

Africa Oil Announces Final Approval for an Increase of its Interest in the Orange Basin Block 3B/4B

VANCOUVER, BC, Jan. 22, 2024 /CNW/ - **(AOI-TSX, AOI-Nasdaq-Stockholm) – Africa Oil Corp.** (“Africa Oil”, or the “Company”) is pleased to announce that it has received the final approval from the Government of the Republic of South Africa for the transfer of a 6.25% interest in Block 3B/4B in the Orange Basin from Azinam Limited, a wholly-owned subsidiary of Eco (Atlantic) Oil & Gas Ltd. (“Eco”), to the Company as announced on July 11, 2023. As per the terms of the Assignment and Transfer Agreement with Eco, the Company has made a payment of USD 2.5 million to Eco.

Consequently, the Company now holds an operated 26.25% interest in Block 3B/4B with Eco retaining a 20.00% interest and Ricocure (Pty) Ltd with a 53.75% interest.

An independent review of the prospective resources and probability of geological success of the exploration prospects within Block 3B/4B has reported total unrisked gross P50 prospective resources of approximately 4 billion barrels of oil equivalent. Probability of success ranges from 11% to 39% over the 24 prospects identified.

The Company and its Block 3B/4B partners are progressing plans to conduct a drilling campaign on the Block and are in discussions with potential partners to farm out a share of their working interest in the Block. The Company and its partners are also working with an environmental consulting firm in conducting an Environmental and Social Impact Assessment process, in preparation for permitting and drilling activity on the Block.

Africa Oil Chief Executive Officer, Dr Roger Tucker, commented: “I am pleased we have received final approval for the increase of our interest in Block 3B/4B. Africa Oil has a significant opportunity set in the Orange Basin, probably the most sought-after new petroleum region globally. We are excited about the large prospect inventory in Block 3B/4B; the prospects are all based on 3D seismic and are of similar age and type to the discoveries announced by Shell and TotalEnergies in the Orange Basin.”

About Block 3B/4B

Block 3B/4B covers an area of 17,581 km² within the Orange Basin, offshore South Africa in water depths ranging between 500m and 2,500m. This block lies to the southeast and on trend with number of oil discoveries including Venus and Graff. Africa Oil has approximately 14,000 km of 2D seismic and 10,800 km² of 3D seismic over Block 3B/4B and has identified a large opportunity set of exploration prospects, with the majority of the prospects lying in approximately 1,500m of water.

An independent review of the block’s prospective resources has been completed by RISC Advisory (UK) Limited (“RISC”), in accordance with Canadian National Instrument 51-101 – Standards for Oil and Gas Activities (“NI 51-101”), the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) and the Petroleum Resources Management System 2018 (“PRMS”). The effective date of RISC’s report is March 7, 2023, and can be found on the Company’s website: <http://africaoilcorp.com/operations/project-overview/>

RISC has reviewed the prospective resources and probability of geological success of 24 exploration prospects within Block 3B/4B in accordance with the PRMS. The report provides an evaluation of prospective resources from a prospect inventory identified using 3D seismic data and follows completion of the reprocessing of 2,200 km² of 3D seismic data and play-opening discoveries in Namibia including TotalEnergies’ Venus discovery and Shell’s Graff, La Rona, and Jonker light oil discoveries. These discoveries prove the existence of a working petroleum system for light oil, gas condensate and gas in the geological play fairway. The proven reservoirs in Graff and Venus discoveries are similar to Cretaceous reservoirs and geological plays that would be targeted in Block 3B/4B. Prospects in Block 3B/4B are identified using 3D seismic data to assess the presence of seismic attributes including amplitude-variation-with-offset (“AVO”) or direct hydrocarbon indicators (“DHI’s”).

Additional Information

This information is information that Africa Oil is obliged to make public pursuant to the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out above, at 02:00 a.m. EST on January 22, 2024.

Forward Looking Information

Certain statements and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation), including the prospectivity of Block 3B/4B, possible farm out of Block 3B/4B, drilling on Block 3B/4B, the completion of the permitting process for Block 3B/4B, and the potential of the Venus discovery or the broader Orange Basin. 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. 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, ongoing uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including statements pertaining to dividend distributions, share repurchase programs, the 2022 Management Guidance including production, cashflow from operation and capital investment estimates, performance of commodity hedges, the results, schedules and costs of exploratory drilling activity, uninsured risks, regulatory and fiscal changes, availability of materials and equipment, unanticipated environmental impacts on operations, duration of the drilling program, availability of third party service providers and defects in title. 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".