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NEWS RELEASE

AFRICA OIL SPUDS NGAMIA-1 WELL IN KENYA

January 25, 2012 (AOI-TSXV, AOI-NASDAQ OMX) ... Africa Oil Corp. (“Africa Oil” or the “Company”) is pleased to announce the spudding of the Ngamia-1 well on Block 10BB, Kenya. Tullow Oil plc is the operator with a 50% working interest and Africa Oil holds the remaining 50%. Please see attached map.

The Ngamia-1 well will be drilled to a projected depth of 2,700 meters to test the oil potential in Miocene age sandstones. The well is located in the Lokichar basin, a north-south trending rift basin that is part of the East African Rift System. Live oil was encountered in the Lokichar basin by the Loperot-1 well which was drilled in 1992 and recovered 29 degree API crude from Miocene sandstones.

The Ngamia-1 well will test a prospect that is similar to oil prospects drilled by Tullow and its partners early in the exploration efforts in the Lake Albert Rift Basin of Uganda. Drilling and evaluation of the well is expected to take between 60 and 90 days. A number of prospects and leads have been mapped and would be prospective following a success of the Ngamia prospect. The Ngamia-1 will be the first well drilled on the block by the partnership and will mark the start of a multi-well drilling program in Block 10BB and adjacent blocks.

Keith Hill, President and CEO of Africa Oil, commented, “We are very excited to be drilling our first well with Tullow. They’ve had enormous success with the Lake Albert Rift Basin project where in excess of 1 billion barrels have been discovered and this shares many geological similarities with our Kenyan assets. Our Ngamia prospect could be a play opener for another great success in the region.”

*Source: Tullow presentation – P50 Discovered and Prospective

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya, Ethiopia and Mali as well as Puntland (Somalia) through its 51% equity interest in Horn Petroleum Corporation. Africa Oil's East African holdings are in within a world-class exploration play fairway with a total gross land package in this prolific region in excess of 300,000 square kilometers. The East African Rift Basin system is one of the last of the great rift basins to be explored. New discoveries have been announced on all sides of Africa Oil's virtually unexplored land position including the major Albert Graben oil discovery in neighbouring Uganda. Similar to the Albert Graben play model, Africa Oil's concessions have older wells, a legacy database, and host numerous oil seeps indicating a proven petroleum system. Good quality existing seismic show robust leads and prospects throughout Africa Oil's project areas. The Company is listed on the TSX Venture Exchange and on First North at NASDAQ OMX-Stockholm under the symbol "AOI".

ON BEHALF OF THE BOARD

“Keith C. Hill”
President and CEO

For further information, please contact: Sophia Shane, Corporate Development (604) 689-7842.

Africa Oil's Certified Advisor on NASDAQ OMX First North is Pareto Öhman AB.

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