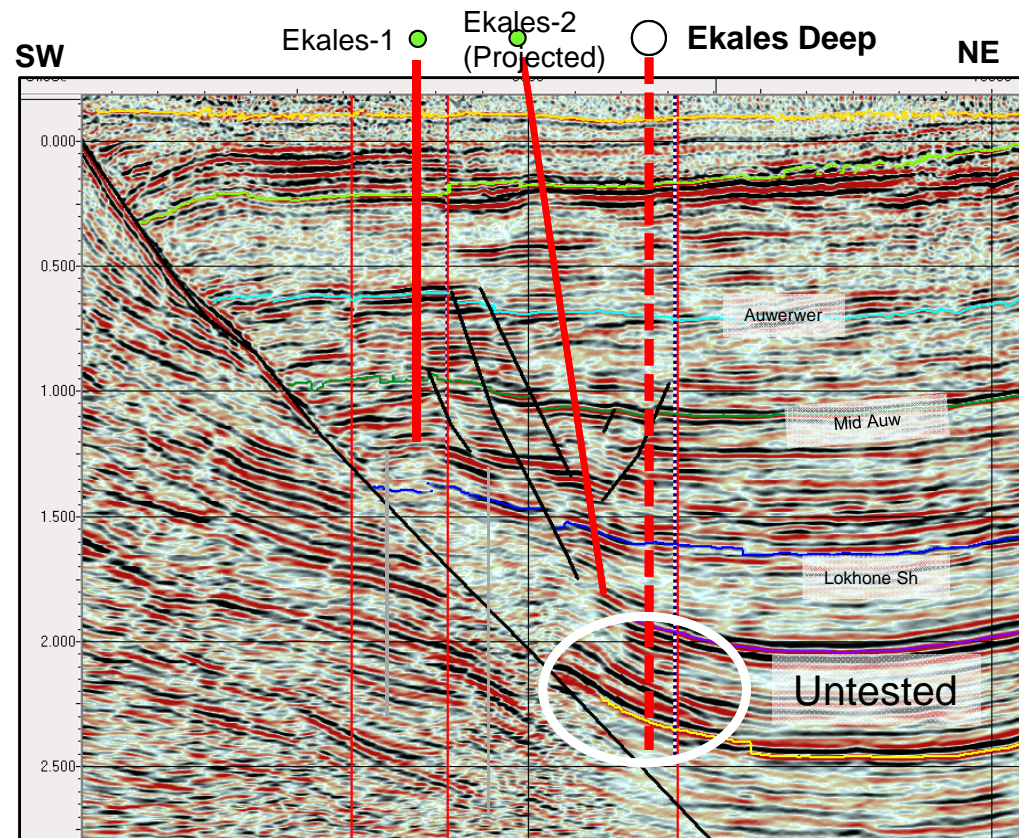
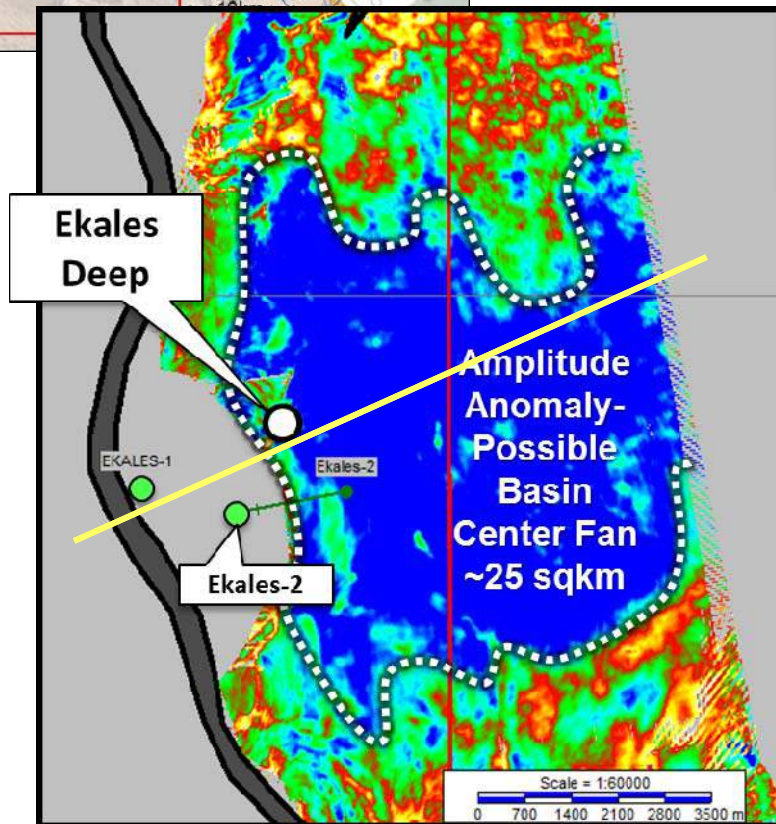
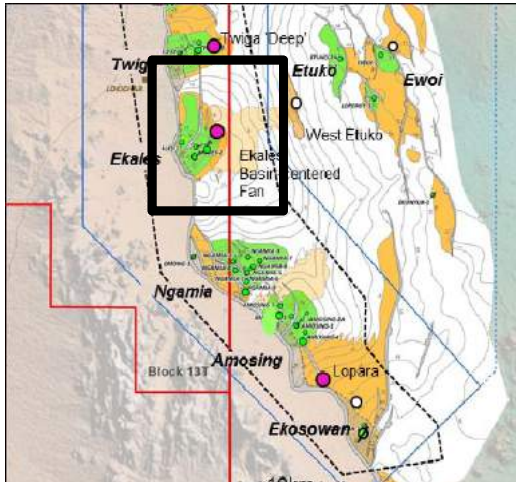
- Tests large stratigraphic trap between Amosing & Ekosowan
- Pinchout of Auwerwer and Lokone at basin edge
- Potential to add significant resources & extend Amosing trend



Basin-Centered Fan Plays

Ekales Basin-Centered Fan

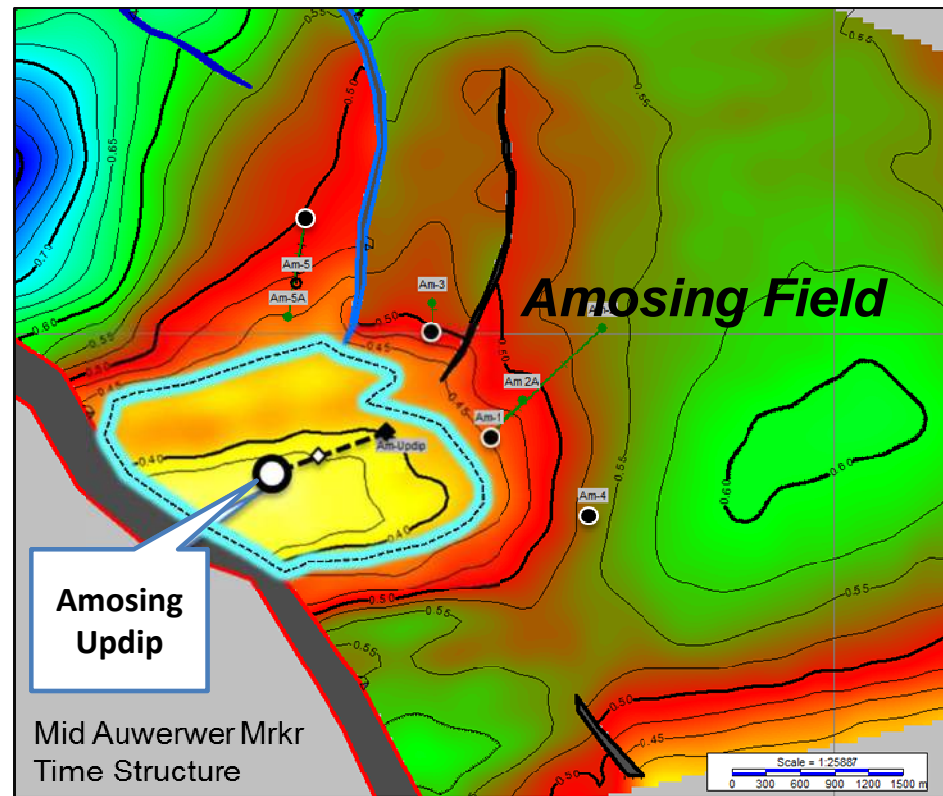
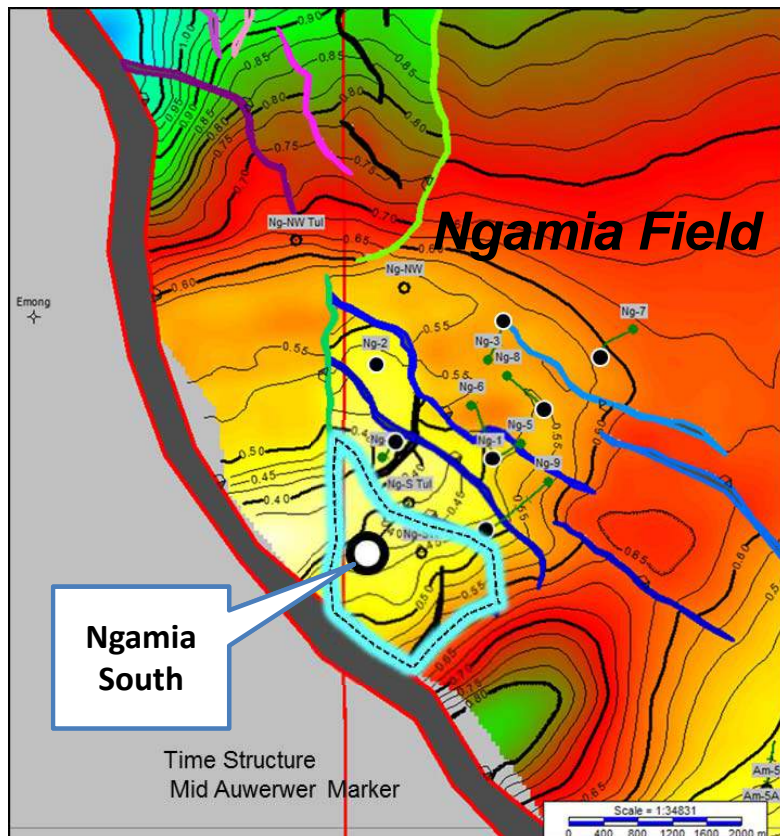
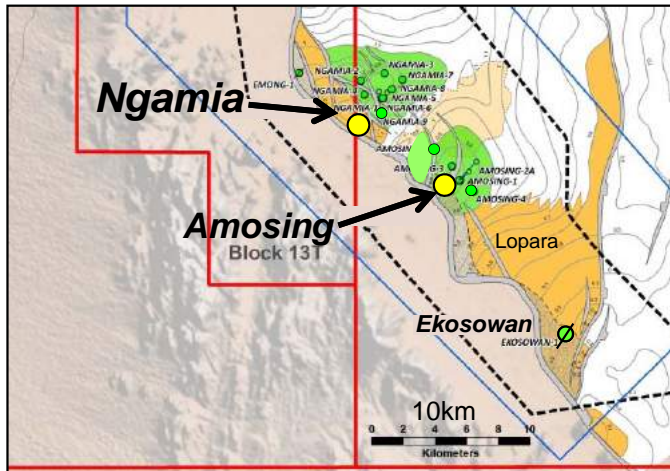
- One of several prospects to target basin-centered fan encapsulated within thick source rock interval
- Multiple reservoir targets within thick (600-900m) interval
- Potential to add significant resources throughout basin



Upcoming Appraisal Drilling

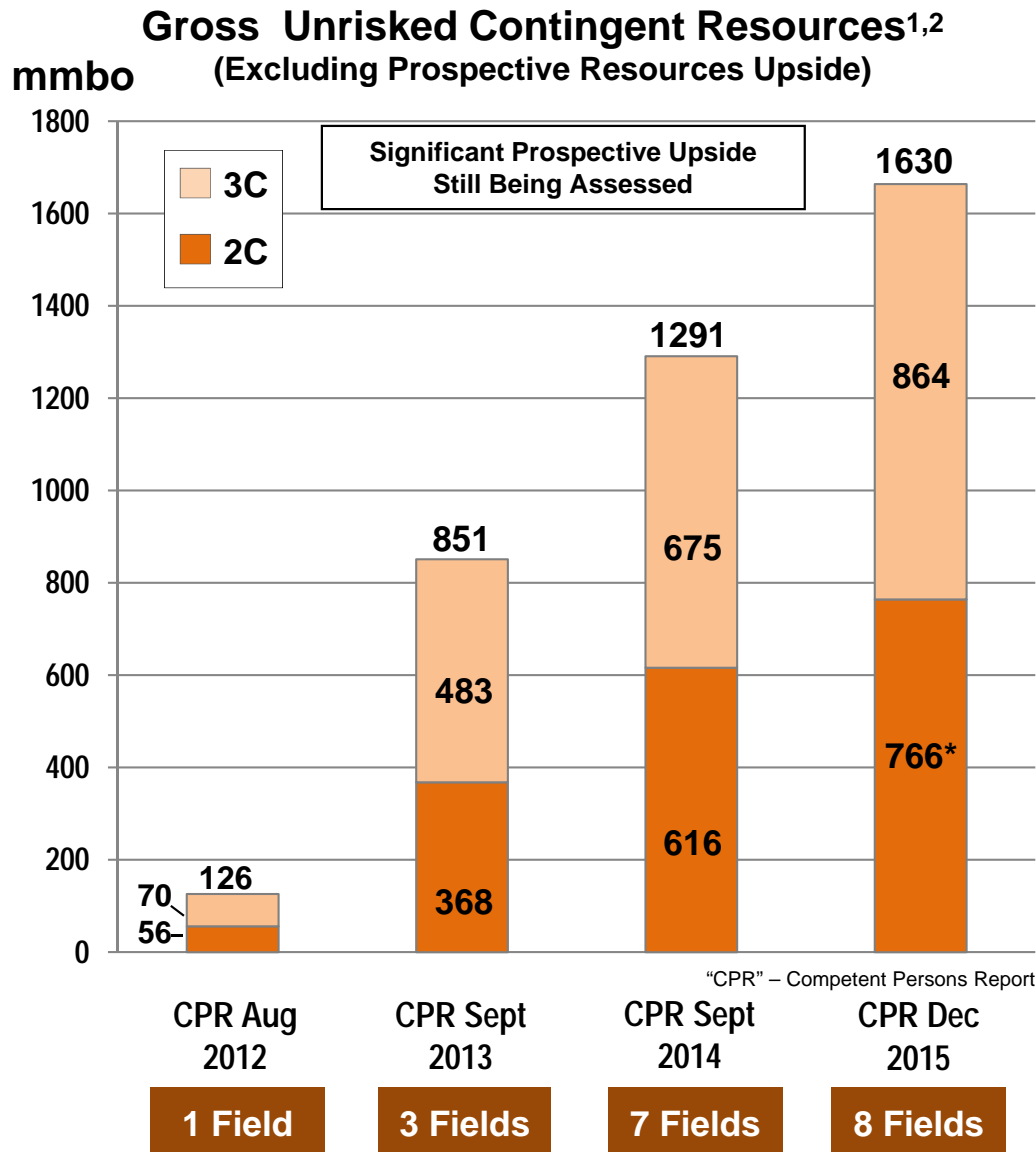
Ngamia South & Amosing Updip Appraisal

- Drill and Complete in Q1, 2017
- Potential to add significant '1C' resources within discovered fields



South Lokichar Basin - World Class Discovered Resource Base

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



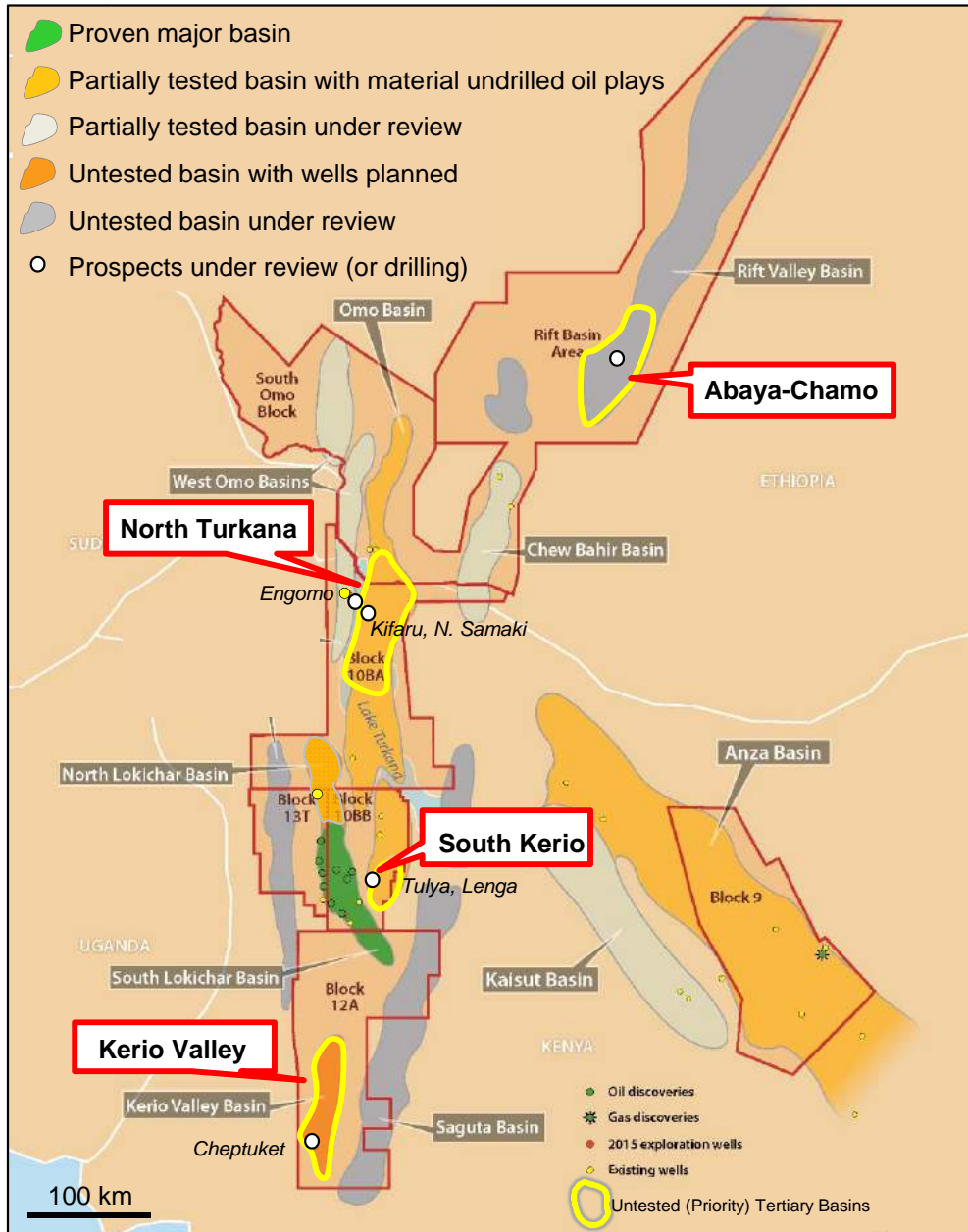
- Over 50% year on year resource growth since 2012
- Significant increase in 3C resources, much of which can be converted to 2C resources if recovery factors improve
- Appraisal campaign should also help move resources into 2C and 1C categories

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

Basin-Opening Prospects Drill-Ready for Future



Near-term Basin Openers:

Kerio Valley (Block 12A)

Undrilled basin, source rocks located in outcrop are the most extensive seen in Kenyan blocks
 > **Cheptuket Prospect- Results currently being evaluated**

South Kerio (Block 10BB)

Separated from Central, North Kerio Basins by strike slip faults, could share same source rocks as South Lokichar
 > **Tulya, Thilli, Linga, or Lukwa Prospects**

North Turkana (Block 10BA)

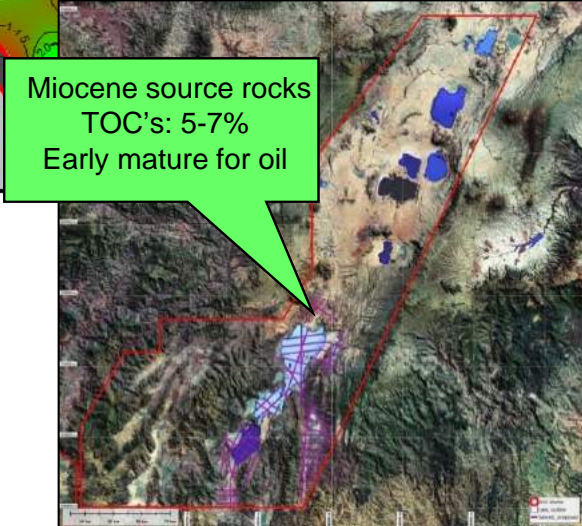
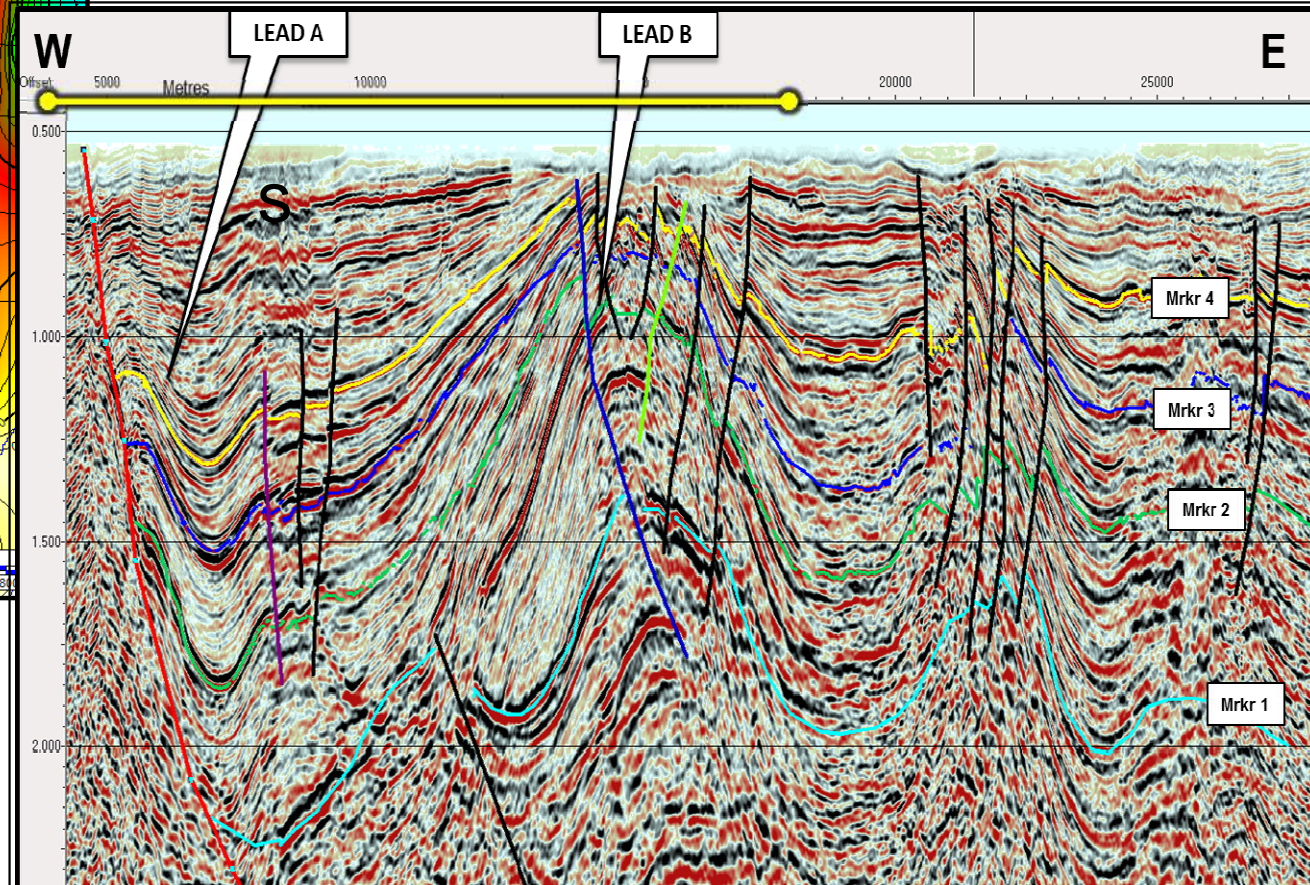
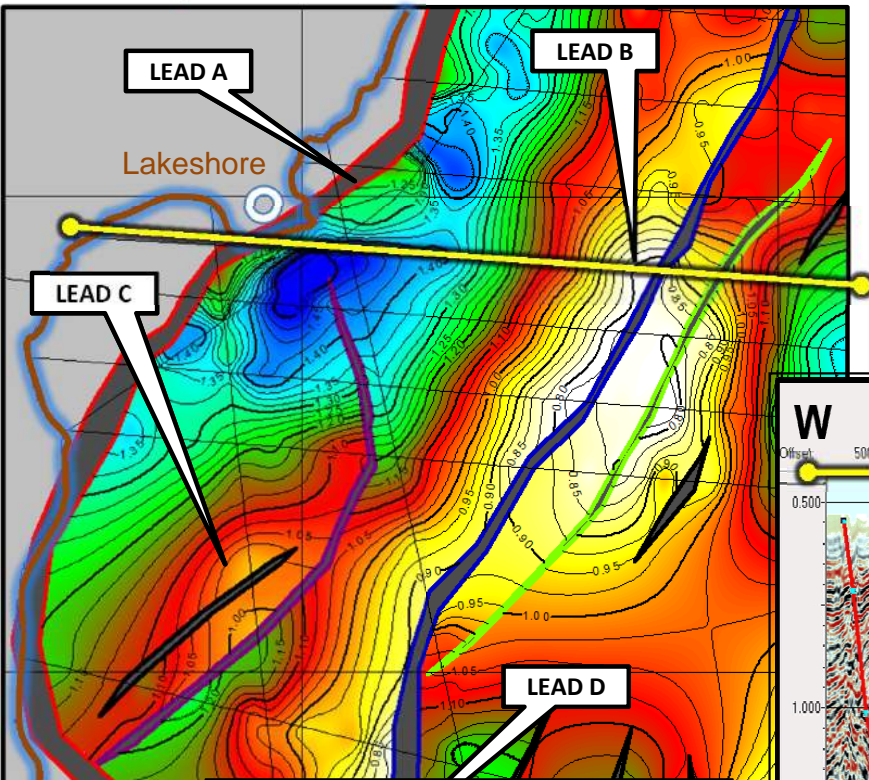
First test of the 'Turkana Lake Basin', reachable from shore, could de-risk a large number of prospects onshore and offshore
 > **North Samaki & Kifaru Prospects**

Lakes Abaya-Chamo (Rift Basin Block)

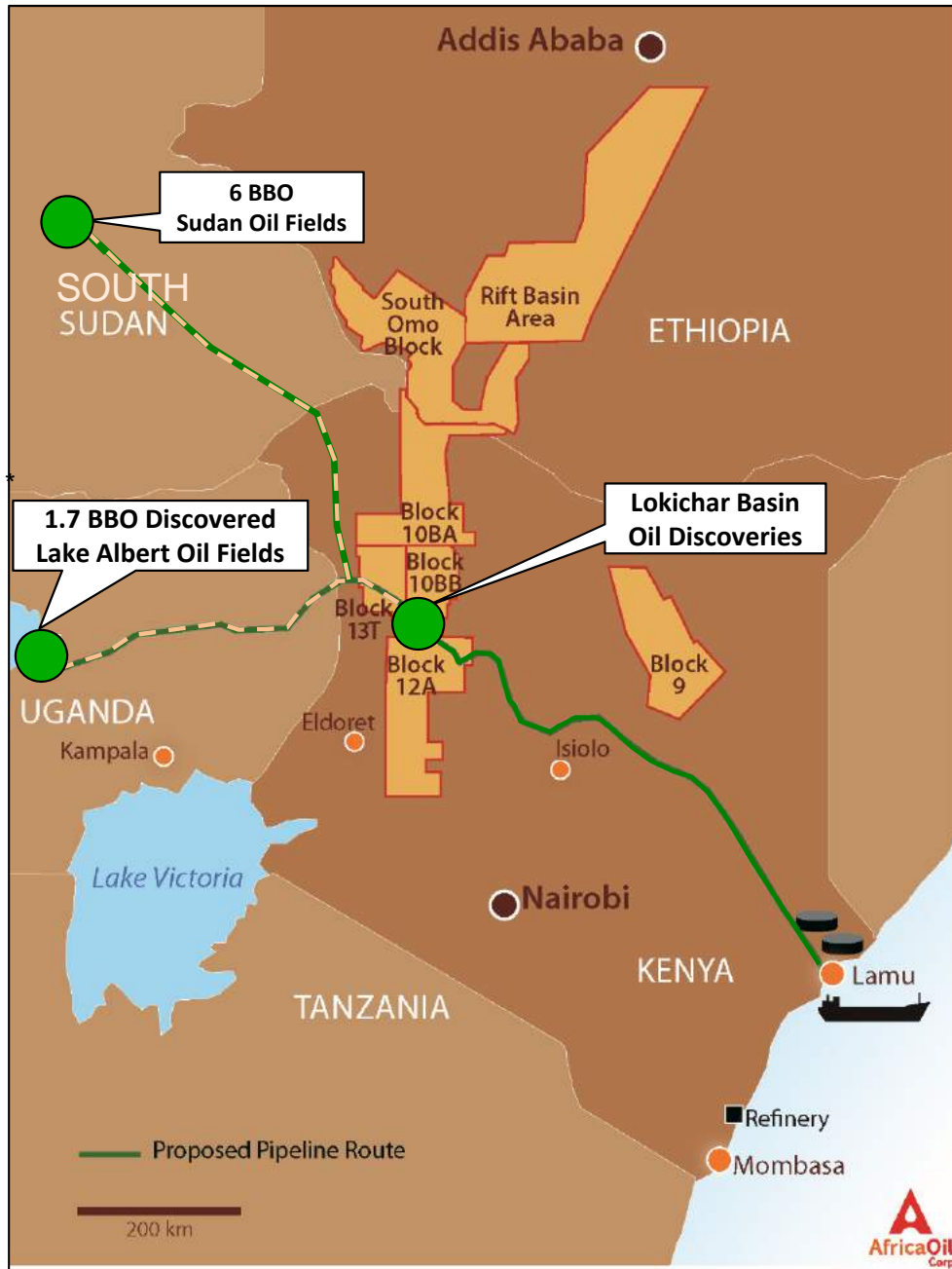
Drilling is 2-3 years away, acquired 603 km 2D seismic, confirms rift basin structures and possible DHI's
 > **Ranking prospects**

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'



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

- **Increase resource size and certainty**
 - Ongoing Drilling Program Key to Growth of both 2C and 1C resources
 - Continue with technical and core studies, water injection tests

- **Progress Development Studies**
 - Prepare for Upstream facilities FEED
 - Use Draft FDP submitted in Dec 15 as the basis to lead engagement with the Government and other Stakeholders on Final FDP

- **Move forward with Stakeholders to progress pipeline**
 - MOU signed with GoK, JDA nearing completion
 - Initiate ESIA and prepare for pipeline FEED

- Strong Financial Position – US\$490MM (Sept 30th 2016) in bank and potential for up to US\$480MM in additional development carries
- South Lokichar project still has huge growth potential in new and existing discoveries and play types – expect significant resource growth with upcoming drilling program – 4 firm wells and 4 contingent wells
- Highly focused on moving upstream and midstream projects for development
 - Key agreements for pipeline and upstream being negotiated with government
 - Early oil and water injection projects on course, confirmation and growth of resources key to making Final Investment Decision (FID)
- New basin exploration is still considered an area of high growth potential – Will likely pursue additional seismic and drilling in late 2017/2018



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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.