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NEWS RELEASE

AFRICA OIL PROVIDES UPDATE ON PUNTLAND DRILLING

May 17, 2012 (AOI-TSXV, AOI-NASDAQ OMX) ... Africa Oil Corp. (“Africa Oil” or the “Company”) is pleased to provide an update on the drilling program in Puntland, Somalia.

The Shabeel well has reached a total depth of 3470 meters and has encountered metamorphic basement at a depth of 3430 meters and is currently being suspended for future testing. In addition to the previously announced 12 to 20 meter zone of significant hydrocarbon pay in the Upper Cretaceous Jesomma Formation, the well has encountered additional potential net pay sands in the Jurassic Adigrat Formation at a depth of 3246 to 3430 meters, several of which exhibited oil and gas shows. Petrophysical analysis of the well log data indicates up to 3 meters of potential hydrocarbon pay in several thin sand units. They are not considered to warrant testing at this time, but do further confirm the existence of a working petroleum system.

The rig will now move to the Shabeel North location which is 3.5 kilometers north of the current location. The primary objective of this well will be to evaluate the Upper Cretaceous Jesomma Sands which appear to be oil bearing at the Shabeel location. Subsequent to the drilling of this well, it is the intention of the Company to return to the Shabeel well and test the Jesomma sands once the necessary testing equipment has been mobilized into the country.

Keith Hill, President and CEO of Africa Oil, commented, “We are very encouraged by the results of the Shabeel well which appears to have confirmed oil bearing sands in two zones. This has very positive implications for the prospectivity of the basin. We look forward to the results of the Shabeel North well and to testing the Jesomma sands to confirm the potential of the block.”

The Shabeel well is operated by Horn Petroleum Corp. (“Horn Petroleum”). Africa Oil holds a 51% equity interest in Horn Petroleum which in turn holds a 60% working interest in the Dharoor and Nugaal permits in Somalia. The other partners in the blocks include Range Resources (20%) and Red Emperor (20%).

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

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

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