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NEWS RELEASE

HORN PETROLEUM TO DEEPEN SHABEEL NORTH WELL

July 26, 2012 (AOI-TSXV, AOI-NASDAQ OMX) ... Africa Oil Corp. ("Africa Oil" or the "Company") would like to provide the following update on the Shabeel North well in Puntland, Somalia which is being drilled by Horn Petroleum Corp. ("Horn"), a company which Africa Oil holds an approximate 45% equity interest.

Further to the recent announcement on the testing of the upper Jesomma sand reservoir which yielded fresh water, the well continued drilling through the entire Jesomma reservoir section and had reached a depth of 2200 meters. The section contained several additional sands with oil and gas shows and a full set of electrical logs was run to determine if these sands contained potential oil zones which would warrant further testing. The analysis of these logs indicate that the most prospective looking zone in the well was the upper Jesomma sand interval that had already been confirmed by testing to contain fresh water and thus no further testing could be justified.

Based on the positive evidence of oil shows and the presence of good quality reservoir in the Jesomma, the partnership has decided to deepen the well in order to evaluate the potential of the Lower Cretaceous and Jurassic sections. The current revised total depth will be approximately 3400 meters and is expected to take an additional 15 to 20 days to reach that depth. The Jurassic section in the nearby Shabeel well had thin reservoir sands with oil and gas shows, but this section was determined to be not thick enough to warrant testing. These sands are expected to thicken basinward towards Shabeel North. There was also evidence that there may have been faulting in the well which could have cut out a significant portion of the basal reservoir section, which is not expected in Shabeel North.

Horn President and CEO David Grellman stated, "While we are obviously disappointed that the Jesomma sands tested wet, the overall results of the two wells drilled during this campaign are quite encouraging in the long term prospects for oil potential of the basin. We have confirmed a working petroleum system, good quality reservoirs and thick impermeable sealing rocks. The two Jesomma structures drilled to date appear, subject to final petrophysical analysis, to have issues with the integrity of the trapping mechanism. We are still hopeful that the lower zones in the Shabeel North well may have favorable trapping geometries against the deeper thick carbonate and anhydrite sections seen in the original Shabeel well."

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".

FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation). Such statements and information (together, "forward-looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

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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