A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada except Québec but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **U.S. Securities Act**) or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of U.S. Persons. See "Plan of Distribution".*

***Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Africa Hydrocarbons Inc. at Suite 200, 521 - 3rd Avenue S.W. Calgary Alberta T2J 0Y5, telephone (403) 774-7225*, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue May 10, 2012

$10,008,000

55,600,000 Common Shares

Price: $0.18 per Common Share

This short form prospectus qualifies the distribution (the **Offering**) of up to 55,600,000 common shares (the **Offered Shares**) of Africa Hydrocarbons Inc. (**AHI** or the **Corporation**) at a price of $0.18 per Offered Share (the **Offering Price**). The terms of the Offering were determined by negotiation between the Corporation and Canaccord Genuity Corp. (the **Agent**).

	Price to the Public	Agent's Fee(1)	Net Proceeds to the Corporation(2)
Per Offered Share	$0.18	$0.0126	$0.1674
Total	$10,008,000	$700,560	$9,307,440

Notes:

(1) In consideration for the services rendered by the Agent in connection with the Offering, the Agent will be paid an aggregate cash fee $0.0126 per Offered Share representing 7% of the gross proceeds of the Offering by the Corporation. The Corporation has also agreed to issue to the Agent warrants (the **Broker Warrants**) which will be exercisable to purchase up to that number of common shares of the Corporation (the **Common Shares**) as is equal to 7% of the Offered Shares sold pursuant to the Offering. Each Broker Warrant will be exercisable to purchase one Common Share at a price of $0.18 at any time prior to 5:00 p.m. (Toronto time) on that date which is eighteen months following the Closing Date (as defined herein). This short form prospectus also qualifies the distribution of the Broker Warrants. See "Plan of Distribution".

(2) After deducting the Agent's fee, but before deducting expenses of the Offering, including in connection with the preparation and filing of this short form prospectus, which are estimated to be $300,000 and which will be paid from the proceeds of the Offering.

The following table sets out the number of Broker Warrants that have been issued or may be issued by the Corporation in connection with the Offering.

Agent's Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Broker Warrants	3,892,000	Up to 18 months after Closing Date	$0.18

The outstanding Common Shares are listed and posted for trading on the TSX Venture Exchange (the **TSXV**) under the symbol "NFK". On May 9, 2012, the last trading day prior to the announcement of the Offering and the last trading day prior to the date of this preliminary short form prospectus, the closing price of the Common Shares on the TSXV was $0.20. The Corporation has applied to list the Offered Shares and the Common Shares issuable upon exercise of the Broker Warrants under this short form prospectus on the TSXV. Listing is subject to the Corporation fulfilling all of the requirements of the TSXV.

On behalf of the Corporation, the Agent hereby conditionally offers on a commercially reasonable efforts basis, the Offered Shares for sale if, as and when issued by AHI in accordance with the conditions contained in the Agency Agreement (as defined herein) referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of AHI by Norton Rose Canada LLP and on behalf of the Agent by McCarthy Tétrault LLP.

In connection with the Offering, the Agent may engage in market stabilization activities on the TSXV. Such transactions, if commenced, may be discontinued at any time.

An investment in the Common Shares is highly speculative and involves a high degree of risk. Investors should carefully consider the risk factors described in this short form prospectus. See "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information".

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at anytime without notice. Closing of the Offering is expected to occur on or about May 29, 2012 or such later date up to June 30, 2012, as the Corporation and the Agents may agree (the **Closing Date**). Other than Offered Shares sold in the United States or to or for the account or benefit of U.S. persons or persons in the United States, which will be represented by individual certificates, one or more book entry-only certificates representing the Offered Shares will be issued in registered form to CDS Clearing and Depository Services Inc. (**CDS**) or its nominee and deposited with CDS on the Closing Date. A purchaser of Offered Shares (other than a purchaser of Offered Shares in the United States or to or for the account or benefit of a U.S. person or persons in the United States) will receive only a customer confirmation from the registered dealer through which the Offered Shares are purchased.

The head and registered office of the Corporation is located at Suite 3000 Royal Centre, P.O. Box 11130, 1055 West Georgia Street, Vancouver, British Columbia V6E 3R3.

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Readers should rely only on information contained or incorporated by reference in this short form prospectus. The Corporation has not authorized anyone to provide the reader with different information. The Corporation is not making an offer of the Offered Shares in any jurisdiction where the offer is not permitted. Readers should not assume that the information contained or incorporated by reference in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus or the respective dates of the documents incorporated by reference herein. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus contains forward-looking information within the meaning of applicable securities legislation. Generally, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Examples of such statements include, but are not limited to, the future financial or operating performance of the Corporation, its financial and business prospects and financial outlook, reserve and production estimates, drilling plans, activities to be undertaken in various areas, timing of drilling, recompletion and tie-ion of wells, tax horizon, timing of development of undeveloped reserves, costs of production, capital, operating and drilling expenditures, planned capital expenditures, the timing thereof and the method of funding, requirements for additional capital, government regulations, environmental risks, title disputes or claims and limitations of insurance coverage.

Forward-looking information is based on reasonable assumptions that have been made by the Corporation as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to those related to: cash flows and additional funding requirements; the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Corporation has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Corporation to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Corporation to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; the ability of the Corporation to successfully market its oil and natural gas products; property titles; revenues; share price fluctuations; environmental risks and hazards; licenses and permits; laws and regulations; availability and dependence on outside advisors; uninsured risk; conflicts of interest and current global financial conditions; general business, economic, competitive, political and social uncertainties; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the industry; as well as those factors discussed in the section entitled “Risk Factors” in this short form prospectus.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this short form prospectus. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which is current only as of the date of this short form prospectus. All subsequent forward-looking information attributable to the Corporation herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Corporation does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this short form prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

CURRENCY PRESENTATION

All currency amounts in this short form prospectus are expressed in Canadian dollars, unless otherwise indicated.

ELIGIBILITY FOR INVESTMENT

In the opinion of Norton Rose Canada LLP, counsel to the Corporation, and McCarthy Tétrault LLP, counsel to the Agent, the Offered Shares, if issued on the date hereof and provided they are listed on a designated stock exchange (which currently includes the TSXV), would be a qualified investment within the meaning of the *Income Tax Act* (Canada) (the **Tax Act**) for a trust governed by a registered retirement savings plan (**RRSP**), a registered retirement income fund (**RRIF**), a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account (**TFSA**).

Notwithstanding that the Offered Shares may be a qualified investment for a trust governed by an RRSP, RRIF or TFSA (each a **Registered Plan**), the annuitant thereunder or holder thereof will be subject to penalty taxes in respect of the Offered Shares held in the Registered Plan if the Offered Shares are a “prohibited investment” as defined in the Tax Act. The Offered Shares generally will be a “prohibited investment” if the annuitant under or holder of the Registered Plan does not deal at arm’s length with the Corporation for purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm’s length for purposes of the Tax Act. A "significant interest" includes, but is not limited to, the ownership of 10% or more of any class of issued shares of a corporation.

Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of Canada other than Quebec. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at Suite 200, 521 - 3rd Avenue S.W. Calgary Alberta T2J 0Y5, and are also available electronically at www.sedar.com.

The following documents are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

(a) the annual information form (the **AIF**) of the Corporation dated May 9, 2012 for the financial year ended September 30, 2011;

(b) the audited financial statements of the Corporation as at, and for the year ended September 30, 2011, together with the auditors' report thereon;

(c) management's discussion and analysis for the year ended September 30, 2011 and the amended management's discussion and analysis for the year ended September 30, 2011;

(d) the unaudited interim financial statements of the Corporation as at, and for the three months ended, December 31, 2011;

(e) management's discussion and analysis for the three months ended December 31, 2011;

(f) the management information circular of the Corporation dated January 25, 2012 prepared in connection with the annual meeting of shareholders of the Corporation held on February 29, 2012;

(g) the management information circular of the Corporation dated January 10, 2011 prepared in connection with the annual and special meeting of shareholders of the Corporation held on February 17, 2011;

(h) the material change report dated December 8, 2011 relating to a letter of intent dated November 8, 2011 between the Corporation and Watutatu Inc. (**Watutatu**), with respect to a proposal to acquire Watutatu;

(i) the material change report dated December 8, 2011 relating to the closing of the transaction to acquire Watutatu;

(j) the material change report dated December 13, 2011 relating to the granting of 3,500,000 incentive stock options to certain of the Corporation's directors, officers, employees and consultants;

(k) the material change report dated January 13, 2012 relating to the announcement of the resignation of David Gower as a director of the Corporation;

(l) the material change report dated January 13, 2012 relating to the entering into of a contract between DualEx Tunisia Inc. and CGGVeritas Services SA to shoot a 55 square kilometres 3D seismic survey over the Bouhajla North Prospect on the Bouhajla Permit, onshore Tunisia;

(m) the material change report dated January 18, 2012 relating to the granting of 900,000 stock options to Equus Energy Advisors Inc.;

(n) the material change report dated January 31, 2012 relating to the name change of the Corporation from Knight Metals Ltd. to Africa Hydrocarbons Inc.;

(o) the business acquisition report dated March 30, 2012 relating to the acquisition of Watutatu;

(p) the material change report dated April 20, 2012, relating to the announcement that notification was received from the Tunisian authorities that an application to expand the Bouhajla Permit had been accepted and the expansion granted, subject to government ratification and publication; and

(q) the material change report dated April 20, 2012 relating to the appointments of Mr. Gordon McKay as a director of the Corporation, Ms. Charidy Lazorko as the Chief Financial Officer of the Corporation, and the resignation of Mr. David Patterson as a director and Chief Financial Officer of the Corporation.

Any document of the type referred to in section 11.1 of Form 44-101F1 Short Form Prospectus, if filed by the Corporation after the date of this short form prospectus and prior to the termination of the Offering, shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

THE CORPORATION

Overview

AHI is a Canadian based oil and natural gas company involved in the acquisition, exploration and development of oil and natural gas properties.

Recent Developments

Bouhajla Project, Tunisia

Effective December 2, 2011, the Corporation closed a transaction (the **Exchange Transaction**) to acquire Watutatu, a private Ontario company with a contingent, farmout interest in certain oil and gas assets in Tunisia, North Africa (the **Bouhajla Prospect**) pursuant to a share exchange agreement dated November 30, 2011 (the **Share Exchange Agreement**). Under the terms of the Exchange Transaction, the Corporation acquired on the closing date, being December 2, 2011, all of the issued and outstanding common shares of Watutatu in exchange for an aggregate of 16,000,000 Common Shares (the **Consideration**). The Exchange Transaction closed in escrow, and the Consideration was held in trust pending final TSXV approval, which was granted on December 5, 2011.

A finder's fee in the amount of 1,600,000 Common Shares (the **Third Party Finder Fee Shares**) was issued to a third party for introducing the Exchange Transaction to the Corporation.

Brokered and Non-Brokered Private Placement Totalling $3,011,989.50

As a condition to the completion of the Exchange Transaction, the Corporation completed a brokered private placement financing (the **Brokered Private Placement**) with BayFront Capital Partners Ltd. (**BayFront**) of subscription receipts for gross proceeds of $1,500,000 at a price of $0.15 per subscription receipt. Each subscription receipt was converted into one Common Share on December 2, 2011. The 10,000,000 Common Shares issued upon the conversion of the subscription receipts were subject to a hold period expiring April 3, 2012. BayFront received compensation of $105,000 as well 700,000 broker warrants exercisable to acquire 700,000 Common Shares, at a price of $0.15 per Common Share, until December 3, 2013.

In addition to the Brokered Private Placement, the Corporation completed a non-brokered private placement financing (the **Non-Brokered Private Placement**) of subscription receipts for additional gross proceeds of $1,511,989.50 at a price of $0.15 per subscription receipt. Each subscription receipt was converted into one Common Share on December 2, 2011. The 10,079,930 Common Shares issued upon the conversion of the subscription receipts were subject to a hold period expiring April 3, 2012. The Corporation paid finder's fees to a third party of $103,739 as well as issued 691,595 finder's warrants exercisable to acquire 691,595 Common Shares at a price of $0.15 per Common Share until December 3, 2013.

Bouhajla Agreement

Concurrently with the completion of the Exchange Transaction, Watutatu also executed (the **Bouhajla Closing**) a Farmout Agreement dated November 2, 2011 (the **Bouhajla Agreement**) between Watutatu and DualEx Tunisia Inc. (**DualEx**). The Bouhajla Agreement relates to DualEx's Bouhajla Exploration Permit (the **Bouhajla Permit**) in respect of an onshore region of Tunisia. Pursuant to the Bouhajla Agreement, Watutatu agreed to fund the first US$7,250,000 towards the initial exploration program on the Bouhajla Permit area, consisting of a 55 km^2 3D seismic survey and an exploration well on the Bouhajla North Prospect (as defined in the Bouhajla Agreement), in exchange for 47.5% of DualEx's interest in the Bouhajla production sharing contract (**PSC**), subject to the assignment provisions contained in the PSC. As of May 9, 2012, the Corporation has advanced US$2,000,000 towards the cost of the seismic program and will be required to advance the balance of US$5,250,000 (the **Second Instalment**) within 60 days of receipt of field data from the seismic program, which the Corporation received on March 18, 2012. On May 9, 2012, Watutatu and DualEx entered into an amending agreement pursuant to which the deadline for the payment of the Second Instalment was extended to May 29, 2012.

DualEx is the operator of the project. US$450,000 was paid to DualEx on the Bouhajla Closing, being a *pro rata* share of Watutatu's costs incurred on the project up to the Bouhajla Closing. Since the Bouhajla Closing and as of the date herof, an additional US$30,272 and $2,571 was paid to DualEx for Watutatu's proportionate share of costs.

The PSC and associated documents were executed in Tunisia on September 11, 2009, and were ratified and made effective on April 30, 2010. The initial term of the PSC is three years, with Dualex having two optional renewal periods of three years each.

<u>Bouhajla Permit</u>

The Bouhajla Permit is located onshore in the Pelagian Basin of east central Tunisia. Originally, the Bouhajla Permit encompassed 416 km^2 (105,000 acres). On April 12, 2012, the Corporation announced that it had received notification from Tunisian authorities that an application to expand the Bouhajla Permit was accepted and the expansion granted as requested. The permit expansion is subject to government ratification and publication in the official Government Gazette. A commitment to acquire 20 square kilometres of new 3D seismic was given in conjunction with the acreage award under the same PSC terms as the original Bouhajla Permit.

The area of additional acreage represents an increase of 120 square kilometres or 29% of the area of the original Bouhajla Permit. The expansion area lies south of the Bouhajla North prospect on which a 55 square kilometre 3D seismic survey was recently completed. Processing and interpretation of the 3D seismic survey over the Bouhajla North prospect is currently under way.

The Bouhajla Permit area lies immediately west of the Sidi el Kilani field, which has produced to date approximately 48 million barrels of light oil from the Abiod formation, which is the primary exploration target of the initial program. At Sidi el Kilani, the Abiod reservoir consists of a fractured chalk, locally dolomitized in association with wrench tectonics. Reservoirs of this type tend to have high recovery factors accompanied by high individual well productivity rates. The Sidi el Kilani field occupies a pop-up structural inversion and a similar structure has been identified on seismic previously recorded over the Bouhajla North Prospect area. On January 5, 2012, the Corporation reported that DualEx had entered into a contract with CGGVeritas Services SA, one of the world's largest geophysical service providers, to shoot a 55 square kilometre 3D seismic survey over the Bouhajla North Prospect on the Bouhajla Permit to confirm structural observations made on 2D seismic data. Surveying and permitting began in January 2012. On March 8, 2012, the Corporation announced that field recording of the Bouhajla North 3D seismic survey in Tunisia had been completed. The 3D seismic data was of a high quality, and was obtained within budget and within the estimated timeline. Interpretation of the new 3D data is expected to enhance the identification and selection of a drilling location for the initial test well on the Bouhajla North Prospect.

In addition to the Bouhajla North Prospect, two other significant prospects on the Bouhajla Permit, Bouhajla Northeast and Bouhajla Southeast have been mapped.

A National Instrument 51-101 – *Standards of Oil and Gas Activities* (**NI 51-101**) compliant technical report dated November 13, 2011 prepared by B. L. Whelan, P. Geo. with respect to the Bouhajla Prospect has been accepted for filing by the TSXV and has been filed on SEDAR.

<u>West Raglan, Québec</u>

The Corporation is party to a joint venture agreement with Anglo American Exploration (Canada) Ltd. (**Anglo American**) concerning the West Raglan Project (the **West Raglan Project**) in which it has a 49% interest. The West Raglan Project is located in the Cape Smith Belt in northern Québec. Exploration work carried out by Anglo American, the operator, and the Corporation over the past seven years (2003 – 2010), including 197 drill holes, has been successful in discovering 12 mineralized zones in one area, known as Frontier.

Anglo American has the right to increase its interest in the West Raglan Project by 19% by completing, at its own cost, a bankable feasibility study. At the Corporation's election, Anglo American can further increase its interest in the West Raglan Project by 5% by arranging production financing for both parties. Anglo American is a wholly-owned subsidiary of Anglo American plc, of London, England.

No exploration program was carried out in 2011, however, in October 2011, camp clean-up and drilling de-mobilization was carried out.

On May 3, 2012, the Corporation entered into a dilution agreement with Anglo American whereby the Corporation relinquished any and all rights it had under the joint venture agreement and in the West Reglan Project.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of May 9, 2012, there were 45,350,393 Common Shares issued and outstanding. Holders of Common Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings. Holders of Common Shares are entitled to receive on a *pro rata* basis such dividends, if any, as and when declared by the Board of Directors of the Corporation (the **Board**) and, upon liquidation, dissolution or winding up of the Corporation, are entitled to receive on a *pro rata* basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

As of May 9, 2012, the Corporation had 1,438,963 warrants exercisable into Common Shares (**Warrants**) outstanding, each of which entitles the holder to acquire one Common Share. The following table sets forth the exercise price and expiry date of the Warrants.

Warrants		
Number	**Exercise Price**	**Expiry Date**
47,368	$3.80	May 10, 2012
1,391,595	$0.15	December 3, 2013

Options

The Board is authorized to issue options to acquire Common Shares (**Options**) to directors, officers, employees and consultants of the Corporation pursuant to the stock option plan of the Corporation dated February 17, 2011 (the **Stock Option Plan**). As of May 9, 2012, there were 4,300,000 Options outstanding. The following table sets forth the exercise price and expiry date of the Options.

Options			
	Number	**Exercise Price**	**Expiry Date**
Options	3,400,000	$0.24	December 11, 2014
Options	900,000	$0.36	January 17, 2015

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at September 30, 2011 before giving effect to the Exchange Transaction and the Brokered Private Placement and the Non Brokered Private Placement that were completed in November of 2011 and as at May 9, 2012 before and after giving effect to the Offering:

	As at December 31, 2011 before giving effect to the Exchange Transaction, Brokered Private Placement and Non Brokered Private Placement	As at May 9, 2012 after giving effect to the Exchange Transaction, Brokered Private Placement and Non Brokered Private Placement, but before giving effect to this Offering	As at May 9, 2012 after giving effect to the Exchange Transaction, Brokered Private Placement, Non Brokered Private Placement and Offering(1)(2)
Shareholder Capital			
Common Shares (unlimited)	$33,537,694 (45,250,393 Common Shares)	$33,578,014 (45,350,393 Common Shares)	$42,585,454 (100,950,393 Common Shares)

Notes:
(1) Based on the issuance pursuant to the Offering of 55,600,000 Common Shares for gross proceeds of $10,008,000.
(2) After deducting estimated expenses of the Offering of $300,000 and the Agent's fee of up to $700,560.
(3) Table does not include 4,300,000 options to purchase Common Shares granted to officers, directors, employees and consultants of the Corporation at exercise prices ranging from $0.24 to $0.36. See "Prior Sales".
(4) Table does not include up to 3,892,000 Broker's Warrants issuable to the Agents in connection with the Offering nor 1,438,963 warrants to purchase Common Shares exercisable at prices ranging from $0.15 to $3.80 per Common Share. See "Prior Sales".

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering, after payment of the Agent's Fee but before deducting the expenses of the Offering (estimated to be $300,000), will be $9,307,440.

Proceeds from the Offering will be used to fund the initial test well based on the newly acquired 3D seismic over the Bouhajla North Prospect. As part of the remaining commitment pursuant to the Bouhajla Agreement to earn an interest in the Bouhajla Permit, US$5,250,000 from the proceeds of the Offering will be paid into an escrow account and applied to the drilling of the initial test well. Drilling costs over US $5,250,000 and all joint operations costs thereafter will be shared by the Corporation (47.5%) and Dualex (52.5%), pursuant to the Bouhajla Agreement. Proceeds will also be used to acquire a minimum of 20 square kilometres of 3D seismic in order to fulfill the Phase 1 commitment over the recently awarded Bouhajla extension acreage as well for general and administrative expenses. Based on initial drilling results and additional data, any remaining proceeds may be used toward the drilling of one additional prospect on the Bouhajla block or identifying additional exploration or development opportunities in the region. The use of proceeds detailed in the table hereunder is based on an estimate prepared by management of the Corporation.

Use of Proceeds	In thousands of dollars
Drilling	$7,000
Seismic	$1,500
General and Administrative	$ 800
Total Proceeds	$9,300

The Corporation intends to spend the available funds as set forth above based on budgets approved by the Board and consistent with established internal control guidelines. However, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Corporation spends in connection with each of the intended use of proceeds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under “Risk Factors” and those identified under the heading "Risk Factors" in the Corporation's AIF.

PLAN OF DISTRIBUTION

Pursuant to an agency agreement to be entered into between the Corporation and the Agent (the **Agency Agreement**), the Corporation has appointed the Agent and the Agent has agreed to offer on a commercial reasonable efforts agency basis, subject to prior sale and if, as and when issued by the Corporation in accordance with the Agency Agreement, up to 55,600,000 Offered Shares at a price of $0.18 per Offered Share for total gross proceeds of up to $10,008,000. The terms of the Offering were determined by negotiation between the Corporation and the Agent. While the Agent has agreed to use their commercially reasonable efforts to sell the Offered Shares, the Agents are not obligated to purchase any Offered Shares not sold.

The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion on the basis of its assessment of the state of the financial markets, its satisfaction with the results of its due diligence investigations and may also be terminated upon the occurrence of certain other stated events. Closing of the Offering is conditional upon the Bouhajla Agreement being in full force and effect at the time of closing. See "Recent Developments". The Agency Agreement also provides that the Corporation will indemnify the Agent and its directors, officers, agents, employees, affiliates and partners against certain liabilities and expenses.

The Corporation has agreed to pay a cash commission to the Agent in the amount of $0.0126 per Offered Share in consideration for services rendered by the Agent in connection with the Offering. The Corporation has also agreed to issue the Broker Warrants to the Agent entitling the Agent to acquire that number of Common Shares that is equal to 7% of the Offered Shares, exercisable at a price of $0.18 per Common Share for a period of 18 months from the Closing Date. This short form prospectus qualifies the distribution of the Broker Warrants to the Agent.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about May 29, 2012 or such later date up to June 30, 2012, as the Corporation and the Agent may agree. Other than Offered Shares sold in the United States or to or for the account or benefit of U.S. persons or persons in the United States, which will be represented by individual certificates, one or more book entry-only certificates representing the Offered Shares will be issued in registered form to CDS or its nominee and deposited with CDS on the Closing Date. A purchaser of Offered Shares (other than a purchaser of Offered Shares in the United States or to or for the account or benefit of a U.S. person or persons in the United States) will receive only a customer confirmation from the registered dealer through which the Offered Shares are purchased.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Agent may not, at any time during the period ending on the date the selling process for the Offered Shares ends and all stabilization arrangements relating to the Offered Shares are terminated, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or direction. The foregoing restrictions are subject to certain exceptions including a bid for or purchase of Common Shares: (i) if the bid or purchase is made through the facilities of the TSXV, in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; (ii) made for or on behalf of a client, other than certain prescribed clients, provided that the client’s order was not solicited by the Agent, or if the client’s order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (iii) to cover a short position entered into prior to the commencement of a prescribed restricted period. The Agent may engage in market stabilization or market balancing activities on the TSXV where the bid for or purchase of Common Shares is for the purpose of maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Offered Shares have not been, and will not be, registered under the US Securities Act or any state securities laws and may not be offered, or delivered, directly or indirectly, or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) or persons in the United States; except that the Agent may, through certain of their qualified U.S. brokerdealer affiliates offer and resell Offered Shares purchased from the Corporation to qualified institutional buyers in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder. The Agent has agreed that it will not offer or sell the Offered Shares to, or for the account or benefit of, U.S. Persons or persons in the United States, except in accordance with the Agency Agreement pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws.

The certificates representing the Offered Shares which are sold to, or for the benefit or account of, U.S. Persons or persons in the United States will contain a legend to the effect that the Offered Shares represented thereby have not been registered under the U.S. Securities Act and may only be offered pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made other than in accordance with an exemption from such registration requirements.

The Corporation has agreed not to issue any special warrants, Common Shares, flow-through common shares or financial instruments convertible or exchangeable into Common Shares of the Corporation, other than for purposes of employee, board or consultant (including management) stock options or to satisfy existing instruments during the period commencing from the date of execution of the Agency Agreement and ending 90 days after the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld.

The Corporation will use its best efforts to cause its directors and officers to agree, prior to the Closing Date, not to sell, or agree to sell (or announce any intention to do so), any Common Shares or securities convertible or exchangeable for or exercisable into Common Shares during the period commencing from the date of execution of the Agency Agreement and ending 90 days after the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld.

The Corporation has applied to list the Offered Shares and the Common Shares issuable upon exercise of the Broker Warrants under this short form prospectus on the TSXV. Listing is subject to the Corporation fulfilling all of the requirements of the TSXV.

PRIOR SALES

Common Shares

The following table summarizes details of the Common Shares issued by the Corporation during the 12 month period prior to the date of this short form prospectus.

Date of Issue	Total Number	Price of Issue
December 2, 2011	16,000,000[(1)]	N/A
December 2, 2011	1,600,000[(2)]	N/A
December 2, 2011	10,000,000[(3)]	$0.15
December 2, 2011	10,079,930[(4)]	$0.15

Notes:
(1) Issued to Watutatu pursuant to the Share Exchange Agreement.
(2) Issued as finders' compensation in connection with the Share Exchange Agreement.
(3) Issued upon the conversion of the subscription receipts issued pursuant to the Brokered Private Placement.
(4) Issued upon the conversion of the subscription receipts issued pursuant to the Non-Brokered Private Placement.

Warrants

The following table summarizes details of the common share purchase warrants issued by the Corporation during the 12 month period prior to the date of this short form prospectus.

Date of Issue	Total Number	Exercise Price
November 30, 2011	691,595	$0.15

Note:
(1) Each Warrant is exercisable to acquire one Common Share.

Broker Warrants

The following table summarizes details of the common share purchase warrants issued as brokers' compensation by the Corporation during the 12 month period prior to the date of this short form prospectus.

Date of Issue	Total Number	Exercise Price
November 30, 2011	700,000(1)	$0.15

Note:
(1) Each such warrant is exercisable to acquire one Common Share.

Stock Options

The following table summarizes details of the stock options issued by the Corporation during the 12 month period prior to the date of this short form prospectus.

Date of Issue	Total Number	Exercise Price
December 12, 2011	3,400,000	$0.24
January 16, 2012	900,000	$0.36

TRADING PRICE AND VOLUME

Common Shares

The Common Shares are listed and posted for trading on the TSXV under the symbol "NFK". The monthly high and low trading prices and aggregate trading volume for the Common Shares on the TSXV from May 1, 2011 to the last full trading day prior to the date hereof:

TSXV Common Share Trading Price Range & Aggregate Volume

Month	High ($)	Low ($)	Volume
May 2011	0.38	0.205	356,241
June 2011	0.28	0.22	131,490
July 2011	0.23	0.15	181,950
August 2011	0.18	0.13	140,788

TSXV Common Share Trading Price Range & Aggregate Volume

Month	High ($)	Low ($)	Volume
September 2011	0.16	0.11	147,532
October 2011	0.13	0.085	268,347
November 2011	0.21	0.115	91,668
December 2011	0.265	0.20	559,292
January 2012	0.49	0.215	1,049,762
February 2012	0.580	0.265	764,657
March 2012	0.465	0.24	986,657
April 2012	0.295	0.12	6,118,290
May 2012(1)	0.235	0.15	1,579,036

(1) From May 1, 2012 to May 9, 2012

At the close of business on May 9, 2012, the last trading day prior to the date of this preliminary short form prospectus, the closing price of the Common Shares as quoted by the TSXV was $0.20.

RISK FACTORS

A purchaser of Offered Shares should be aware that there are various risks, including those described below, that could have a material adverse effect upon, among other things, the operating results, earnings, properties, business, business prospects and condition (financial or otherwise) of the Corporation. Purchasers of the Offered Shares should carefully consider all information contained in this short form prospectus, including all documents incorporated by reference, and the information under the heading “Cautionary Statement Regarding Forward-Looking Information”, and in particular should give special consideration to the risk factors described below and in the section entitled “Risk Factors” in the Corporation’s AIF, before deciding to purchase the Offered Shares. The risks described herein and therein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation may also materially and adversely affect its business.

Market Price for the Offered Shares

Securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Common Shares after the Offering, and the market price of the Common Shares may decline below the Offering Price.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties may be found under the heading "Note Regarding Forward Looking Information" in this preliminary short form prospectus.

INTEREST OF EXPERTS

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this short form prospectus as having prepared or certified a report, valuation, statement or opinion in this short form prospectus.

Each of Norton Rose Canada LLP, counsel for the Corporation, and McCarthy Tétrault LLP, counsel for the Agent, have provided its opinion on certain matters contained in this short form prospectus. As of the date hereof, partners and associates of Norton Rose Canada LLP and McCarthy Tétrault LLP, each as a group, own, directly or indirectly, in the aggregate, less than 1% or no securities of the Corporation.

Technical information regarding the Bouhajla Property included in this short form prospectus is based on the Bouhajla Technical Report prepared by B.L. Whelan, P.Geo. The author is a “Qualified Person” as defined in NI 51-101 and an “Independent Person” having no direct or indirect interest in the Corporation or the Bouhajla Prospect.

The auditors of the Corporation are KPMG LLP Chartered Accountants. KPMG LLP Chartered Accountants is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

The Board of Directors of Africa Hydrocarbons Inc.

We have read the short form prospectus dated ● relating to the sale and issue of up to 55,600,000 common shares of Africa Hydrocarbons Inc. (the **Entity**). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Entity on the financial statements of the Entity, which comprise the balance sheets as at September 30, 2011 and 2010, the statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated January 26, 2012.

Chartered Accountants
May ●, 2012
Vancouver, Canada

CERTIFICATE OF THE CORPORATION

Dated: May 10, 2012

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of Canada except Québec:

AFRICA HYDROCARBONS INC.

"John Nelson"	*"Charidy Lazorko"*
Chief Executive Officer	Chief Financial Officer

On behalf of the Board of Directors:

"Gordon McKay"	*"Binh Vu"*
Director	Director

CERTIFICATE OF THE AGENT

Dated: May 10, 2012

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada except Québec.

CANACCORD GENUITY CORP.

"Tony P. Loria"

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Tony P. Loria