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NEWS RELEASE

AFRICA OIL CLOSES FINAL TRANCHE OF \$232.5 MILLION PRIVATE PLACEMENT

December 14, 2012 (AOI-TSXV, AOI-NASDAQ OMX) ... Africa Oil Corp. ("Africa Oil" or the "Company") is pleased to announce that it has closed the second and final tranche of its private placement, previously announced on November 28, 2012. The second tranche, comprising 2,118,009 common shares issued at \$7.75 per common share for gross proceeds of \$16,414,569.75, has been released to the investors.

The Company in total sold on a non-brokered, private placement basis an aggregate of 30 million common shares of the Company at a price of \$7.75 per share for gross proceeds of \$232.5 million. The common shares issued pursuant to the closing of the first tranche of the private placement on December 7, 2012 are subject to a hold period expiring on April 8, 2013. The shares issued pursuant to the closing of the second tranche of the private placement today are subject to a hold period expiring on April 14, 2013.

A 4% finder's fee is payable on a portion of the private placement.

Net proceeds of the private placement will be used towards the Company's ongoing work program in East Africa as well as for general working capital purposes.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or applicable state securities laws, and may not be offered or sold in the United States absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Africa Oil

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya, Ethiopia and Mali as well as Puntland (Somalia) through its approximate 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 neighboring Uganda. Africa Oil's recent Ngamia-1 discovery extends the Albert Graben play into Kenya where Africa Oil along with partner Tullow Oil plc hold a dominant acreage position. Newly acquired seismic and gravity data 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

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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