

Africa Oil Announces Strategic Farmout of Impact's Namibian Interests

VANCOUVER, BC, January 10, 2024 /CNW/ - (AOI-TSX, AOI-Nasdaq-Stockholm) – Africa Oil Corp. ("Africa Oil", "AOC" or the "Company") is pleased to announce a significant value enhancing farmout transaction related to its offshore Namibia interests held through its investee company, Impact Oil and Gas Limited ("Impact"). On the closing of this transaction Impact will have a 9.5% interest in Blocks 2912 and 2913B (together, "the Blocks") that is fully carried for all joint venture costs, with no cap, through to first commercial production. Impact will also be cash reimbursed on closing for its share of the past costs incurred on the Blocks net to the farmout interests, which is estimated to be approximately USD 99 million.

Impact Oil and Gas Namibia (Pty) Ltd., a wholly-owned subsidiary of Impact, has signed a farmout agreement ("Farmout Agreement") with TotalEnergies EP Namibia B.V., a wholly-owned subsidiary of TotalEnergies S.E. ("TotalEnergies"), for a share of Impact's interests in the Blocks. This Agreement provides Impact with carry loan over all of Impact's remaining development, appraisal and exploration costs on the Blocks from January 1st, 2024 ("Effective Date"), until the date on which Impact receives the first sales proceeds from oil production on the Blocks ("First Oil Date").

The carry is repayable to TotalEnergies from a share of Impact's after-tax cash flow and net of all joint venture costs, including capital expenditures, from production on the Blocks post the First Oil Date. During the repayment of the carry, Impact will pool its entitlement barrels with those of TotalEnergies for more regular off-takes and a more stable cashflow profile, and will also benefit from TotalEnergies' marketing and sales capabilities.

Completion of the transaction will be subject to customary third party approvals from the Namibian authorities and joint venture parties.

The Farmout Agreement provides Africa Oil with the opportunity to continue its participation in the world class Venus oil development project with no upfront costs, and to retain further upside in the highly prospective exploration and appraisal ("E&A") activities on the Blocks that have the potential to significantly grow the existing discovered resource base.

Africa Oil and Hosken Consolidated Investments Limited ("HCI"), the two largest shareholders in Impact with a combined shareholding of 81.0%, are fully aligned and support the Farmout Agreement having worked jointly with Impact's management to advance the negotiations with TotalEnergies.

Africa Oil President and CEO, Roger Tucker commented: "The Farmout Agreement allows Africa Oil to retain a very attractive growth opportunity in a major energy project, that is expected to add significant reserves and production to our portfolio from the late 2020s through the 2030s and beyond, without stretching our balance sheet or exposing ourselves to the execution risk on a large-scale deepwater project. It also reinforces our view of TotalEnergies' confidence in the development outlook for the Venus oil discovery and the follow-on prospectivity of the two blocks.

The successful collaboration of Impact management, the Company and Impact's other major shareholder, HCI, has played a pivotal role in navigating the complexities of this transaction which will enable Impact and its shareholders to retain the upside potential from the on-going exploration and appraisal campaign on Block 2913B with significant prospects scheduled to be drilled in 2024, with zero capital expenditure to Impact.

This Farmout Agreement delivers on Africa Oil's stated objective of focusing on and enhancing the value of its core assets. Also, with the funding secured for Impact's Namibian assets through to first commercial production and no further demand on our balance sheet, we can accelerate the work to consolidate our assets ownership, and to consider other capital allocation options including shareholder capital returns and other growth opportunities."

Block 2913B (PEL 56) and the Venus Discovery

Petroleum Exploration License 56, Block 2913B, is located offshore southern Namibia and covers approximately 8,215 km² in water depths between 2,450m and 3,250m. Impact currently holds a 20.0% interest in this block. TotalEnergies, the operator, holds a 40.0% interest, QatarEnergy holds a 30.0% interest, NAMCOR, the Namibian state oil company, holds a 10.0% interest. On the closing of the Farmout Agreement, Impact will hold a 9.5% interest in this block.

Block 2913B contains the world class Venus light oil and associated gas field that was discovered by the Venus-1X well drilled in 2022, which encountered high-quality light oil-bearing sandstone reservoir of Lower Cretaceous age. This well was re-entered, side-tracked and tested in in third quarter 2023, achieving positive test results. These results are being interpreted and incorporated into the development studies for the field.

Further appraisal of the Venus structure was undertaken with the drilling and testing of the Venus-1A appraisal well. A third appraisal well on the Venus structure, Venus-2A, is currently being drilled by the Deepsea Mira rig, and a second rig, Tungsten Explorer, is currently drilling the Mangetti-1X exploration well, targeting a prospect located in the northern part of Block 2913B. Mangetti-1X will then be deepened to appraise the northern area of the Venus structure.

In addition to the on-going drilling operations a 3D seismic acquisition program over the southern part of Block 2913B is currently under way. This program will cover an area where further follow-on prospectivity has been identified from existing 2D seismic data sets. These include Damara and Damara South prospects.

Block 2912 (PEL 91)

Petroleum Exploration License 91, Block 2912 is adjacent and to the west of Block 2913B. It covers an area of approximately 7,884 km² in water depths between 3,000m and 3,950m. Impact currently holds a 18.9% interest in this block. TotalEnergies, the operator, holds a 37.8% interest, QatarEnergy holds a 28.3% interest, NAMCOR, the Namibian state oil company, holds a 15.0% interest. On the closing of the Farmout Agreement, Impact will hold a 9.5% interest in this block.

Advisors

Evercore acted as sole financial advisor to Africa Oil in relation to this transaction.

Management Presentation

Senior management will host a presentation on the Farmout Agreement today, Wednesday January 10, 2024 at 09:00 (ET) / 14:00 (GMT) / 15:00 (CET). Participants should use the following link to register for the live webcast:

<http://onlinexperiences.com/scripts/Server.nxp?LASCmd=AI:4;F:QS!10100&ShowUUID=7E8A6290-E17A-4AB9-837C-6B3B438A68CC>

This landing page also has a link for the dial-in details to listen to the event via telephone.

Additional Information

This information is information that Africa Oil is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out above, at 2:00 am EST on January 10, 2024.

Forward Looking Information

Certain statements and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation), including statements related to the completion of the farmout deal with TotalEnergies, future development(s) on Blocks 2912 and 2913B offshore Namibia, distribution of reimbursed past costs to Impact's shareholders, drilling operations on Blocks 2912 and 2913B, drilling of future exploration wells on these blocks by end of 2024 or beyond, outcome of the 3D seismic on these blocks, progress and the successful of the farmout processes for Blocks 3B/4B, EG-31 and EG-18. Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities.

All statements other than statements of historical fact may be forward-looking statements. 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, ongoing uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. 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 macro-economic conditions and their impact on operations, changes in oil prices, reservoir and production facility performance, hedging counterparty contractual performance, results of exploration and development activities, cost overruns, uninsured risks, regulatory and fiscal changes, defects in title, claims and legal proceedings, availability of materials and equipment, availability of skilled personnel, timeliness of government or other regulatory approvals, actual performance of facilities, joint venture partner underperformance, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and

unanticipated environmental, health and safety impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

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About Africa Oil

Africa Oil Corp. is a Canadian oil and gas company with producing and development assets in deepwater Nigeria and an exploration/appraisal portfolio in west and south of Africa, as well as Guyana. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".