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## **NEWS RELEASE**

### **NGAMIA WELL FLOWS AT OVER 3200 BOPD AND DOUBLES NET PAY NEW MAJOR OIL DISCOVERY AT ETUKO AND CONFIRMATION OF OIL SYSTEM EXTENSION INTO ETHIOPIA BY SABISA WELL**

**July 3, 2013 (AOI – TSXV, AOI - NASDAQ OMX) ... Africa Oil Corp.** (“Africa Oil” or the “Company”) is pleased to announce excellent results from its recent drilling operations in Kenya and Ethiopia.

The testing program at the Ngamia-1 oil discovery on Block 10BB in Kenya has now been successfully completed. The cumulative flow rate from six Drill Stem Tests (“DST’s”) was over 3200 barrels of oil per day (“BOPD”) constrained by completion techniques and surface equipment. With optimized completion techniques and surface equipment it is estimated that these combined flow rates would increase to a rate of 5400 BOPD. Five of the DSTs were completed over the Auwerwer sandstones to verify reservoir quality and fluid content which appear to be of similar quality to those tested at the Twiga South-1 well in the same basin. High quality waxy sweet crude (25-35 degrees API) was flowed from all five zones in the Auwerwer formation with good quality reservoir sands encountered. All zones produced dry oil with no water produced and no pressure depletion. One DST was completed on the Lower Lokhone with successful results as previously announced on April 15, 2013.

In addition to proving the good quality reservoir, as a result of testing several previously indeterminate zones in the well, the joint venture has been able to double the firm net oil pay estimate in the Ngamia well to over 200 meters over a gross oil column of over 1,100 meters and has increased the net pay at Twiga to over 75 meters. The Operator, Tullow Oil, has reported that they believe the Ngamia and Twiga fields contain over 250 million barrels of recoverable oil. Appraisal work, including the acquisition of 3D seismic and the drilling of appraisal wells on both discoveries, will be undertaken over the next year to confirm these estimates. A mid-year revision to the Company’s third party resource report is ongoing and is expected to be issued in the third quarter and will take into account these improved reservoir thickness and quality parameters.

The Weatherford 804 rig used to test this well is currently being mobilized 13 kilometers north to the Ekales location, a prospect similar to and located between the Twiga and Ngamia discoveries, which is expected to spud in late July.

The Company is also pleased to announce that oil has been discovered in the Etuko prospect in the Lokichar Basin in Block 10BB in Kenya. This well was located on a tilted fault block target on the Basin Flank Play on eastern side of the basin. Based on logs and oil recovered by MDT sampling, net pay of 40 meters has been confirmed in the Auwerwer and Upper Lokhone targets which demonstrate good reservoir properties and oil quality. Within the Upper Lokhone sequence the well encountered a thick section of lacustrine source rocks with interbedded oil-bearing sandstones. The well is currently drilling in the Lower Lokhone sands and results from this lower section are expected by the end of July.

The Company is also pleased to announce that the Sabisa-1 well, the most northerly well drilled in the trend to date, has confirmed a viable hydrocarbon system in this region. The well was drilled on the South Omo Block in Ethiopia in the northern portion of the Turkana Basin, over 300 kilometers north of the Ngamia and Twiga discoveries, to a total depth of 2082 meters. The well encountered reservoir quality sands, oil shows and heavy gas shows indicating an oil prone source rock and a thick shale section which should provide a good seals for the numerous fault bounded traps identified in the basin. Only the lowermost sands appear to be in trapping configuration at Sabisa. Based on the encouragement

of the results of this well however, the decision has been made to drill the nearby Tultule prospect which appears to be a horst-block structure 4 kilometers to the east. The OGEC 75 rig move has been initiated and a late third quarter spud is expected. Numerous additional follow-up prospects have been mapped in this part of the South Omo Block and in the adjacent Chew Bahir Basin.

Preparations continue for drilling in both the Kenya Block 9 Bahasi prospect and the Ethiopia Ogaden Basin Block 8 El Kuran prospect. Africa Oil will operate the Bahasi well on behalf of its 50% joint venture partner Marathon Oil and will utilize the Great Wall drilling rig #190. The prospect is a large anticlinal feature in the Lower Cretaceous Anza rift and is on trend with the Paipai discovery made early this year in Kenya Block 10A. The El Kuran well is being operated by New African Global Energy and is expected to spud in July. It is a Jurassic fractured carbonate play on a large anticlinal feature that had previously been drilled by Tenneco in the early 1970's and had tested light oil at low rates. The primary goal of this well is to prove commercial flow rates. Based on the results of the initial well, fracture stimulation and horizontal drilling may be considered. An additional lightweight rig for testing and drilling operations is also being mobilized into the Lokichar Basin in Kenya which will bring the total rig count to six in the Company's blocks in Kenya and Ethiopia. A Full Tensor Gradiometry ("FTG") survey is also currently underway in the Company's wholly owned Rift Basin Area in Ethiopia and is expected to be completed in August.

Africa Oil CEO Keith Hill commented, "We are very pleased with the results of the Ngamia-1 testing program which has confirmed the productivity of both the Lower Lokhone reservoir and the high quality Auwerwer reservoir and significantly increased the net pay in the well. Ngamia is a world-class oil discovery and these results move us towards achieving the threshold for a commercial development in the Lokichar basin. This encouragement has caused us to set in motion appraisal of the Ngamia-Twiga trend and to assemble a technical team to commence early development planning both for a large scale pipeline development and an early development scheme. The Etuko discovery also opens up a new fairway on the eastern flank play in Lokichar where a number of other large scale prospects have been identified. The Sabisa results are also highly encouraging as all the major components for oil accumulation appear to have been proven in one of our largest and most prospective frontier basins in the portfolio. The second half of 2013 promises to be an exciting and transformational period in the growth history of the Company."

#### **About Africa Oil Corp.**

*Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia as well as Puntland (Somalia) through its 45% equity interest in Hom 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 250,000 square kilometers. The East African Rift Basin system is one of the last of the great rift basins to be explored. Two new significant discoveries have been announced in the Lokichar basin in which the Company holds a 50% interest along with operator Tullow Oil plc. 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.*

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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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