

16 November 2012

Manager of Company Announcements  
ASX Limited  
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*By E-Lodgement*

## Project Update

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is pleased to provide an update on both its Puntland and Georgian Projects.

### Puntland

Red Emperor has today been provided an operational update from its Puntland JV partner and operator, Horn Petroleum Corp, (TSXV: HRN). Highlights include:

- Drilling Rig and associated equipment demobilized with restorations completed
- Seismic focus in the Dharoor PSA (expected to commence in 1H 2013) to delineate new drillable targets
- Efforts to drill an exploration well in the Nugaal PSA ongoing with Puntland Government discussions continuing
- Horn Petroleum is in active discussions with potential JV partners

Now that the Joint Venture has formally entered into next phase of the Dharoor and Nugaal Valley Production Sharing Agreements ("PSAs"), it is important to note that Red Emperor has earned its 20% interest in the two projects and remains fully funded moving forward.

The release made by the operator, Horn Petroleum, is set out in full in the appendix to this announcement.

### Georgia

Today, Range Resources Limited (ASX: RRS | AIM: RRL) announced the completion of the acquisition of a 200km seismic program. The majority of the recent seismic was acquired over Block VIb to firm up leads identified in the previous 410km 2D seismic program, along with targeting two gas wells, which were drilled and suspended in Soviet times. Two lines were also acquired over the same structure on which the Mukhiani well was drilled last year.

Red Emperor has been advised that processing is under way and results of the interpretation is expected to be completed early next year, with Range Resources confident that it will then have assembled the requisite amount of seismic and geological information to enable the JV to identify revised drillable targets and attract potential farm in partners if desired.

The JV continues to develop the CBM and conventional potential around the Tkibuli-Shaori Coal Field ("Tkibuli"). The Georgian Industrial Group ("GIG") has made available a significant amount of information including a detailed geological model based on 339

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wells drilled in the region, many of which vented methane. Range Resources is looking to finalise the joint venture agreement with GIG for the development of Tkibuli in the current quarter with the potential for third party financing being available to fund a pilot production program. It is envisaged by the operator that following completion of the current technical and economic analysis, between three and four pilot production well locations will be identified with drilling expected to commence in Q2 2013.

For and on behalf of the Board

**Greg Bandy**  
**Executive Director**

#### Background

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is a natural resources exploration company with interests in the frontier state of Puntland, Somalia and the Republic of Georgia.

- In Puntland, Red Emperor holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys. These two exploration areas cover over 36,000km<sup>2</sup>. Horn Petroleum, the operator and 60% interest holder, has completed a two well program with the JV having now entered the next phase of the two Production Sharing Contracts across both blocks.
- In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km<sup>2</sup>. Joint Venture partner Range Resources Limited (ASX: RRS | AIM: RRL) previously funded a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2.045 billion barrels of undiscovered oil-in-place (on a mean 100% basis) with the first of two conventional exploration wells (Mukhiani-1) having spudded in July 2011. The Joint Venture is now focussing on a revised development strategy that will target low-cost, shallow appraisal drilling of the contingent resources around the Tkibuli-Shaori ("Tkibuli") coal deposit, which straddles the central sections of the two blocks.

#### Competent Person

All of the technical information, including information in relation to reserves and resources that is contained in this document has been reviewed internally by the Company's technical consultant, Mr Alexander Parks. Mr Parks is a Petroleum Engineer who is a suitably qualified person with over 15 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information.



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## NEWS RELEASE

### HORN PETROLEUM PROVIDES OPERATIONAL UPDATE

**Nov 15, 2012 (AOI-TSXV, AOI-NASDAQ OMX) ... Africa Oil Corp.** ("Africa Oil" or the "Company") is pleased to provide the following update on exploration operations in Puntland (Somalia) operated by Horn Petroleum Corp. ("Horn"). Africa Oil holds an approximate 45% equity interest in Horn which in turn holds a 60% working interest in the Dharoor and Nugaal Valley Production Sharing Agreements ("PSAs"). Horn's joint venture partners in these blocks are Range Resources (20%) and Red Emperor (20%).

Horn has demobilized the drilling rig and associated equipment and has completed restoration of both drilling locations. Efforts are now focused on making preparations for a seismic acquisition campaign in the Dharoor PSA which will include a regional seismic reconnaissance grid in the previously unexplored eastern portion of the basin as well as prospect specific seismic to delineate a drilling candidate in the western portion of the basin where an active petroleum system was confirmed by the recent drilling at the Shabeel-1 and Shabeel North-1 locations. This seismic program is expected to commence in the first half of 2013. The Company continues to pursue efforts to drill an exploration well in the Nugaal PSA and is working with the Puntland government authorities to move this project forward.

Horn is in active discussions with potential joint venture partners and also is reviewing new venture opportunities in the region.

Horn President and CEO, David Grellman, commented, "We remain very encouraged by the exploration potential of these Jurassic rift basins in Puntland. We have committed to the next exploration phase in both PSAs and plan to aggressively explore both areas to confirm this potential. We are also optimistic that the political progress in Somalia will continue and allow oil and gas exploration in the region to expand."

*Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya, Ethiopia and Mali as well as Puntland (Somalia) through its 45% equity interest in Horn Petroleum Corporation. Africa Oil's East African holdings are in within a world-class exploration play fairway with a total gross land package in this prolific region in excess of 300,000 square kilometers. The East African Rift Basin system is one of the last of the great rift basins to be explored. New discoveries have been announced on all sides of Africa Oil's virtually unexplored land position including the major Albert Graben oil discovery in neighboring Uganda. Africa Oil's recent Ngamia-1 discovery extends the Albert Graben play into Kenya where Africa Oil along with partner Tullow holds a dominant acreage position. Newly acquired seismic and gravity data show robust leads and prospects throughout Africa Oil's project areas. The Company is listed on the TSX Venture Exchange and on First North at NASDAQ OMX-Stockholm under the symbol "AOI".*

ON BEHALF OF THE BOARD

"Keith C. Hill"  
President and CEO

#### 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.*

For further information, please contact: Sophia Shane, Corporate Development (604) 689-7842.

Africa Oil's Certified Advisor on NASDAQ OMX First North is Pareto Öhman AB.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.