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NEWS RELEASE

AFRICA OIL OPERATIONS UPDATE

July 27, 2016 (AOI-TSX, AOI-Nasdaq Stockholm)... Africa Oil Corp. (“Africa Oil”, “AOC” or the “Company”) is pleased to report an update on activities in the South Lokichar basin, Kenya.

Drilling Programme

Tullow Oil, Maersk Oil, and Africa Oil (the “Joint Venture Partners”) plan to recommence drilling activities in the South Lokichar oil basin located in Blocks 10BB and 13T in Kenya in the fourth quarter of 2016 with an initial programme of four wells and the potential to extend this by a further four wells. The first two wells will be the Etete and Erut prospects in the north of South Lokichar basin. Other potential prospects in the programme include further appraisal of the Ngamia and Amosing fields to target un-drilled flanks, with an aim of extending the size of these existing discoveries. In addition, the Joint Venture is planning an extensive water injection test programme in the fourth quarter of 2016 to collect data to optimise the field development plans. Africa Oil holds a 25% interest in Blocks 10BB and 13T.

The Joint Venture Partners received a three year extension to the Second Additional Exploration Period for a period of three years (expiring 18 September 2020) on Blocks 10BB and 13T.

Outside of the South Lokichar Basin, the result from the basin opening Cheptuket-1 well in the Kerio Valley Basin in Block 12A was announced in March 2016. The well encountered good oil shows, seen in cuttings and rotary sidewall cores, across an interval of over 700 metres and post-well analysis is still in progress. A FTG survey over Block 12A commenced earlier this month to gain further data on this prospective area. Further exploration activities in Block 12A and Africa Oil’s other remaining unexplored acreage, continue to be evaluated. Africa Oil holds a 20% interest in Block 12A.

Development

The Government of Kenya announced that it intends to run a crude oil pipeline from South Lokichar to the port of Lamu. The Joint Venture Partners have signed a Memorandum of Understanding with the Government of Kenya which confirms the intent of the parties to jointly progress the development of a Kenya crude oil pipeline. The pipeline Joint Development Agreement is currently being finalized and is expected to be signed in the third quarter of 2016. The Joint Venture Partners continue to progress the technical, environmental and social studies and tenders required to proceed to FEED for both the upstream and pipeline projects. Both FEED studies are expected to start in early 2017.

In addition to progressing the full field development, an Early Oil Pilot Scheme (EOPS) transporting oil from South Lokichar to Mombasa, utilising road or a combination of road and rail, is being assessed. The EOPS would provide technical and non-technical information that will assist in full field development planning, utilising existing upstream wells and oil storage tanks to initially produce approximately 2,000 bopd gross around mid-2017, subject to agreement with National and County Governments.

About Africa Oil Corp.

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

Additional Information

The information in this release is subject to the disclosure requirements of Africa Oil Corp. under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on July 27, 2016 at 2:00 a.m. Toronto Time.

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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