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NEWS RELEASE

AFRICA OIL PROVIDES SHABEEL NORTH DRILLING UPDATE

July 23, 2012 (AOI-TSXV, AOI-NASDAQ OMX) ... Africa Oil Corp. ("Africa Oil" or the "Company") provides the following update on the Shabeel North well in Puntland, Somalia which is being drilled by operator Horn Petroleum Corp. ("Horn"). Africa Oil holds an approximate 45% equity interest in Horn.

An open hole Drill Stem Test (DST) was conducted over a 50 metre gross interval which contained several sands in upper portion of the primary Jesomma Formation which had oil shows. The test recovered fresh water (1200 ppm Cl-) without any traces of oil. The current plan is to drill ahead to the originally planned depth of approximately 2400 metres which will penetrate the remaining section of Jesomma sands at which point the entire section will be evaluated by electrical logging to determine if further testing is warranted.

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya, Ethiopia and Mali as well as Puntland (Somalia) through its 45% 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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