



Suite 2000
885 West Georgia Street
Vancouver, B.C. Canada V6C 3E8
Ph. 604-689-7842 Fx. 604-689-4250
africaoilcorp@namdo.com
africaoilcorp.com

NEWS RELEASE

AFRICA OIL 2015 THIRD QUARTER FINANCIAL AND OPERATING RESULTS

November 16, 2015 (AOI-TSX, AOI-Nasdaq-Stockholm) ... Africa Oil Corp. ("Africa Oil" or the "Company") is pleased to announce its financial and operating results for the three and nine months ended September 30, 2015.

Subsequent to the third quarter, the Company announced that it had entered into a definitive farmout agreement with Maersk Oil & Gas A/S, a Danish oil and gas company owned by the Maersk Group ("Maersk") whereby Maersk will acquire 50% of Africa Oil's interests in Blocks 10BB, 13T and 10BA in Kenya and the Rift Basin and South Omo Blocks in Ethiopia in consideration for reimbursement of a portion of Africa Oil's past costs and a future carry on certain exploration and development costs.

Under the terms of the farmout agreement, upon closing of the transaction Maersk will pay Africa Oil US\$350 million as reimbursement of past costs incurred by Africa Oil prior to the agreed March 31, 2015 effective date. Maersk will also reimburse Africa Oil for its acquired working interest share of costs incurred between the effective date and the closing date. Commencing on the effective date, Maersk will also carry up to US\$75 million of the Company's share of development expenditures upon confirmation of resources and US\$15 million of the Company's share of exploration expenditures. In addition, upon Final Investment Decision ("FID"), Maersk will also carry up to US\$405 million of Africa Oil's working interest share of development expenditures for the Lokichar Development Project. The total carry amount is contingent upon the Lokichar Development Project meeting certain thresholds of resource growth, and the timing of first oil. The transaction is subject to host government and applicable regulatory approvals.

Additionally, subsequent to the third quarter, the Emesek-1 exploration well in Block 13T in the North Lokichar basin reached a total depth of 3,000 metres without encountering commercial hydrocarbons. The well will now be plugged and abandoned. Following completion of operations, the rig will move to the South Lokichar basin to drill the Etom-2 well in an undrilled fault block adjacent to the Etom oil discovery.

During the third quarter of 2015, three wells finalized drilling in the South Lokichar Basin in Blocks 10BB and 13T, Kenya. In addition, an extensive appraisal program of the Ngamia and Amosing fields in the South Lokichar Basin in Kenya Block 10BB continued. These oil fields are expected to form the foundation for a phased development of the South Lokichar Basin. One drilling rig is currently active in the South Lokichar Basin.

During the third quarter of 2015, the Company continued to focus its efforts on appraisal in the South Lokichar Basin, Extended Well Tests (EWTs) in the Amosing and Ngamia fields, and reservoir and engineering studies. The 2015 work program in the South Lokichar Basin has the following objectives; confirming reservoir quality and deliverability, resource size and definition, and advancement of development plans, including the export pipeline. Discussions with the Government regarding the draft field development plan for the discoveries in the South Lokichar Basin continue positively, with targeted submission by year-end 2015.

In August 2015, a bilateral agreement was reached between the Presidents of Uganda and Kenya adopting the Northern Kenya route for the regional crude oil pipeline, subject to certain conditions. Africa Oil continues to support both countries in moving this project forward as quickly and efficiently as possible taking into account the needs of all stakeholders.

At September 30, 2015, the Company had cash of \$154.7 million and working capital of \$80.3 million. During the first nine months of 2015, the Company closed several private placements for gross proceeds of \$275 million.

The Company has completed the following significant operational activities during the third quarter and to date in 2015:

- A number of Extended Well Tests (EWTs) have been completed at the Amosing field (Block 10BB – Kenya). The Amosing-1 and Amosing-2 wells were completed in five separate zones and initial rig-less flow testing during clean-up flowed at a cumulative maximum rate of 5,600 and 6,000 bopd respectively. These results exceeded expectations, and demonstrated high quality reservoir sands which flowed 31 to 38 degree API dry oil under natural conditions. During the test, the wells produced at a cumulative average constrained rate of 4,300 bopd under natural flow conditions. Pressure data from the two wells supports significant connected oil volumes and confirms lateral reservoir continuity, which is positive for the future development. A cumulative volume of 30,000 barrels of oil has been produced into storage. Water injection tests are still to be completed to further validate the viability of water flood reservoir management and the oil recovery assumptions.
- In the third quarter of 2015, the Amosing-5A exploratory appraisal well was drilled as a test of an undrilled fault block. The well encountered an estimated 15 to 28 metres of net oil pay in a downflank position and successfully proved a northern extension to the Amosing field. Prior to the third quarter of 2015, the Amosing-3 and Amosing-4 wells were drilled, extending the limits of the Amosing field.
- In preparation for the EWT activities in the Ngamia field (Block 10BB – Kenya), multi zone completions were installed in the Ngamia-8, Ngamia-3 and Ngamia-6 wells. The Ngamia-8 well is the main production well for the Ngamia EWT. Flow testing of the Ngamia EWT wells is underway. Results to date indicate well productivity in line with expectations and proven communication in one zone to date. Following the flow testing water injection tests will be undertaken to further validate the viability of water flood reservoir management and the oil recovery assumptions. Prior to the third quarter of 2015, the successful results of the Ngamia-5, Ngamia-6 and Ngamia-7 wells were released.
- In the third quarter of 2015, Twiga-3 exploratory appraisal well (Block 13T – Kenya) was drilled and encountered sands within the Lokone Shale sequence that are interpreted as good quality oil bearing reservoir over a gross interval of 120 metres. This result will be assessed in future exploration and appraisal activities, stepping out into the South Lokichar basin to further define this encouraging additional oil potential.
- The Marriot 46 drilling rig moved to the Emesek-1 basin opening well, which tested the undrilled North Lokichar basin. The well reached a total depth of 3,000 metres without encountering commercial hydrocarbons and will now be plugged and abandoned. Following completion of operations, the rig will move to the South Lokichar basin to drill the Etom-2 well in an undrilled fault block adjacent to the Etom oil discovery. The rig will then move to drill the Cheptuket-1 exploration well in Block 12A and will test a basin bounding structural closure in the undrilled Kerio Valley Basin, in a similar structural setting to the successful Ngamia and Amosing discoveries.
- The full fast track processed data set for the 951 square kilometer 3D seismic survey over the series of significant discoveries along the western basin bounding fault in the South Lokichar Basin, is being interpreted. The 3D seismic indicates significantly improved structural and stratigraphic definition and additional prospectivity not evident from the 2D seismic.
- The partnership has acquired over 1,100 meters of whole core from the wells drilled in the South Lokichar Basin, and an extensive program of detailed core analysis is ongoing that will provide results throughout the year. A key focus of the core program is to better assess oil saturation and to refine the recovery factors of the main reservoir sands. Early core analysis results support the reservoir assumptions used in the contingent resource estimate and support the view of oil saturations in the reservoir.

- In the third quarter of 2015 in the Rift Basin Area Block, a 2D seismic crew program was completed of approximately 600 kilometers of land and lake seismic. Source rock outcrops and oil slicks on the lakes have been identified in the block where there was previously no existing seismic or wells.

2015 Third Quarter Financial Results

Results of Operations

(Thousands United States Dollars)

(unaudited)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
(thousands)				
Salaries and benefits	\$ 515	\$ 458	\$ 1,318	\$ 1,380
Stock-based compensation	1,243	3,046	6,366	15,553
Travel	345	647	876	1,244
Office and general	275	334	595	750
Donation	500	535	1,285	2,035
Depreciation	3	16	17	50
Professional fees	127	177	446	529
Stock exchange and filing fees	253	326	717	1,397
Share of loss from equity investment	323	-	622	-
Gain on loss of control	-	-	(4,155)	-
Impairment of intangible exploration assets	-	469	-	31,302
Operating expenses	\$ 3,584	\$ 6,008	\$ 8,087	\$ 54,240

Operating expenses decreased \$2.4 million for the three months ended September 30, 2015 compared to the same period in the prior year. The decrease is primarily due to a reduction in stock-based compensation. The decrease in stock-based compensation expense can be mainly attributed to a significant reduction in the fair value of each option granted during 2015 compared to options granted during 2014. During 2015, 5,194,000 stock options of AOC were granted to directors, officers and employees at an average exercise price of CAD \$2.45 per option versus 6,078,500 stock options of AOC granted at an average exercise price of CAD \$8.42 per option during 2014. The remaining decrease is due to the Company writing off an additional \$0.5 million of exploration expenditures during the third quarter of 2014 relating to Blocks 7/8 in Ethiopia as well as a \$0.3 million decrease in travel expenses due to an overall reduction of activity in the field.

Operating expenses decreased \$46.0 million for the nine months ended September 30, 2015 compared to the same period in the prior year. The majority of the decrease can be attributed to the write-off of \$31.3 million of previously capitalized Block 7/8 exploration expenditures in Ethiopia during the second and third quarters of 2014. The remaining decrease is due to a reduction in stock-based compensation, donations, stock exchange filing fees, and a gain on loss of control of Africa Energy. The decrease in stock-based compensation expense can be mainly attributed to a significant reduction in the fair value of each option granted in during 2015 compared to options granted during 2014. During 2015, 5,194,000 stock options of AOC were granted to directors, officers and employees at an average exercise price of CAD \$2.45 per option versus 6,078,500 stock options of AOC granted at an average price of CAD \$8.42 per option during 2014. The Company made donations amounting to \$1.3 million to the Lundin Foundation during the nine months ended September 30, 2015 compared to donations amounting to \$2.0 million to the Lundin Foundation during the nine months ended September 30, 2014. Stock exchange and filing fees decreased \$0.7 million during the nine months ended September 30, 2015 compared to the same period in 2014 due to costs associated with the graduation to the TSX in Canada and the NASDAQ OMX Stockholm main board which occurred during 2014. The Company's investment in Africa Energy changed from a position of control to a position of significant influence during the first quarter of 2015, which required the Company's investment in Africa Energy to be recorded as an equity investment. The accounting for the equity

investment resulted in the recognition of a gain for accounting purposes of \$4.2 million as well as a recognition of its shares of losses of \$0.6 million during 2015r. Travel expenses decreased by \$0.3 million during 2015 due to a reduction in activity in the field.

Financial income and expense is made up of the following items:

(Thousands of United States Dollars)
(unaudited)

	Three months ended		Three months ended		Nine months ended		Nine months ended	
	September 30,		September 30,		September 30,		September 30,	
	2015		2014		2015		2014	
Fair value adjustment - w warrants	\$	-	\$	-	\$	-	\$	1
Interest and other income		99		287		309		1,110
Bank charges		(12)		(3)		(22)		(14)
Foreign exchange loss		(184)		(207)		(316)		(282)
Finance income	\$	99	\$	287	\$	309	\$	1,111
Finance expense	\$	(196)	\$	(210)	\$	(338)	\$	(296)

Interest income fluctuates in accordance with cash balances, the currency that the cash is held in, and prevailing market interest rates. Foreign exchange gains and losses are primarily related to changes in the value of the Canadian dollar in comparison to the US dollar.

Consolidated Balance Sheets
(Thousands United States Dollars)
(unaudited)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 154,568	\$ 161,162
Accounts receivable	1,116	1,633
Due from related party	62	-
Prepaid expenses	1,254	1,276
	157,000	164,071
Long-term assets		
Restricted cash	3,049	1,250
Equity investment	5,651	-
Property and equipment	33	50
Intangible exploration assets	980,442	785,177
	989,175	786,477
Total assets	\$ 1,146,175	\$ 950,548
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 76,714	\$ 153,502
	76,714	153,502
Total liabilities	76,714	153,502
Equity attributable to common shareholders		
Share capital	1,290,389	1,014,772
Contributed surplus	44,612	39,947
Deficit	(265,540)	(257,673)
Total equity attributable to common shareholders	1,069,461	797,046
Total liabilities and equity attributable to common shareholders	\$ 1,146,175	\$ 950,548

Intangible exploration assets increased during the first half of the year by \$195.3 million as a result of the Company continuing to invest in its oil and gas properties in East Africa. The Company continues to finance its activities primarily through equity, and has completed several private placements during the year in which 140,812,695 shares were issued. Total gross proceeds from equity issuances during 2015 amount to \$275 million. The Company is debt free.

Consolidated Statement of Cash Flows
(Thousands United States Dollars)
(unaudited)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Cash flows provided by (used in):				
Operations:				
Net loss and comprehensive loss for the period	\$ (3,681)	\$ (5,931)	\$ (8,116)	\$ (53,425)
Items not affecting cash:				
Stock-based compensation	1,243	3,046	6,366	15,553
Depreciation	3	16	17	50
Gain on loss of control	-	-	(4,155)	-
Impairment of intangible exploration assets	-	469	-	31,302
Share of loss from equity investment	323	-	622	-
Fair value adjustment - warrants	-	-	-	(1)
Unrealized foreign exchange (gain) loss	184	207	316	282
Changes in non-cash operating working capital	(38)	(166)	28	(846)
	(1,966)	(2,359)	(4,922)	(7,085)
Investing:				
Property and equipment expenditures	-	(4)	-	(13)
Intangible exploration expenditures	(48,693)	(95,527)	(195,265)	(301,960)
Farmout proceeds	-	-	-	13,207
Due from related party	(39)	-	47	-
Equity investment	-	-	(1,000)	-
Reduction of cash from change of control	-	-	(254)	-
Changes in non-cash investing working capital	(1,404)	19,868	(77,001)	71,932
	(50,136)	(75,663)	(273,473)	(216,834)
Financing:				
Common shares issued	49,880	1,801	273,916	5,066
Deposit of cash for bank guarantee	(524)	-	(1,799)	(450)
	49,356	1,801	272,117	4,616
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currency	(184)	(207)	(316)	(282)
Decrease in cash and cash equivalents	(2,930)	(76,428)	(6,594)	(219,585)
Cash and cash equivalents, beginning of period	\$ 157,498	\$ 350,052	\$ 161,162	\$ 493,209
Cash and cash equivalents, end of period	\$ 154,568	\$ 273,624	\$ 154,568	\$ 273,624
Supplementary information:				
Interest paid	Nil	Nil	Nil	Nil
Income taxes paid	Nil	Nil	Nil	Nil

Investing activities related to the Company's oil and gas activities in East Africa accounted for majority of the cash consumption of the Company. Investment in intangible exploration expenditures decreased during the third quarter of 2015 as a result of reduced drilling activity. Only one drilling rig is now operating in the Company's acreage. Cash inflows during the nine months ended September 30, 2015 are related to the proceeds from the completion several private placements during the year for gross proceeds of \$275 million

The following table breaks down the material components of intangible exploration expenditures for the nine months ended September 30, 2015 and 2014:

For the nine months ended (thousands)	September 30, 2015				September 30, 2014			
	Kenya	Ethiopia	Puntland	Total	Kenya	Ethiopia	Puntland	Total
Drilling and completion	\$ 147,578	\$ -	\$ -	\$147,578	\$202,695	\$41,856	\$ 79	\$244,630
Development studies	20,602	-	-	20,602	-	-	-	-
Exploration surveys and studies	6,723	2,234	-	8,957	36,254	1,174	24	37,452
PSA and G&A related	17,388	740	-	18,128	14,068	4,824	986	19,878
Total	\$ 192,291	\$ 2,974	\$ -	\$195,265	\$253,017	\$47,854	\$ 1,089	\$301,960

The Company incurred \$192.3 million of intangible exploration expenditures in Kenya for the nine months ended September 30, 2015. Drilling and completion expenditures relate to the Epir exploration well (Block 10BB), the Engomo exploration well (Block 10BA), the Ekaes exploration well (Block 13T), multiple South Lokichar Basin (Blocks 10BB and 13T) appraisal wells and completions relating to EWTs. The majority of development study spend relates to studies aimed at progressing towards project sanction for the South Lokichar Basin. The Company incurred \$3.0 million of intangible exploration expenditures in Ethiopia for the nine months ended September 30, 2015, which consists of 2D seismic work being performed in the Rift Basin Area. PSA and G&A related costs include personnel and office running costs, local community development expenditures, land surface fees, annual rental fees and other PSA fees.

Consolidated Statement of Equity

(Thousands United States Dollars)
(unaudited)

For the nine months ended	September 30, 2015	September 30, 2014
Share capital:		
Balance, beginning of period	\$ 1,014,772	\$ 1,007,414
Private placement, net	270,071	-
Exercise of options	5,546	7,466
Balance, end of period	1,290,389	1,014,880
Contributed surplus:		
Balance, beginning of period	\$ 39,947	\$ 24,396
Stock based compensation	6,366	15,553
Exercise of options	(1,701)	(2,400)
Balance, end of period	44,612	37,549
Deficit:		
Balance, beginning of period	\$ (257,673)	\$ (150,736)
Net loss and comprehensive loss attributable to common shareholders	(7,867)	(52,680)
Balance, end of period	(265,540)	(203,416)
Total equity attributable to common shareholders	1,069,461	849,013
Non-controlling interest:		
Balance, beginning of period	\$ -	\$ 48,773
Net loss and comprehensive loss attributable to non-controlling interest	(249)	(745)
Derecognition of non-controlling interest on loss of control	249	-
Balance, end of period	-	48,028
Total equity	\$ 1,069,461	\$ 897,041

The Company's unaudited consolidated financial statements, notes to the financial statements, management's discussion and analysis for the three and nine months ended September 30, 2015 and

2014, and the 2014 Annual Information Form have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.africaoilcorp.com).

Outlook

In light of the current and forecast short term oil price environment, the Company has worked closely with Tullow to focus the 2015 work program and budget on advancing the discovered basin development in Blocks 10BB and 13T (Kenya) by undertaking activities aimed at increasing resource certainty and progressing development studies. The 2015 work program includes multiple appraisal and exploration wells in the discovered basin, EWT's in the Amosing and Ngamia fields and reservoir and engineering studies (including extensive core analysis). The Company is pleased that the Presidents of Uganda and Kenya reached a bilateral agreement in August 2015 adopting the Northern Kenya route for the regional crude oil pipeline, subject to certain conditions. Discussions with the Kenyan Government regarding the draft field development plan for the discoveries in the South Lokichar Basin continue positively, with a targeted submission by year-end 2015. Preparation for FEED is also underway, and is expected to commence in 2016. Outside of the South Lokichar Basin, the Africa Oil – Tullow joint venture new basin opening exploration drilling program includes the Emesek-1 well, recently completed drilling in Block 13T, and the Cheptuket well in Block 12A, a PSC commitment well that needs to be drilled before September 2016.

About Africa oil

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 November 16, 2015 at 4:00 p.m. Pacific Time.

FORWARD LOOKING INFORMATION

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.