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NEWS RELEASE

AFRICA OIL 2017 FOURTH QUARTER AND FULL YEAR FINANCIAL AND OPERATING RESULTS

February 28, 2018 (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 months and year ended December 31, 2017.

As at December 31, 2017, the Company had cash of $392.3 million and working capital of $436.3 million as compared to cash of $463.1 million and working capital of $435.0 million at December 31, 2016. During the second quarter of 2017, further to the previously announced farmout agreement (press release 4th February 2016), the Company and Maersk agreed to payment terms related to the $75.0 million advance development carry. Africa Oil is due to receive equal quarterly payments of $18.75 million at the end of each calendar quarter during 2018. These proceeds were recognized in accounts receivable and intangible exploration assets during 2017.

On November 13, 2017 the Company announced that it has entered into a strategic partnership with Eco (Atlantic) Oil and Gas Ltd. ("Eco") (TSXV:EOG or AIM:ECO) for exploration in West Africa and Guyana. Under the terms of an investment agreement (the "Investment Agreement"), AOC acquired 29.2 million common shares at CAD$0.48 per share for a total consideration of $11.1 million. The Investment Agreement also provides the Company with the right to participate in any future Eco equity issuances, on a pro rata basis, and to appoint one nominee to Eco's board of directors. Keith Hill, President and CEO of AOC, has joined the Eco board of directors as of November 29, 2017. As part of the Investment Agreement, the parties have also entered into a Strategic Alliance Agreement (the "SAA"), whereby they will jointly pursue new exploration projects. Pursuant to the terms of the SAA, AOC will be entitled to bid jointly on any new assets or ventures proposed to be acquired by Eco, on the same terms as ECO and for an interest at least equal to the Company's percentage holding of the common shares in Eco from time to time. Additionally, under the terms of the SAA, AOC will also have a right of first offer on the farmout of exploration properties currently held by Eco. The Company currently holds an 18.9% shareholding interest in Eco. Eco holds working interests in four exploration blocks offshore Namibia and one exploration block offshore Guyana.

Blocks 10BB and 13T (Kenya)

The 2017 exploration and appraisal drilling campaign was completed in the fourth quarter, following the drilling of the Amosing-7 appraisal well. The PR Marriott Rig-46 has been demobilized. Two discoveries were made during the campaign.

In January 2017, the Erut-1 well resulted in a discovery, proving that oil has migrated to the northern limit of the South Lokichar basin. The second discovery was made during May 2017, at Emekuya-1, encountering significant oil sands, demonstrating oil charge across an extensive part of the Greater Etom structure and further de-risking the northern area of the basin.

The Etiir-1 exploration well, which targeted a large, shallow, structural closure immediately to the west of the Greater Etom structure, spudded in late June and was unsuccessful with no material reservoir development or shows encountered. Although dry, drilling results will be utilized in defining the westerly extent of the Greater Etom Structure. The Etiir-1 well has been plugged and abandoned.

The Ekales-3 well was drilled to a total measured depth of 2,721 meters and finished drilling during the third quarter of 2017. The well targeted an undrilled fault block adjacent to the Ekales field. While reservoir and oil shows were encountered, and oil sampled, the well was deemed non-commercial.

Multiple appraisal wells have been drilled in the Ngamia, Amosing and Etom fields during 2017: Ngamia-10 (65 meters of net oil pay), Amosing-6 (35 meters of net oil and gas pay), Amosing-7 (25 meters of net oil and gas pay) and Etom-3 (25 meters of net oil and gas pay). An extensive wireline evaluation program, including sampling has been undertaken on all appraisal wells. The Ngamia-10, Amosing-6 and 7 and Etom-3 wells have all improved the definition of the limits of their respective fields. However, the presence of rift edge facies has limited their net pay. These drilling results will be incorporated into the geological models that will be utilized for potential field development plans.

The Auwerwer and Lokone reservoirs in the Etom-2 well were tested utilising artificial lift and flowed at 752 bopd and 580 bopd respectively which was lower than anticipated. As a result, the Joint Venture Partners will undertake further technical work to assess how representative the tests may have been and identify potential options to increase flow rates from the Etom field.

Activity is now focused on collecting dynamic field data through extended production and water injection testing. The Ngamia-11 appraisal well (143 meters of net oil pay) has been completed and is being utilized in a waterflood pilot test planned to be run throughout the first half of 2018. The waterflood pilot will include the previously drilled Ngamia 3, 6 and 8 wells. This pilot is designed to deliver a long-term assessment of the enhanced oil recovery that may be expected as a result of water injection. The waterflood pilot follows up the successful water injection testing program which was completed during the first half of 2017 on the Ngamia and Amosing fields. Additionally, the partnership aims to initiate extended well testing on wells in the Amosing and Ngamia fields, commencing early in 2018, with produced oil from testing initially being stored in the field and later transported as part of the Early Oil Production Scheme (EOPS). The first production from EOPS is expected to commence in the first half of 2018, subject to receiving the necessary consents and approvals.

In January 2018 the Joint Venture Partners have proposed to the Government of Kenya that the Amosing and Ngamia fields be developed as the initial stage of the South Lokichar development. This phase of the development is planned to include a 60,000 to 80,000 barrels of oil per day (bopd) Central Processing Facility (CPF) and an export pipeline to Lamu, some 750 kilometers from the South Lokichar basin on the Kenyan coast. This approach is expected to bring significant benefits as it enables an early Final Investment Decision (FID) of the Amosing and Ngamia fields taking full advantage of the current low-cost environment for both the field and infrastructure development, as well as providing the best opportunity to deliver first oil in a timeline that meets the Government of Kenya expectations. The installed infrastructure can then be utilized for the optimization of the remaining and yet to be discovered South Lokichar oil fields, allowing the incremental development of these fields to be completed in an efficient and low cost manner post first oil.

The initial stage is planned to include 210 wells through 18 well pads at Ngamia and 70 wells through seven well pads at Amosing, with a planned plateau rate of 60,000 to 80,000 bopd. Additional stages of development are expected to increase plateau production to 100,000 bopd or greater. It is anticipated that Front End Engineering and Design (FEED) for the initial stage will commence in 2018, with FID targeted for 2019 and first oil in 2021/22.

A Joint Development Agreement (“JDA”), setting out a structure for the Government of Kenya and the Kenya Joint Venture Partners to progress the development of the export pipeline, was signed on 25 October 2017. The JDA allows important studies to commence such as FEED, Environmental and Social Impact Assessments (“ESIA”), as well as studies on pipeline financing and ownership. These have been initiated and will be continue throughout 2018.

Africa Oil Corp. has a 25% working interest in Blocks 10BB and 13T with Tullow Oil plc (50% and Operator) and Maersk Olie og Gas A/S (25%) holding the remaining interests.

During 2017, the Joint Venture Partners entered the Second Additional Exploration Period on Block 10BA.

2017 Fourth Quarter and Full Year Financial Results

Results of Operations

(Thousands United States Dollars)

(thousands)	Three months ended December 31, 2017	Three months ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016
Salaries and benefits	$ 1,068	$ 1,452	$ 2,057	$ 2,716
Equity-based compensation	122	1,074	1,993	3,324
Travel	335	130	911	815
Office and general	38	175	480	318
Donation	-	300	850	1,300
Depreciation	26	26	104	34
Professional fees	170	134	625	1,605
Stock exchange and filing fees	45	89	512	691
Share of loss from equity investment	638	244	1,522	1,312
Impairment of intangible exploration assets	-	8,470	-	8,470
Operating expenses	$ 2,442	$ 12,094	$ 9,054	$ 20,585

Operating expenses decreased $9.7 million during the fourth quarter of 2017 compared to the same period in 2016. Salaries and benefits decreased $0.4 million during the three months ended December 31, 2017 which is primarily due to a reduction in annual short-term incentive pay. Equity-based compensation decreased $1.0 million which can be mainly attributed to the decrease in the number of stock options granted and the vesting of costs associated with options granted during 2014 being fully amortized by the end of 2016. 1,191,500 stock options were granted during the three months ended December 31, 2017 compared to 1,610,500 stock options being granted during the same period in 2016. Donations decreased as the Company made a donation of $0.3 million during the fourth quarter of 2016 compared $ nil during the fourth quarter of 2017. The remaining decrease is due to the Company recognizing an impairment relating to the Company's intangible exploration assets in Ethiopia of $6.5 million during the fourth quarter of 2016 as well as a $2.0 million impairment in intangible exploration assets in Block 12A (Kenya). Travel increased by $0.2 million which is due to an increase in activity within the Company. The share of loss from equity investment increased $0.4 million during the three months ended December 31, 2017 compared to the same period in 2016. This is due to the company recognizing losses from its investment in Africa Energy Corp. ("Africa Energy") as well as losses from its investment in Eco. The Eco investment was completed during November 2017.

Operating expenses decreased $11.5 million during the year ended December 31, 2017 compared to the same period in 2016. Salaries and benefits decreased $0.7 million during 2017 compared to the same period in 2016 which is due to the recovery of costs relating to the secondment of an employee, a reduced headcount as well as a reduction in annual short-term incentive pay. Equity-based compensation expense decreased by $1.3 million which can be mainly attributed to the decrease in the number of stock options granted and the vesting of costs associated with options granted during 2014 being fully amortized by the end of 2016. As one-third of the fair value of the stock options is expensed immediately upon grant, the remaining expense is expected to decrease over the remaining vesting period. 1,191,500 stock options were granted during the year ended December 31, 2017 compared to 1,610,500 stock options being granted during the same period in 2016. The $1.0 million decrease in professional fees relates to the completion of the farmout transaction with Maersk during the first quarter of 2016 compared to a lower fee associated with the settlement of the advance development carry with Maersk during 2017. Donations decreased by $0.4 million as a result of the Company donating $0.9 million to the Lundin Foundation during the year ended December 31, 2017 compared to $1.3 million during the year ended December 31, 2016. Stock exchange and filing fees decreased by $0.2 million which is primarily due to a decrease in investor relation activities during the year ended December 31, 2017 compared to the same period in 2016. The remaining decrease is due to the Company recognizing an impairment relating to the Company's intangible exploration assets in Ethiopia of $6.5 million during the fourth quarter of 2016 as well as a $2.0 million impairment in intangible exploration assets in Block 12A (Kenya). These decreases were offset by an increase in the Company's share of losses of $0.2 million from its equity investments in Africa Energy and in Eco. The Eco investment was completed during November 2017. Office and general expenses increased by $0.2 million which primarily relates to an increase in consulting fees associated with the corporate activities within the Company. Travel increased by $0.1 million due to an increase in activity within the Company during the last quarter of 2017.

Financial income and expense is made up of the following items:
(Thousands of United States Dollars)

	Three months ended December 31, 2017	Three months ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016
Interest and other income	$ 1,723	$ 804	$ 4,582	$ 2,940
Bank charges	(8)	(10)	(35)	(37)
Foreign exchange loss	(69)	(22)	(24)	(80)
Finance income	$ 1,723	$ 804	$ 4,582	$ 2,940
Finance expense	$ (77)	$ (32)	$ (59)	$ (117)

The Company holds the vast majority of its cash on hand in US dollars, the Company's functional currency. Interest Income fluctuates in accordance with cash balances, the currency that the cash is held in, and prevailing market interest rates. Interest rates on short-term U.S. dollar deposits have been increasing during the second half of 2017.

Consolidated Balance Sheets
(Thousands United States Dollars)

	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	$ 392,290	$ 463,061
Accounts receivable	75,052	213
Due from related party	-	57
Prepaid expenses	1,160	1,155
	468,502	464,486
Long-term assets		
Equity investment	17,053	7,330
Property and equipment	105	197
Intangible exploration assets	520,652	534,929
	537,810	542,456
Total assets	$ 1,006,312	$ 1,006,942
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 31,658	$ 29,501
Equity-based compensation liability	552	-
	32,210	29,501
Long-term liabilities		
Equity-based compensation liability	648	-
	648	-
Total liabilities	32,858	29,501
Equity attributable to common shareholders		
Share capital	1,290,796	1,290,389
Contributed surplus	49,814	49,677
Deficit	(367,156)	(362,625)
Total equity attributable to common shareholders	973,454	977,441
Total liabilities and equity attributable to common shareholders	$ 1,006,312	$ 1,006,942

Expenditures on intangible exploration assets of $60.7 million were incurred during the year ended December 31, 2017, related primarily to costs associated with exploration and appraisal activities and development studies associated with the South Lokichar Basin (Blocks 10BB and 13T Kenya). The Company is debt free.

Consolidated Statement of Cash Flows
(Thousands United States Dollars)

For the years ended	**December 31, 2017**	**December 31, 2016**
Cash flows provided by (used in):		
Operations:		
Net loss and comprehensive loss for the year	$ (4,531)	$ (17,762)
Items not affecting cash:		
Equity-based compensation	1,993	3,324
Depreciation	104	34
Impairment of intangible exploration assets	-	8,470
Share of loss from equity investments	1,522	1,312
Unrealized foreign exchange loss	24	80
Changes in non-cash operating working capital	24	118
	(864)	(4,424)
Investing:		
Property and equipment expenditures	(12)	(199)
Intangible exploration expenditures	(60,723)	(48,576)
Farmout proceeds received on closing	-	386,970
Farmout proceeds released from restricted cash	-	52,500
Equity investment	(11,245)	(2,380)
Changes in non-cash investing working capital	2,346	(26,729)
	(69,634)	361,586
Financing:		
Common shares issued	304	-
Settlement of Restricted Share Units	(553)	-
Release of bank guarantee	-	1,774
	(249)	1,774
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currency	(24)	(80)
Increase (decrease) in cash and cash equivalents	(70,771)	358,856
Cash and cash equivalents, beginning of the year	$ 463,061	$ 104,205
Cash and cash equivalents, end of the year	$ 392,290	$ 463,061
Supplementary information:		
Interest paid	Nil	Nil
Income taxes paid	Nil	Nil

The following table breaks down the material components of intangible exploration expenditures for the year ended December 31, 2017 and 2016:

For the years ended	**December 31, 2017**			**December 31, 2016**		
(thousands)	**Kenya**	**Ethiopia**	**Total**	**Kenya**	**Ethiopia**	**Total**
Drilling and completion	$ 26,123	$ 239	**$ 26,362**	$ 21,806	$ -	**$ 21,806**
Development studies	20,109	-	**20,109**	8,411	-	**8,411**
Exploration surveys and studies	1,160	217	**1,377**	2,242	232	**2,474**
PSA and G&A related	11,920	955	**12,875**	14,190	1,695	**15,885**
Total	$ 59,312	$ 1,411	**$ 60,723**	$ 46,649	$ 1,927	**$ 48,576**

AOC incurred $59.3 million of intangible exploration expenditures in Kenya for year ended December 31, 2017. Drilling and completion expenditures primarily relate to the drilling of the Erut-1, Emekuya-1 and Etiir-1 exploration wells in Block 13T, the drilling of the Ngamia-10, Amosing-6, Ngamia-11 and Amosing-7 appraisal wells in Block 10BB, the drilling of the Etom-3 and Ekales-3 appraisal wells in Block 13T, as well as the completion of the water injection testing on the Amosing-2A, Amosing-3, and Ngamia-5 wells in Block 10BB. Development study expenditures are associated with studies aimed at progressing towards project sanction for the South Lokichar Basin. Exploration studies costs continue to be incurred in Kenya in conjunction with the exploration and appraisal drilling campaign which recommenced in the fourth quarter of 2016 and has been completed during the fourth quarter of 2017.

The Company incurred $1.4 million of intangible exploration expenditures in Ethiopia for the year ended December 31, 2017, which consists of license fees and general and administrative costs.

Consolidated Statement of Equity
(Thousands United States Dollars)

	December 31, 2017	December 31, 2016
Share capital:		
Balance, beginning of the year	$ 1,290,389	$ 1,290,389
Exercise of options	407	-
Balance, end of the year	1,290,796	1,290,389
Contributed surplus:		
Balance, beginning of the year	$ 49,677	$ 46,353
Equity-based compensation	1,993	3,324
Settlement of Restricted Share Units	(553)	-
Reclass of Restricted Share Units from Equity Settled to Cash Settled	(1,200)	-
Exercise of options	(103)	-
Balance, end of the year	49,814	49,677
Deficit:		
Balance, beginning of the year	$ (362,625)	$ (344,863)
Net loss and comprehensive loss attributable to common shareholders	(4,531)	(17,762)
Balance, end of the year	(367,156)	(362,625)
Total equity	$ 973,454	$ 977,441

The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the year ended December 31, 2017 and 2016, and the 2017 Annual Information Form have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.africaoilcorp.com).

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 EU Market Abuse Regulation and the Swedish Securities Market Act. This information was publicly communicated on February 28, 2018 at 2:30 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

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