



ADDENDUM TO ANNUAL FINANCIAL REPORT

Page four (4) of the Company’s Annual Financial Report released on 30 September 2008 included a table of the resource estimate for the Nogal Basin in Puntland (Nogal Basin Resource Estimate). The Company advises that the following Competent Person’s Statement applies as an Addendum to the Annual Financial Report.

Competent Person’s Statement

The geological information included in the table on page 4 containing the Nogal Valley Resource Estimate is an extract of Table S-1 from page 2 of the ‘Executive Summary’ of Sproule International Limited Competent Person’s Report dated 31 August 2007 (the Competent Person’s Report).

Table S-1 Summary of Undiscovered In-Place Oil Resources for the Nogal Valley Block Puntland, Somalia						
	Estimated Gross Oil-in-Place (MMbbls)			Estimated Net (20%) Oil-in-Place (MMbbls)		
	Low	Best	High	Low	Best	High
Undiscovered Oil-in-Place	2,213	4,301	10,397	443	860	2,079

The Competent Person’s Report was authored by Douglas J. Carsted, P.Geol. Vice-President Geoscience Sproule International Limited – and John L. Chipperfield, P.Geol. Senior Vice-President Sproule International Limited. Both are qualified Reserve Auditors as defined by NI-51-101.

Mr. Carsted consents to the inclusion in the report of the Nogal Basin Resource Estimate in the form in which it appears in the table on Page 4 of the Annual Financial Report with the inclusion of the following footnotes:

Notes: (1) Estimates are on an unrisksed basis; (2) Company Net interest of 20% (carried through exploration phase); (3) Africa Oil is the operator and (4) The properties have been assessed as unproved properties with no proved or probable reserves and no fair market value assigned at this time. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, that it will be economically viable or technically feasible to produce.

The Competent Person’s Report was prepared in accordance with the assessment and classification procedures and definitions specified by National Instrument 51-101 (“NI 51-101”) and in accordance with those presented in the Canadian Oil and Gas Evaluators Handbook (COGEH), as prepared by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).