Africa Oil Corp.

Notice of
Annual General
and Special Meeting
and
Management Information Circular

## TABLE OF CONTENTS

# Notice of the Annual General and Special Meeting of Shareholders

Africa Oil Corp. ("Africa Oil" or the "Company") invites you to attend its Annual General and Special Meeting of shareholders (the "Meeting").

| **Date and Time:** | **Location**: |
| --- | --- |
| Tuesday, April 20, 2021 | Suite 2000, 885 West Georgia Street |
| 9:00 am (Pacific Time) | Vancouver, BC, V6C 3E8 |

The purpose of the Meeting is as follows:

1. To receive the consolidated audited financial statements and accompanying management discussion and analysis of the Company for the year ended December 31, 2020, together with the report of the auditors;

2. To appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be fixed by the directors of the Company;

3. To consider and, if deemed advisable, to approve an advisory resolution to accept the Company's approach to executive compensation; and

4. To elect directors to hold office for the ensuing year.

Accompanying this Notice of Meeting are: (i) a Management Information Circular (the "Circular"); (ii) a proxy form or voting instruction form; and (iii) a financial statements request form. Africa Oil's financial statements are also available on the Company's website at www.africaoilcorp.com, or under the Company's profile on SEDAR at www.sedar.com.

Please vote using the proxy form or voting instruction form accompanying this Circular and return it according to the instructions provided before 11:00 a.m. (Central European time) on April 13, 2021 if your shares trade on the Nasdaq Stockholm Exchange, and before 9:00 a.m. (Pacific time) on April 16, 2021 if your shares trade on the TSX.

DATED at Vancouver, British Columbia the 26th day of March 2021.

Yours Truly,
(Signed) *"Keith C. Hill"*

Keith Hill
President and Chief Executive Officer

# MANAGEMENT INFORMATION CIRCULAR

## About Africa Oil

Africa Oil Corp. ("Africa Oil" or the "Company") is a Canadian oil and gas exploration company with producing and development assets in deep-water offshore Nigeria, and development assets in Kenya. The Company also has a portfolio of exploration assets in Guyana, Kenya, Namibia, Nigeria, South Africa. The Company holds its interests through direct ownership interests in concessions and through its shareholdings in investee companies including Prime Oil & Gas Coöperatief U.A. ("Prime"). Africa Energy Corp., Eco (Atlantic) Oil & Gas Ltd. and Impact Oil and Gas Limited.

## General

Africa Oil's Annual General and Special Meeting of shareholders (the "Meeting") will be held on **Tuesday, April 20, 2021 at 9:00 am (Pacific Time), at Suite 2000, 885 West Georgia Street, Vancouver, BC, V6C 3E8**. This Management Information Circular ("Circular"), provides the Company's shareholders with important information about the Meeting, the business of the Meeting, and how you can participate and vote.

## Financial Information

Africa Oil's functional and reporting currency is the United States dollar. All currency amounts in this Circular are expressed in United States dollars, unless otherwise indicated.

## Voting Procedures if Your Shares Trade on the TSX

The Company's Management team is soliciting your proxy for the Meeting at Africa Oil's expense. The Company will solicit proxies either by mail to your address, personally or by telephone by the directors, officers and employees of the Company. As a shareholder who held shares in the Company on March 16, 2021 ("Record Date"), you are entitled to attend the Meeting and vote your shares in person or vote your shares by proxy.

**The individuals named in the accompanying form of proxy are directors or officers of the Company who will vote your shares for you unless you appoint someone else to be your proxyholder. You are entitled to appoint someone else or a company to be your proxyholder. If you appoint another person or company, they must be present at the Meeting to vote your shares on your behalf.**

If you return your proxy form and do not indicate how you want to vote your shares, your vote will be cast in favour of:

1. Appointing PricewaterhouseCoopers LLP as auditors of the Company and authorizing the directors of the Company to fix their remuneration;
2. Approving an advisory resolution to accept the Company's approach to executive compensation; and
3. Electing as a director each person nominated by Africa Oil.

**Voting as a Registered Shareholder**

You are a registered shareholder of the Company if your shares are registered in your name and you have a share certificate. You can choose to vote your common shares in the following manner:

| | |
|---|---|
| **In Person** | The Company's constating documents require the Company to hold in-person shareholder meetings, so this meeting will be held in-person. However, given the uncertainty relating to the COVID-19 pandemic and the potential public health impact, we suggest that you vote on matters before the meeting by proxy rather than attend the meeting in-person. |
| **By Mail** | If you vote your common shares by proxy by mail, completed forms of proxies must be delivered to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), at Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, in the envelope provided for that purpose. |
| **By Telephone** | For telephone voting call 1-866-732-VOTE (8683) (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. International holders wishing to vote by telephone can dial 1-312-588-4290 to place their vote. You will need your 15-digit control number which is noted on your proxy form. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. |
| **On the Internet** | For internet voting, go to www.investorvote.com and follow the instructions on the screen. You will need your 15-digit control number which is noted on your proxy form. |

Duly completed forms of proxy must be received, or a vote using the telephone or over the Internet must be completed, by no later than 9:00 a.m. (Pacific time) on April 16, 2021. If you are a beneficial shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided by your broker or other intermediary contained in the voting instruction form ("VIF").

**If you have any questions concerning the voting of your common shares, please contact Computershare at:**

| | |
|---|---|
| **Mail:** | **Computershare Investor Services**<br>**100 University Avenue, 8th Floor**<br>**Toronto, ON M5J 2Y1** |
| **Telephone:** | **1-800-564-6253** |

**Changing Your Vote/Revocation of Proxies**

A registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at 666 Burrard St #2500, Vancouver, BC V6C 2X8 at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Corporate Secretary of the Company or the chair of the Meeting prior to the time of voting at the Meeting. Only registered shareholders have the right to revoke a proxy. **Beneficial Shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

## Voting as a Non-Registered Shareholder

Shareholders who hold their securities through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their securities in their own name (referred to in this Circular as **"Beneficial Shareholders"**) should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of voting securities will be recognized and acted upon at the Meeting. If voting securities are listed in an account statement provided to a Beneficial Shareholder by a broker, those voting securities will, in all likelihood, not be registered in the shareholder's name. Such voting securities more likely will be registered under the name of the shareholder's broker or an agent of that broker. **Each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their voting securities are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company and is commonly referred to as a **"voting instruction form**". However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (formerly, ADP Investor Communications, Canada) ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their securities directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted. If you have any questions respecting the voting of securities held through a broker or other intermediary, please contact that broker or other intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting securities registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the securities in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their securities as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

## Voting Procedures if Your Shares Trade on the Nasdaq Stockholm Exchange

**The information set forth in this section is of significance to shareholders who hold their securities ("Euroclear Registered Securities") through Euroclear Sweden AB, which securities trade on Nasdaq Stockholm.** Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depositary for Securities. Holders of Euroclear Registered Securities will receive a VIF by mail directly from Computershare AB ("Computershare Sweden"). Additional copies of the VIF, together with the Company's Circular, can also be obtained from Computershare Sweden and are available on the Company's website (www.africaoilcorp.com). The VIF cannot be used to vote securities directly at the Meeting. Instead, the VIF must be completed and returned to Computershare Sweden, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the VIF.

**If you have any questions concerning how to complete the VIF or respecting the voting of Euroclear Registered Securities, please contact Computershare Sweden at:**

| | |
|---|---|
| **Mail:** | **Computershare AB**<br>**“General Meeting of Africa Oil Corp.”**<br>**PO Box 610**<br>**SE – 182 16 Danderyd**<br>**Sweden** |
| **Telephone:** | **+46 (0) 77 24 64 00** |
| **E-mail:** | **info@computershare.se** |

**Voting Securities**

The Company is authorized to issue an unlimited number of common shares of which 473,252,117 common shares are issued and outstanding as at the Record Date. Each common share is entitled to one vote.

To the knowledge of the directors and executive officers of the Company, Stampede Natural Resources S.a.r.l. beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Company. As at the Record Date, Stampede Natural Resources S.a.r.l. held 66,569,922 shares in the Company, representing 14.07% of the Company’s issued and outstanding shares.

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# BUSINESS OF THE ANNUAL GENERAL MEETING

## 1. Receive Financial Statements and Auditor's Report

The Company's consolidated financial statements for the year ended December 31, 2020 ("Financial Statements"), the accompanying management discussion and analysis for the year ended December 31, 2020 ("MD&A"), and the report of the auditors will be placed before the Meeting. Copies of the Financial Statements, the MD&A, and the auditors' report have been mailed to all registered shareholders and non-registered shareholders (or beneficial shareholders) who have opted to receive such materials. These documents can also be found on the Company's website at www.africaoilcorp.com and are also available on SEDAR at www.sedar.com.

> ***BE IT RESOLVED*** *that the consolidated audited financial statements of the Company for the year ended December 31, 2020 together with the report of the auditors thereon as presented, be received.*

## 2. Appoint Auditors and Authorize Directors to Fix Remuneration

PricewaterhouseCoopers LLP Chartered Accountants ("PwC") has been the Company's auditors since October 8, 2008. The Company's Board of Directors (the "Board") recommends the re-appointment of PwC as auditors of the Company to hold office until the termination of the next annual meeting of shareholders. It is also proposed that the remuneration to be paid to PwC be as determined by the Board.

> ***BE IT RESOLVED*** *that PwC be appointed auditors of the Company to hold office until the close of the next annual meeting of shareholders, or until their successors are appointed, at a remuneration to be fixed by the directors.*

**Unless otherwise instructed, the named proxyholders will vote FOR the appointment of PwC, as auditors of the Company until the next annual general meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.**

## 3. Advisory Vote on Executive Compensation (Say on Pay)

An important principle underlining the Company's executive compensation program is 'pay for performance'. We link compensation to strategy and corporate performance in order to attract and train skilled and motivated individuals focused on the Company's success. The Company voluntarily holds an advisory vote on executive compensation on an annual basis to enhance its dialogue with shareholders with respect to its compensation programs. The Company is not proposing any modifications to its existing executive or director compensation programs. We hope our shareholders will carefully review the details of our compensation program to understand how these programs are aligned with our pay-for-performance philosophy and continue to support the Company by once again voting in favour of the Say On Pay resolution.

At last year's annual general meeting of shareholders, the Company's shareholders offered their support by voting 99.44% in favour of the advisory resolution to accept the Company's approach to executive compensation.

Accordingly, at the Meeting shareholders will be asked to consider and vote on the following advisory resolution:

> ***BE IT RESOLVED*** *on an advisory basis only and not to diminish the role and responsibilities of the Company's Board of Directors, that the shareholders of the Company accept the approach to executive compensation disclosed in this Circular.*

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will carefully review the outcome of the vote as part of its ongoing review of executive compensation.

The Board unanimously recommends that the shareholders vote FOR the advisory vote on executive compensation and unless instructed otherwise, **the persons named in the enclosed form of proxy will vote FOR the advisory vote on executive compensation.**

## 4. Elect Seven (7) Directors

The Board is currently comprised of seven directors. At the Meeting, you will be given the opportunity to vote for the re-election of the following seven (7) nominees recommended by the Company ("Proposed Directors") to hold office until the termination of the next annual meeting of shareholders:

1. Andrew D. Bartlett
2. John H. Craig
3. Ian Gibbs
4. Gary Guidry
5. Keith C. Hill
6. Erin Johnston
7. Kimberley Wood

> ***BE IT RESOLVED*** *that the seven (7) persons nominated as Proposed Directors be elected as directors of the Company to hold office for the ensuing year or until their successors are elected or appointed.*

Management believes that the Proposed Directors can serve as directors of the Company. **Unless otherwise instructed, the named proxyholders will vote FOR the election of the Proposed Directors.**

**Majority Voting**

The Board has adopted a policy on majority voting that provides that the Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If any nominee for director receives, from the shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of their election, the director must immediately tender their resignation to the Chair of the Board following the meeting, to take effect upon acceptance by the Board. The Corporate Governance and Nominating Committee shall expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept the offer. Within 90 days of the shareholders' meeting, the Board will make a final decision concerning the acceptance of the director's resignation and announce that decision by way of a news release. Any director who tenders their resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation. The policy applies only to uncontested elections, where the number of nominees as directors is equal to the number of directors to be elected. If the director fails to tender their resignation as contemplated in the policy, the Board shall not re-nominate the director. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

**Advance Notice**

The Company's Articles include an advance notice requirement for the nomination of directors. Advance notice facilitates an orderly meeting, and it allows shareholders to receive prior information about the matters to be voted upon at the meeting. If you are interested in nominating someone to the Board, you must have given timely notice in proper written form, within the time periods prescribed by the Company's Articles, to the Corporate Secretary of the Company. The Company did not receive any such nomination in connection with this Meeting.

**Director Nominees**

Management's nominees to the Board are named in the following tables. The tables below provide you with information about each nominated director, including their holdings in the Company, and their principal occupations during the last five years. Each of the Proposed Directors are independent with the exception of Mr. Hill, who is the Company's President and Chief Executive Officer, and Mr. Gibbs, who was the Company's Chief Financial Officer until 2019.

**John H. Craig**
Ontario, Canada
Chair of the Board

Director since: 2009
Independent Director
Common Shares: 363,424

2020 Board and Committee Meeting
Attendance Record: 100%

Mr. Craig is the Chair of the Board and has been since 2016. He serves as senior counsel in the Mining Group at Cassels, where he was a partner until 2016 practicing in the area of securities law with an emphasis on resource companies. Mr. Craig has extensive experience in capital raising, public and private mergers and acquisitions and negotiating international mining and oil and gas related concession, joint venture, operation and farm-in agreements. Mr. Craig received his Bachelor of Arts (Economics) and Bachelor of Laws from the University of Western Ontario and was admitted to the bar in 1973. Mr. Craig has served as a director on the boards of several public resource companies.

Africa Oil Committees:
Corporate Governance and Nominating (Chair)
Audit

Additional Public Directorships:
Lundin Mining Corporation (TSX, Nasdaq Stockholm)(1)
Corsa Coal Corp. (TSX-V)

(1) Mr. Craig has advised the Company that he will not be standing for re-election to the board of directors of Lundin Mining Corporation. Lundin Mining Corporation has issued a press release publicly announcing this decision.

**Keith C. Hill**
London, United Kingdom
President & Chief Executive Officer

Director since: 2006
Non-Independent Director
Common Shares: 1,669,288

2020 Board and Committee Meeting
Attendance Record: 100%

Mr. Hill has been the Company's President and Chief Executive Officer since 2009. He was the former Chair of the Board from 2009 until 2016. Mr. Hill has over 30 years of experience in the oil industry and has previously served as President of each of Valkyries Petroleum, BlackPearl Resources and Shamaran Petroleum. Prior to that, Mr. Hill's experience included international new venture management and senior exploration positions at Occidental Petroleum and Shell Oil Company. His education includes a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University as well as an MBA from the University of St. Thomas in Houston.

Africa Oil Committees:
Reserves

Additional Public Directorships:
Africa Energy Corp.(1) (TSX-V, Nasdaq First North Growth Market Stockholm)
Eco (Atlantic) Oil & Gas Ltd.(2) (TSX, London Stock Exchange)
ShaMaran Petroleum Corp. – Chair (TSX-V, Nasdaq First North Growth Market Stockholm)
TAG Oil Ltd. (TSX)

(1) The Company owns approximately 19.9% of the issued and outstanding shares of Africa Energy Corp.
(2) The Company owns approximately 18.38%of the issued and outstanding shares of Eco (Atlantic) Oil & Gas Ltd.

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**Andrew D. Bartlett**
London, United Kingdom

Director since: 2015
Independent Director
Common Shares: 525,836

2020 Board and Committee Meeting
Attendance Record: 100%

Mr. Bartlett has been an Oil and Gas Advisor with Helios Investment Partners since 2011. He has over 30 years of experience in the oil and gas Industry. Mr. Bartlett was both the Global Head of Oil and Gas Project Finance and Global Head of Oil and Gas Mergers and Acquisitions at Standard Chartered Bank until July 2011. In the period 1998 to 2001, prior to going into investment banking, he helped to establish Shell Capital, a private equity/mezzanine debt group set up by Royal Dutch Shell to finance small producers in emerging markets. Prior to joining Shell Capital, Mr. Bartlett worked for Royal Dutch Shell as a Petroleum Engineer and Development Manager where he gained extensive experience in developing and operating oil and gas fields. His postings included the North Sea, Netherlands, Somalia, New Zealand and Syria.

Africa Oil Committees:
Audit (Chair)
Compensation
Corporate Governance and Nominating
Environmental Social Governance and Health and Safety
Reserves

Additional Public Directorships:
Energean O&G plc (LSE, FTSE 250, TASE, TA-35)

**Ian Gibbs**
British Columbia, Canada

Director since: 2019
Non-Independent Director
Common Shares: 1,082,695

2020 Board and Committee Meeting
Attendance Record: 100%

Mr. Gibbs currently serves as CFO of Josemaria Resources Inc. (TSX and Nasdaq Stockholm), a Canadian public company which owns a copper-gold project in Argentina. Previously, Mr. Gibbs was CFO of Africa Oil Corp. until October 2019 and Tanganyika Oil where he played a pivotal role in the $2 billion disposition to Sinopec International Petroleum. Prior to Tanganyika Oil, Mr. Gibbs was CFO of Valkyries Petroleum, which was the subject of a $750 million takeover. Mr. Gibbs is a Canadian Chartered Professional Accountant and a graduate of the University of Calgary where he obtained a Bachelor of Commerce degree.

Additional Public Directorships:
Africa Energy Corp. (TSX-V, Nasdaq First North Growth Market Stockholm)
Lundin Gold Inc. (TSX, Nasdaq Stockholm)

**Gary S. Guidry**
Alberta, Canada

Director since: 2008
Independent Director
Common Shares: 307,800

2020 Board and Committee Meeting Attendance Record:100%

Mr. Guidry has been the President and Chief Executive Officer of Gran Tierra Energy Inc., a company focused on oil and gas exploration and production in Colombia, since 2015. Mr. Guidry is a former Chief Executive Officer of Caracal Energy Inc. from 2011 to 2014. Mr. Guidry has also served as President and CEO of Orion Oil & Gas Corp., Tanganyika Oil Company Ltd., and Calpine Natural Gas Trust. He is a former director of Zodiac Exploration Corp., and TransGlobe Energy Corp. Mr. Guidry has directed exploration and production operations in Yemen, Syria and Egypt and has worked for oil and gas companies around the world in the U.S., Colombia, Ecuador, Venezuela, Argentina, and Oman. Mr. Guidry is an Alberta-registered professional engineer (P. Eng.) and holds a B.Sc. in petroleum engineering from Texas A&M University.

Africa Oil Committees:
Audit
Compensation (Chair)
Reserves (Chair)

Additional Public Directorships:
Gran Tierra Energy Inc. (NYSE, TSX)
PetroTal Corp. (formerly Sterling Resources Ltd.)(TSXV, AIM)

**Erin Johnston**
British Columbia, Canada

Director since: 2019
Independent Director
Common Shares: Nil

2020 Board and Committee Meeting Attendance Record: 100%

Ms. Johnston serves as Managing Director of Lundin Foundation, a Canadian not-for profit organization that develops market-based programs to maximize benefits to communities surrounding resource operations. In her role as Managing Director, she advises on Environmental and Social Governance (ESG) issues to reduce non-technical risks of resource development projects, and engages with stakeholders on ESG issues, including host governments and local communities. Ms. Johnston brings over 15 years of experience in the private sector leading capacity building and resource governance projects in Latin America, Asia, and Africa. Ms. Johnston began working in the oil and gas industry in 2009 through a multi-stakeholder environmental monitoring program with 15 companies in the oil sands of Northern Alberta. She has supported Lundin Petroleum's ESG strategy since 2016, as well as other junior exploration and development oil companies. She was the former Director of Training Investment responsible for British Columbia's annual investment in education and skills training. Ms. Johnston has a Master of Arts in International Leadership from Simon Fraser University and an Executive Leadership Certificate from the UBC Sauder School of Business and an Advanced Climate Disclosure Certificate.

Africa Oil Committees:
Corporate Governance & Nominating
Environmental Social Governance and Health and Safety (Chair)

Additional Public Directorships:
Filo Mining Corp. (TSX-V, Nasdaq First North)

**Kimberley Wood**
London, United Kingdom

Director Since: 2018
Independent Director
Common Shares: Nil

2020 Board and Committee Meeting
Attendance Record: 100%

Ms. Wood is a legal professional with 20 years' experience and a specialist in M&A and the energy sector. She was Head of Oil and Gas for Europe and the Middle East at Norton Rose Fulbright LLP and remains a senior consultant for the firm. Throughout her career she has advised a wide range of companies in the sector, from small independents through to super-majors. Ms. Wood was a partner at Vinson & Elkins LLP from February 2011 to April 2015 and was previously at Dewey & LeBoeuf LLP. She is included in Who's Who Legal Energy 2020 and as an expert in Energy and Natural Resources by Euromoney's Expert Guide, Women in Business Law (2020 Edition). Ms. Wood is currently a Non-Executive Director of Energean, Gulf Keystone Petroleum and Valeura Energy Inc. She is Chair of the Remuneration Committee for Energean and Gulf Keystone Petroleum and Chair of the Governance and Compensation Committee for Valeura Energy Inc. Ms Wood is also the European Liaison Forum Officer for the Oil & Gas Law Committee of the International Bar Association (IBA)

Africa Oil Committees:
Compensation
Corporate Governance and Nominating Committee
Environmental Social Governance and Health and Safety

Additional Public Directorships:
Energean (LSE,TASE)
Gulf Keystone Petroleum Company Limited (LSE)
Valeura Energy Inc. (TSX, LSE)

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**Cease Trade Orders, Bankruptcies, Penalties, or Sanctions**

Other than as disclosed below, no proposed director of the Company is, as at the date of the Circular, or has within the ten (10) years before the date of the Circular, been a director, chief executive officer, or chief financial officer of any company (including Africa Oil) that: (i) was subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days that was issued (A) while the proposed director was acting in such capacity as a director, chief executive officer, or chief financial officer; or (B) after that individual ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity; or (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets (A) while that proposed director was acting in that capacity, or (B) within a year of that person ceasing to act in that capacity.

Other than as disclosed below, no proposed director a) has, within the ten (10) years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets; or b) is, or has been, subject to any penalties or sanctions (A) imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (B) imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. John Craig was a director of Sirocco Mining Inc. (“Sirocco”) until November 8, 2013. On October 13, 2014, RB Energy Inc. (“RB Energy”), a successor company to Sirocco, filed for protection under the Companies’ Creditors Arrangement Act (“CCAA”). Although John Craig was never a director, officer or insider of RB Energy, he was a director of Sirocco within the 12-month period prior to RB Energy filing under the CCAA.

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# CORPORATE GOVERNANCE

The Company is committed to strong corporate governance practices. The Board believes good corporate governance strengthens decision making and accountability, that ultimately improves the Company's performance and investor confidence. The following describes the Company's current corporate governance practices. With the assistance of the Company's Corporate Governance and Nominating Committee, the Board continually reviews its corporate governance practices, as well as ongoing developments in corporate governance in order to determine if additional steps are required to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

## How Africa Oil Selects its Board Members

### Experience and Skills Assessment

The Corporate Governance and Nominating Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board the director nominees for each annual meeting of shareholders. In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions.

The table below summarizes the mix of skills and experience and knowledge of the current members of the Board based on information provided by each director.

| | Bartlett | Craig | Gibbs | Guidry | Hill | Johnston | Wood |
|---|---|---|---|---|---|---|---|
| **Industry Knowledge** | √ | √ | √ | √ | √ | √ | √ |
| **Environmental/Social** | √ | √ | | √ | √ | √ | √ |
| **Financial/Audit and Risk** | √ | √ | √ | √ | √ | √ | √ |
| **Health and Safety** | √ | √ | √ | √ | √ | √ | |
| **International Markets** | √ | √ | √ | √ | √ | √ | √ |
| **Legal/Public Policy** | √ | √ | √ | √ | √ | √ | √ |
| **M&A/Capital Markets** | √ | √ | √ | √ | √ | √ | √ |
| **Senior Executive** | √ | | √ | √ | √ | √ | √ |
| **Technical, Engineering, Operations** | √ | √ | | √ | √ | | |
| **Corporate Governance** | √ | √ | √ | √ | √ | √ | √ |

### Diversity

Effective corporate governance requires a board to have a diverse composition of skills, knowledge and experience. The Company recognizes the importance of diversity, and the benefits of having a board and executive officers with varying characteristics including, but not limited to, religious and political beliefs, gender, ethnicity, education, socioeconomic background, sexual orientation and geographic location, as diversity supports balanced debate and maximizes the effectiveness of the decision-making of the Board and at senior management levels. The Board has a Board and Executive Officer Diversity Policy (the "Diversity Policy"). This policy formalizes Africa Oil's commitment to promote diversity, in particular gender diversity, on the Company's Board and in Executive Officer positions. The Board currently has two women members, representing 28.6% of the Board's composition.

Measures taken to ensure the Diversity Policy is effectively implemented include the commitment imposed on the Corporate Governance and Nominating Committee to actively seek out highly qualified women to include in the pool from which new board nominees are evaluated and chosen. This commitment is documented in the "*Guidelines for the Composition of Africa Oil's Board*" as found in the Mandate of the Corporate Governance and Nominating Committee and approved by the Board.

With regard to a gender diversity objective for executive officer positions and senior management positions, the Corporate Governance and Nominating Committee did not recommend a specific target be set. The Board agrees that such appointments should be reviewed with the level of representation of women in executive officer positions in mind and, consistent with the Diversity Policy, that management of the Company, as part of the hiring process of such positions: (i) actively seek out women having the necessary skills, knowledge and experience to evaluate as potential candidates; and (ii) appointments be made based on a balance of criteria, including the merit, and experience of the candidate plus the needs of the Company at the relevant time.

Pursuant to the Diversity Policy, the Corporate Governance and Nominating Committee is mandated to discuss targets for promoting diversity and make recommendations to the Board. While the Board and Corporate Governance and Nominating Committee have not adopted any formal quotas or targets specifically addressing the level of representation of women on its board or in executive officer positions, it is committed to advancing women, and other individuals representing a diversity of backgrounds, into leadership roles through its talent management, learning development, and succession planning processes.

**Succession**

The Corporate Governance and Nominating Committee is responsible for the Company's board refreshment and succession planning. In 2021, the Company adopted a Succession Policy for the Company's Chief Executive Officer and the Chief Financial Officer to assist the Company in preparing for changes in leadership. The Succession Policy includes transition and succession plans for transitions that are planned or unplanned.

**Independence**

The Corporate Governance and Nominating Committee and the Board reviews each directors' independence upon their nomination and appointment, and also on an annual basis, using the standards of the Canadian Securities Administrators in National Instrument 52-110 *Audit Committees* ("NI 52-110") and the National Policy 58-201 *Corporate Governance Guideline*. This is in an attempt to have the Company's Board be accountable and perform effectively and transparently.

The majority of Africa Oil's current directors and its director nominees are independent for the purposes of Board membership. In addition, the Board is led by Mr. John Craig, who is an independent director. Mr. Ian Gibbs, and Mr. Keith Hill are the only directors that are not considered independent. As a former CFO within the last three years, Mr. Gibbs cannot be regarded as independent under the corporate governance guidelines. Mr. Hill is not considered independent by virtue of his role as President & Chief Executive Officer of the Company.

The Board has functioned and is of the view that it can continue to function, independently of management, as required. At each meeting of the Board, Audit or Compensation Committee, a determination is made as to whether an in-camera session, without management present, is required.

## Interlocks

An "interlock" refers to two or more of the Company's directors who sit together on the board of directors of another reporting issuer. Mr. Gibbs and Mr. Hill are each directors of Africa Energy Corp., and Mr. Bartlett and Ms. Wood are both directors of Energean O&G plc. The Board has determined that, in its judgment, the interlocks do not adversely impact the independence of these directors or the ability of these directors to act in the best interests of the Company.

## Orientation and Continuing Education

### Orientation

Once a new Board member is welcomed to the Company, they are provided with the orientation and education program as developed by the Corporate Governance and Nominating Committee. The measures that the Board takes in connection with orienting new board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Company's business include providing each new member with information concerning the role and responsibilities of a public company director and discussing with new members the Company's operations. New directors are also provided the opportunity to meet with management of the Company. As each director has a different set of skills and professional background, the Board seeks to tailor the orientation of new members according to the needs and experience of each new director.

## Director Education

The Company encourages continued education for its directors. The Board ensures that all directors are kept apprised of changes in the Company's operations and business and changes in the regulatory environment, environmental social governance and health and safety and corporate governance trends. The Company arranges for industry experts to provide status updates and education. Board members may also attend external education seminars, at the Company's expense, that they determine necessary to keep themselves up-to-date with current issues relevant to their services as directors of the Company. In addition, the Company occasionally has third-parties and other service providers attend meetings to present industry trends and education sessions to the Board. In 2020, a main area of focus included a third-party presentation to the Board on Task Force on Climate-related Financial Disclosure and the climate leadership project in an effort to add to the Board's education on ESG and climate change.

## Mandate of the Board

The Board has a formal mandate (See *Appendix A*) that lists specific responsibilities, including:

- Approve the strategic direction of the Company;
- Identify principal risks of the Company's business and ensure implementation of appropriate risk management systems;
- Ensure the Company has management of the highest caliber; and
- Oversee the Company's methods of communication with its shareholders and the public generally.

In addition, the Board holds face-to-face, in person, strategy sessions at least once per year. During 2020, the Board did not meet in-person due to the risks associated with the COVID-19 pandemic. The Board discharges its responsibilities either directly or through its committees. Each committee has a written charter which governs the conduct of such committee.

## Board Committees

### Audit Committee

The Company's Audit Committee is comprised of three directors, namely Mr. Andrew Bartlett (Chair), Mr. Gary Guidry and Mr. John Craig. Each member of the Audit Committee is independent of the Board and financially literate, as those terms are defined in NI 52-110 and has the requisite education and experience for the performance of their duties as a member of the Company's Audit Committee. In addition, Mr. Bartlett and Mr. Guidry have Chief Executive Officer experience overseeing such functions as senior executive officers. The Audit Committee met four times, once per quarter, during 2020.

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee.

The Audit Committee is responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also examines the Company's Annual Information Form. The Audit Committee also oversees the annual audit process, quarterly review engagements, the Company's internal accounting controls, the Code of Business Conduct and Ethics, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors.

As required by NI 52-110, information about the Company's Audit Committee is provided in the Company's most recent Annual Information Form ("AIF") under "Audit Committee". The AIF may be obtained from the Company's disclosure documents available on the SEDAR website at www.sedar.com.

### Compensation Committee

The Compensation Committee consists of three directors, namely, Mr. Gary Guidry (Chair), Ms. Kimberley Wood and Mr. Andrew Bartlett, all of whom are independent as that term is defined in NI 52-110. All members of the Compensation Committee have direct experience which is relevant to their responsibilities as Compensation Committee members. All members have a good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members' combined experience in the resource sector provides them with an understanding of the Company's success factors and risks, which is very important when determining metrics for measuring success.

The Compensation Committee's mandate includes reviewing and making recommendations to the Board in respect of compensation matters relating to the Company's executives which are identified in the "Summary Compensation Table" below. The Compensation Committee is responsible for:

- evaluating the CEO and the CFO's performance and establishing executive and senior officer compensation;
- administering the Company's policy on remuneration;
- preparing the Board for decisions on matters relating to the principles of remuneration, and other terms of employment of the executive management;
- monitoring and evaluating programs for variable remuneration for the executive management and the current remuneration structures and levels within the Company, including the extent and level of participation in incentive programs, in conjunction with the Board; and
- delivering an annual statement on executive compensation.

The Compensation Committee has also been mandated to review the adequacy and form of annual compensation for non-executive directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director. The Compensation Committee meets at least once annually.

**Corporate Governance and Nominating Committee**

The Board's Corporate Governance and Nominating Committee is comprised of Mr. John Craig (Chair), Ms. Erin Johnston, Ms. Kimberley Wood, and Mr. Andrew Bartlett, each of whom is independent as that term is defined in NI 52-110.

The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Company's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, and has the responsibility to take initiatives to ensure that the Board can function independently of management including, without limitation, recommending to the Board mechanisms, including the appointment of a committee of directors independent of management, to allow directors who are independent of management an opportunity to discuss the Company's affairs in the absence of management.

The roles and responsibilities of the Corporate Governance and Nominating Committee include the following:

- identify, review the qualifications of, and recommend to the Board possible nominees for the Board;
- assess directors on an ongoing basis and oversee the effective functioning of the Board, including the orientation and education of new recruits to the Board;
- assess the Board's committee structure on an ongoing basis and recommend changes where appropriate;
- oversee the relationship between management and the Board and recommend improvements to such relationship;
- review the size and composition of the Board and committee structure;
- review the appropriateness of the terms of the mandate and responsibilities of the Board and the charters, mandates and responsibilities of each of the committees; and
- undertake such other initiatives as are needed to assist the Board in providing efficient and effective corporate governance for the benefit of shareholders.

The Corporate Governance and Nominating Committee of the Board may engage an outside consultant to assist in identifying qualified candidates for the Board. The nominees for directors are initially considered and recommended by the Corporate Governance and Nominating Committee of the Board, approved by the entire Board and appointed by the Company or elected by shareholders, as required.

The Corporate Governance and Nominating Committee meet at least once annually.

**Environmental Social Governance, and Health and Safety Committee**

The Environmental Social Governance, and Health and Safety Committee ("ESGHSC") is comprised of Ms. Erin Johnston (Chair), Ms. Kimberley Wood, and Mr. Andrew Bartlett, each of whom is independent as that term is defined in NI 52-110.

The ESGHSC is responsible for assisting the Board with reviewing the Company's performance with respect to environmental social governance, and health and safety matters, including the Board's oversight of the Company's climate-related risks and opportunities. The roles and responsibilities of the ESGHSC include reviewing and providing recommendations to the Board on the following:

- performance of the Company related to environmental, social, governance, and health and safety
- climate change, environmental, social governance, and health and safety risks
- provide oversight for the company's strategy and approach to responding to climate-related risks and opportunities
- compliance with environmental, social, governance, and health and safety legal and regulatory requirements
- external environmental, social, governance, climate change and health and safety reporting disclosures, including reviewing the Company's approach to climate-related risks and opportunities; and

- the Company's strategy to address environmental, social, governance, and health and safety trends, future regulations and decisions that could impact the performance of the Company, including the Company's strategy and response to climate-related risks and opportunities.

A senior officer of the Company, appointed by the CEO shall act as an advisor to the ESGHS Committee in assessing and managing the Company's climate-related risks and opportunities. The ESGHSC of the Board may engage an independent environmental consultant to assist in carrying out its duties.

The ESGHSC meets at least once per quarter.

**Reserves Committee**

The Company has a standing Reserves Committee that is comprised of a majority of independent directors. The current Reserves Committee members are Mr. Gary Guidry (Chair), Mr. Keith Hill, and Mr. Andrew Bartlett. The Reserves Committee is responsible for developing the Company's approach to the reporting of oil and gas resources and/or reserves and the valuation of those resources/reserves. The Reserves Committee meets at least once annually.

**Project Finance Committee**

In early 2021, the Board determined that the Project Finance Committee, established for the purposes of overseeing the process of midstream project financing for the pipeline in Kenya (the "Project Financing"), and for receiving, reviewing, assessing and making recommendations to the Board regarding the proposals received for the Project Financing was no longer needed by the Board. The Board terminated the Project Finance Committee in early 2021.

## Chair of the Board and Chief Executive Officer Roles

**Chair of the Board**

The Chair of the Board, Mr. John H. Craig, is responsible for the Board administration with the support and assistance of the CEO and other senior management at Africa Oil. These responsibilities include, but are not limited to, presiding as Chair of all meetings of the Board, setting the meeting agenda, and ensuring the Board is organized properly and meets its obligations and responsibilities. The Chair is also responsible for ensuring the Board has a strategic focus and represents the best interests of the Company, acting as the liaison between the Board and the CEO as well as other members of management when required, and ensuring the Board is operating effectively. The Chair represents Africa Oil, at the request of the CEO, to shareholders and external stakeholders and acts as the primary spokesperson for the Board. The Chair and the CEO work together to ensure that all matters of importance are brought to the Board's attention in a timely manner to allow for fulsome discussions of critical issues.

**Chief Executive Officer**

The Chief Executive Office, Mr. Keith C. Hill, is responsible for directly overseeing the day-to-day operations of Africa Oil. The CEO is the leader of an effective and cohesive management team and sets the tone for management by exemplifying values of performance in enhancing shareholder value and advancing the direction of Africa Oil, consistently forwarding the Company's vision and strategy and bearing the chief responsibility of ensuring that Africa Oil meets its short-term operational and long-term strategic goals. The CEO works with, and is accountable to, the Board.

## Board Assessments

The Corporate Governance and Nominating Committee oversees a process to self-assess Board effectiveness. This assessment questions directors on various company matters and board performance including their level of satisfaction with the functioning of the Board as a whole, its interaction with management and the performance of the standing committees of the Board. Board members conduct peer reviews and a self-assessment regarding their effectiveness as a Board member as part of this assessment process. To ensure the assessment process is candid, the individual assessments are returned on a confidential basis to the Chair of the Corporate Governance and Nominating Committee with a copy to the Corporate Secretary. The results are compiled for the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee reviews and discusses the results and makes recommendations to the Board regarding any action that may be deemed necessary or advisable to ensure the Board continues to function effectively and adequately perform its mandate. The Board aims for a 100% compliance rate for completion of the assessment by directors, which was achieved this year. Following the assessment process held in Q1 of 2021, the directors concluded that the Board and the Board Committees function effectively.

## Ethical Business Conduct

### Code of Business Conduct and Ethics

The Board oversees compliance with the Company's Code of Business Conduct and Ethics (the "Code") through the Audit Committee, which monitors compliance with the Code. It is the responsibility of all directors, officers, and employees to report promptly any compliance matters or actual or potential compliance concerns or infractions to the Chair of the Audit Committee. Following the receipt of any complaints submitted hereunder, the Company's legal counsel will investigate each matter so reported and report to the Board, which will take corrective disciplinary actions, if appropriate, up to and including termination of employment of those violating laws, rules, regulations or the Code.

The Company does not tolerate any retaliation for reports or complaints regarding suspected violations of the Code that were made in good faith. There has been no departure from the Code during the Company's most recently completed financial year. All directors, officers and employees have an obligation to act in the best interest of the Company. Any situation that presents an actual or potential conflict between a director, officer or employee's personal interest and the interests of the Company are to be reported to the Company's legal counsel. The Code is available on the Company's website at www.africaoilcorp.com.

### Whistleblower Policy

The Company has a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. The aims of the Whistleblower Policy are as follows:

a) to encourage company representatives to report actual or suspected wrongdoing as soon as possible.
b) to provide company representatives with guidance as to how to report actual or suspected wrongdoing, and how such reports will be reviewed and/or investigated; and
c) to reassure company representatives that they will not be retaliated against for reporting wrongdoing in good faith pursuant to the Whistleblower Policy (even if they turn out to be mistaken).

The Company did not receive any reported concerns in 2020.

The Company recently established a Whistleblowing hotline and online reporting system, for individuals to report in concerns in various languages, including English, French, and Kiswahili. The Whistleblower Policy is available on the Company's website at www.africaoilcorp.com.

### Anti-Corruption Policy

The Company has an Anti-Corruption Policy with the intention of ensuring that the Company's business is conducted in a manner that does not violate the anti-corruption laws of Canada, and any other country in which the Company does business or has a presence. The Company updated the Anti-Corruption Policy in 2020. The Company's directors and personnel are required to read the Anti-Corruption Policy when they join the Company, and they must acknowledge that they understand the Anti-Corruption Policy and attest to their compliance on an annual basis. In addition, the Company provides annual on-line training on anti-bribery and anti-corruption to its directors and personnel. The annual training modules review key Canadian, US, and UK anti-bribery and corruption laws and provides basics on how to comply by providing practical situations within the training modules for the Company's directors and personnel. In addition to the policy, and the annual anti-corruption training module, the Company has also established an anti-corruption compliance and onboarding program for anyone that does business with the Company. The Anti-Corruption Policy is available on the Company's website at www.africaoilcorp.com.

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# DIRECTORS’ COMPENSATION

**Annual Retainer**

Acknowledging the Board’s responsibility and liability for overseeing Africa Oil’s international operations and global shareholder base, the Compensation Committee determined that a flat fee structure continues to be appropriate given the size and makeup of the Company’s Board. As such, no meeting fees are paid to directors. Each director is entitled to an annual retainer as provided in the chart below. John Craig, as Chair of the Board, is entitled to an additional annual retainer to reflect his added level of responsibility.

| Component | Director Compensation | Board Chair Additional Retainer |
|---|---|---|
| Cash Retainer | CAD$60,000 | CAD$20,000 |
| Equity Retainer (RSUs) | CAD$120,000 | CAD$30,000 |

**Long-Term Incentive Plan**

Under the Long-Term Incentive Plan (“LTIP”), RSUs track the value of our common shares. RSUs granted to Non-Employee Directors (“NE Directors”) vest on the third anniversary of the date of grant, at which time they are settled in cash, shares, or a combination of cash and shares at the Compensation Committee’s and Board’s discretion.

**Committee Fees**

NE Directors serving on a board committee in 2021 are entitled to an additional cash retainer of CAD$5,000 per membership, and committee chairs are additionally entitled to the following retainers:

| Committee | Chair Retainer |
|---|---:|
| Audit Committee | CAD$12,500 |
| Compensation Committee | CAD$7,500 |
| Corporate Governance & Nominating Committee | CAD$7,500 |
| Environmental Social Governance, and Health and Safety Committee | CAD$7,500 |
| Reserves Committee | CAD$7,500 |

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### Fees for Directors

In the table below, we outline the total expected annual compensation for our NE Directors in 2021, based on the compensation program approved by the Board, and the Board committee compensation as of the Record Date.

| Name | Cash Retainer (CAD$) | Committee Chair/ Member Fees (CAD$) | Total Cash Retainer (CAD$) | Equity Retainer (CAD$) | Total (CAD$) |
|---|---|---|---|---|---|
| Andrew Bartlett | $60,000 | $33,688[(1)] | $93,688 | $120,000 | $213,688 |
| John Craig | $80,000 | $12,500 | $92,500 | $150,000 | $242,500 |
| Ian Gibbs | $60,000 | $792[(1)] | $60,792 | $120,000 | $180,792 |
| Gary Guidry | $60,000 | $20,000 | $80,000 | $120,000 | $200,000 |
| Erin Johnson | $60,000 | $12,500 | $72,500 | $120,000 | $192,500 |
| Kimberley Wood | $60,000 | $15,792[(1)] | $75,792 | $120,000 | $195,792 |

(1) The Project Finance Committee was terminated in February 2021, resulting in reduced anticipated Chair fees and member Fees for Mr. Bartlett (former Chair of the Project Finance Committee), and Ms. Wood and Mr. Gibbs (former members of the Project Finance Committee), respectively.

### Cash and equity retainer

The Company does not grant option awards to NE Directors of Africa Oil. We believe that, given the NE Director's role of corporate oversight at Africa Oil, granting RSUs in accordance with the LTIP is better suited to building long-term ownership at the NE Director level.

### Fees Earned by Directors in 2020

The table below sets out what the Company paid to NE Directors in cash and equity in 2020. Keith Hill did not receive any compensation for serving as a director in 2020, since he was compensated as an officer of the Company.

| Name | Fees Earned/Paid ($)[(1)] | Share-based awards ($)[(2)] | Non-equity incentive plan compensation ($) | All other compensation ($) | Total ($) |
|---|---|---|---|---|---|
| Gary Guidry | 59,635 | 112,092 | Nil | Nil | 171,727 |
| John Craig | 68,953 | 140,137 | Nil | Nil | 209,090 |
| Andrew Bartlett | 74,543 | 112,092 | Nil | Nil | 186,635 |
| Kimberley Wood | 59,635 | 112,092 | Nil | Nil | 171,727 |
| Ian Gibbs | 48,453 | 112,092 | Nil | Nil | 160,545 |
| Erin Johnston | 54,044 | 112,092 | Nil | Nil | 166,136 |

(1) Fees earned by directors are paid in Canadian dollars and converted to United States dollars for reporting purposes.
(2) USD value of RSUs granted in 2020 to NE directors, which vest on the third anniversary of the date of grant.

## Directors' Outstanding Share Based Awards

The table below sets forth, for each of our NE Directors, all share based awards outstanding as at December 31, 2020. The Company's Directors do not receive option-based awards.

| Share-based Awards | | | | | | | |
|---|---|---|---|---|---|---|---|
| Name | Year | Number of PSUs that have not vested (#) | Market or payout value of PSUs that have not vested ($)(1) | Market or payout value of vested PSUs not paid out or distributed ($) | Number of RSUs that have not vested (#) | Market or payout value of share based aware that have not vested ($)(2)(3) | Market or payout value of vested share based awards not paid out or distributed ($) |
| Gary S. Guidry | 2020 | Nil | Nil | Nil | 126,300 | 112,092 | Nil |
| | 2019 | | | | 108,100 | 95,939 | Nil |
| | 2018 | | | | 94,500 | 83,869 | Nil |
| John H. Craig | 2020 | Nil | Nil | Nil | 157,900 | 140,137 | Nil |
| | 2019 | | | | 135,100 | 119,902 | Nil |
| | 2018 | | | | 118,100 | 104,814 | Nil |
| Andrew Bartlett | 2020 | Nil | Nil | Nil | 126,300 | 112,092 | Nil |
| | 2019 | | | | 108,100 | 95,939 | Nil |
| | 2018 | | | | 94,500 | 83,869 | Nil |
| Kim Wood | 2020 | Nil | Nil | Nil | 126,300 | 112,092 | Nil |
| | 2019 | | | | 108,100 | 95,939 | Nil |
| | 2018 | | | | 95,238 | 84,524 | Nil |
| Ian Gibbs(4) | 2020 | Nil | Nil | Nil | 126,300 | 112,092 | Nil |
| | 2019 | 130,812 | 88,668 | Nil | Nil | Nil | Nil |
| | 2018 | 487,200 | 176,026 | NIl | Nil | Nil | Nil |
| Erin Johnston | 2020 | Nil | Nil | Nil | 126,300 | 112,092 | Nil |

(1) Converted to US$ using the exchange rate at December 31, 2020 of US$1.00 = CAD$1.2732.
(2) PSUs granted are notional share instruments which track the value of the common shares and are subject to non-market performance conditions related to key strategic, financial and operational milestones. PSUs cliff vest three years from the date of grant, at which time the Board of Directors will assign a performance multiple ranging from nil to two hundred percent to determine the ultimate vested number of PSUs. A one-to-one ratio was used for the purpose of this valuation.
(3) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2020 of CAD$1.13.
(4) Mr. Gibbs joined the Board on September 3, 2019. He ceased to be CFO on October 14, 2019. Pursuant to a CFO Transition Agreement signed with the Board on August 29, 2019, Ian Gibbs' existing RSUs, including the 2019 RSUs, vested in March 2020 but all RSUs scheduled to vest post-2020 were canceled. PSUs granted to Mr. Gibbs in 2017 vested in 2020. PSUs granted to Mr. Gibbs in 2018, and 22% of his 2019 PSUs will continue to vest according to the LTIP.

## Value of Non-Employee Directors' Equity Compensation Vested or Earned in 2020

Under the LTIP, RSUs granted to NE Directors vest on the third anniversary of the date of grant, with the number of shares to be issued being equal to the number of RSUs vested plus any dividends paid. The following RSUs (granted in 2017) vested in 2020:

| Name | Share-based awards - Value vested during the year ($)[(1)] | Non-equity incentive plan compensation - Value earned during the year ($) |
|---|---|---|
| Gary S. Guidry | 37,792 | Nil |
| John H. Craig | 47,240 | Nil |
| Andrew Bartlett | 37,792 | Nil |
| Kimberley Wood | Nil | Nil |
| Ian Gibbs[(2)] | 153,645 | Nil |
| Erin Johnston | Nil | Nil |

(1) This represents the amount paid upon vesting of RSUs. The RSUs were settled at share price of CAD $0.95 per share and are presented in this table in US dollars at an exchange rate of US$1.00 = CAD$1.3964. No amounts realized upon vesting have been deferred.

(2) Mr. Gibbs joined the Board on September 3, 2019. He ceased to be CFO on October 14, 2019. Pursuant to a CFO Transition Agreement signed with the Board on August 29, 2019, Ian Gibbs' existing RSUs that were granted while he maintained an executive position, including his 2019 RSUs, vested in March 2020 and all executive RSUs scheduled to vest post-2020 have been cancelled. PSUs granted in 2017 and 2018, and 22% of 2019 PSUs will continue to vest according to the LTIP. Starting in 2020, Ian Gibbs has been granted RSUs as an NE Director of the Company.

## Director Share Ownership Guidelines and Compliance

The Company has a Share Ownership Policy for NE directors in order to better align NE Director interests with shareholders. NE Directors must own shares having a value equal to two times their annual cash retainer within five years following their appointment. The value of the shares owned or purchased for the purpose of these calculations is based on the average closing price of the Company's shares on the Toronto Stock Exchange for the 20 trading days preceding and including December 31 of the prior calendar year. The following table compares each NE Director's common share as at December 31, 2020, relative to their ownership guideline:

| Individual | Minimum Share Ownership (2x base cash retainer) (CAD) | Number of Shares Owned at December 31, 2020 (#)[(1)] | Number of Unvested RSU's at December 31, 2020 (#) | Value of Ownership on December 31, 2020 [(2)] (CAD) | Meets Guidelines |
|---|---|---|---|---|---|
| John H. Craig | $160,000 | 245,324 | 411,100 | $753,575 | Yes |
| Gary S. Guidry | $120,000 | 213,300 | 328,900 | $622,446 | Yes |
| Andrew Bartlett | $120,000 | 431,336 | 328,900 | $872,751 | Yes |
| Kimberley Wood | $120,000 | Nil | 329,638 | $378,424 | Yes |
| Erin Johnston | $120,000 | Nil | 126,300 | $144,992 | Yes |
| Ian Gibbs | $120,000 | 983,550 | 126,300 | $1,274,108 | Yes |

(1) Information provided by each individual director.

(2) Based on the average closing price of the Company's shares on the Toronto Stock Exchange for the 20 trading days preceding, and including, December 31, 2020 which was CAD$1.148.

# STATEMENT OF EXECUTIVE COMPENSATION

## Letter to Shareholders

Fellow Shareholders:

**2020 Focus**
As you know, 2020 was a challenging year in the industry due to the effects of the COVID-19 Pandemic. Notwithstanding the pandemic, we were able to stay focused as our investment in Prime continued to perform well with its strong production and free cash flows that enabled us to deleverage, both at the Prime and Africa Oil corporate levels. Prime's robust performance also supported our share price, which in relative terms outperformed the average for our peer group of international oil and gas producers by 31% (-3% vs. -34%) on a U.S. Dollar adjusted base.

**Compensation Philosophy**
A key principle underlying our compensation program is pay for performance. The Company annually holds a Say-on-Pay vote, which provides Shareholders with an opportunity to express their views on the Company's executive compensation program. We are pleased to have received your support last year with 99.44% shareholders voting "For" Africa Oil's approach to executive compensation.

Our compensation program motivates our Executives to focus on the Company's long-term success, effectively linking corporate strategy, performance and compensation while building equity ownership for our Executives. Therefore, we are revising our compensation program from 2021 onwards to include a weighting of our long-term incentive plan ("LTIP") comprising solely of performance share units ("PSUs") and we will no longer award restricted share units ("RSUs") to the Executives. This change puts the entire LTIP 'at-risk'. We believe that linking compensation to strategy and corporate performance helps us attract and retain skilled executives and connects compensation awards with our Shareholders' interests.

In addition, from 2021 onwards, a component of our pay for performance compensation program is tied to environmental social governance and health and safety performance, as we believe that these important factors align with long-term value creation for the Company and the interests of our stakeholders.

**Performance Highlights**

- **Investment in Prime**: The most significant event for us was the successful closing of the Prime acquisition at the beginning of 2020, a transaction that was transformational for Africa Oil. AOI received $200m of dividends since the completion of the acquisition, despite the drop in oil price and OPEC quotas, and during 2020 Prime also reduced its RBL debt by $522 million or 29% of the principal amount at the start of 2020
- **Term-Loan Reduction**: We reduced our corporate term loan by $109 million or 44% of the original amount of $250 million that was drawn in January 2020
- **Portfolio Investment Companies**: Our other investee companies continue to perform well, including the further progress in the development of the Block 11B/12B in 2020 with the Luiperd well, offshore South Africa, and the anticipated drilling of the Venus exploration well in Block 2913B, offshore Namibia and the drilling of the Gazania exploration well in Block 2B, South Africa, both planned in 2021.
- **Kenya Development Project**: The Kenya licence extension was granted with minimal 2020 and 2021 spends, and we continue to work closely with the Government of Kenya and our JV partners to progress the South Lokichar development project
- **ESG:** We enhanced the Company's ESG policy and standards, and we remain focused on improvement, and transparency. As a non-operator and shareholder, we continue to work with our operating partners and

investee companies to develop appropriate ESG monitoring and reporting to improve performance and further integrate sustainable business practices

**2020 Compensation Decisions**

Taking the Company's 2020 performance into consideration, as well as challenges during the year and the Company's share price performance, the Executives were awarded short term incentive payouts ranging from 63% to 126% of target payout.

**CEO and CFO Compensation**

*Compensation Consultants' Reports*

With the assistance of Mercer Limited, a third-party compensation consultant engaged by the Company at the end of 2020, we completed an updated compensation benchmarking peer group analysis for the UK and North America based on companies chosen on the basis of sector, location and size. Mercer also produced an analysis of the Chief Executive Officer and the Chief Financial Officer's total direct remuneration benchmarks for the UK and North America markets, including salaries, bonuses, and LTIP awards, and an analysis of pay mix/design. Mercer's research provided that the CEO's total direct compensation is market competitive, being positioned within the interquartile range in both North America and UK markets, but reflects a salary and bonus that are below the lower quartile of the UK market with above-market long term incentives. In addition, the CEO's remuneration is more leveraged to performance than is common in Europe but generally in line with the pay mix of Canada/US/North American comparators. Mercer's research also provided that the CFO's total direct compensation is market competitive in the North American market, being positioned within the interquartile range, but the CFO's salary, bonus and total direct compensation are lower than the lower quartile of the UK market. For these reasons, we chose to not reduce the CEO and CFO salaries, despite the COVID-19 pandemic.

On behalf of the Board and the Compensation Committee, we thank you for taking the time to read our disclosure, and for your continued support as the commodity markets recover from the effects of the pandemic and the business climate returns to a new normal. Comments and questions are welcome and can be submitted to: board@africaoilcorp.com.

Regards,

*"John Craig"*

John Craig
Chair of the Board

# COMPENSATION DISCUSSION AND ANALYSIS

## Introduction

In the following section, Africa Oil details the 2020 compensation programs for the Company's executives, which include the following named executive officers ("NEOs"):

1. Keith Hill, President & Chief Executive Officer (the "CEO")
2. Pascal Nicodeme, Chief Financial Officer (the "CFO")
3. Timothy Thomas, Chief Operating Officer (the "COO")
4. Dr. Paul Martinez, Vice President Exploration (the "VP Exploration")
5. Mark Dingley, Vice President Operations (the "VP Operations")

The VP Operations reports to the COO and does not participate in the LTIP.

In recognition of our cross-border talent pool and significant international operations, the Board may grant NEO compensation in Canadian, United States, and United Kingdom currencies. Mr. Hill, Dr. Martinez, and Mr. Dingley were awarded cash compensation denominated in US dollars. Mr. Nicodeme's cash compensation was denominated in British pounds. Mr. Thomas' cash compensation was denominated in Canadian dollars.

## Compensation Philosophy and Principles

The Company's compensation structure is designed to attract highly qualified and motivated individuals, reward performance, and to be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Company's Compensation Committee administers the executive compensation program. The Compensation Committee's mandate includes reviewing and making recommendations to the Board in respect of compensation matters relating to the Company's executive officers. The Compensation Committee considers a variety of factors when determining both compensation programs and individual compensation levels. These factors include the long-term interests of the Company and its shareholders, overall financial and operating performance of the Company, individual performance and contribution towards meeting corporate objectives, responsibilities, and compensation practices of industry competitors.

## The Compensation Program

During 2020, the Company's compensation program was structured to include fixed salary, a short-term incentive program ("STIP") that based on metrics that align with the Company's operational objectives, financial goals, and strategic priorities, and a Long-Term Incentive Plan ("LTIP") comprising of restricted share units (20%) and performance share units (80%).

Africa Oil continues to enhance its governance and pay practices so that we remain leaders amongst our peers, including the following practices:

- Utilizing a performance share unit program to ensure the alignment between pay and performance for the Company's CEO, CFO, COO, and VP Exploration (the "Executives")
- From 2021 onwards our long-term incentive plan ("LTIP") will be comprised solely of PSUs and we will no longer award restricted share units ("RSUs") to the Executives. This change puts the entire LTIP 'at-risk'.

- Not awarding stock options or RSUs to the Executives, or Directors. In 2021, the Board decided to cease awarding stock options to all Company employees, and will instead award PSUs to employees
- Board composition separating the roles of Board Chair and CEO
- Following a structured approach to executive compensation while retaining Compensation Committee judgement over the outcomes
- The engagement of an independent consulting firm, Mercer Limited (“Mercer”), to provide independent insight to the Compensation Committee and benchmarking CEO and CFO compensation programs against a group of similar companies in Canada, the US and the UK to ensure that the Company’s Executives are rewarded at competitive levels
- Following good compensation governance practices such as including stock ownership guidelines, an updated clawback policy, and an advisory Say On Pay vote
- Continued plain language disclosure of corporate performance targets, results, and short-term incentive payouts

## Pay Comparator Groups

Our compensation structure is designed to be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Compensation Committee assesses the competitiveness of the Company’s Executive compensation program by reviewing compensation practices of a group of oil and gas companies that are considered the Company’s peers. The Committee considers peer groups for an analysis of the Company’s stock price performance and the Company’s total direct compensation.

With Mercer’s assistance, the Compensation Committee evaluated a number of oil and gas companies in an effort to determine if modifications were required to the Company’s compensation design practices and to ensure that the Company’s compensation program continues to attract, retain, and appropriately compensate the Company’s Executives. The Company has updated the composition of its peer groups with Mercer’s recommendations.

**Stock Price Performance Peer Group**

For purposes of measuring the Company’s relative total shareholder return and stock price performance, the Compensation Committee selected a peer group based on the following criteria (the “TSR Peer Group"): Geography, size (similar market cap), sector, location of assets, free float, historical TSR correlation with Arica Oil, and volatility.

The table below shows the Company’s 2020 TSR Peer Group. The Compensation Committee believes that the Company’s updated two-sector TSR Peer Group provides a good measure of the Company’s relative shareholder return and stock price performance.

| Comparators | Country of Listing |
|---|---|
| Advantage Oil & Gas | Canada |
| Birchcliff Energy | Canada |
| Cairn Energy | UK |
| Energean | UK |
| Falcon Oil and Gas | Canada |
| Kosmos Energy | US |
| Parex Resources | Canada |
| Panoro Energy | Norway |
| Pharos Energy | UK |
| San Leon Energy | UK |
| Savannah Energy | UK |
| Seplat Petroleum | UK |
| Serica Energy | UK |
| Tethys Oil | Sweden |
| Touchstone Exploration | Canada |
| Vaalco Energy | US |
| Vermillion Energy | Canada |

**Total Direct Compensation Peer Group**

For purposes of benchmarking total direct compensation for the Company's CEO and CFO, the Compensation Committee selected a peer group comprising of a Canada/US comparator group and a UK/Europe comparator group, continuing to reflect the dual listing of the Company as well as the fact that the Company's Executive team are based in the UK, along with our partners and that our ownership includes a significant proportion of European-based shareholders (the "TDC Peer Group"). The comparator group was updated based on the following criteria:

- Geography: Companies in similar geographies: this includes companies with similar geographic listings and location of executives
- Companies in the same markets as Africa Oil: this includes oil and gas companies that compete in the same product/service markets as Africa Oil
- Sector: upstream oil and gas companies
- Companies similar on size and complexity: this includes companies of a similar size to Africa Oil in terms of market capitalization.

The tables below show the two separate 2020 TDC Peer Groups, which represent the differences in pay practice between the Canada/US and the UK/Europe.

| Canada/US Comparators | UK/Europe Comparators |
|---|---|
| Advantage Oil & Gas (CA) | Cairn Energy |
| Birchcliff Energy (CA) | Diversified Gas & Oil |
| Canacol Energy (CA)(1) | Energean |
| Enerplus Corporation (CA) | EnQuest |
| Frontera Energy Corporation (CA)(1) | Genel Energy |
| Kosmos Energy (US) | Gulf Keystone Petroleum |
| Paramount Resources (CA) | International Petroleum |
| Parex Resources (CA) | Pharos Energy(1) |
| Peyto Exploration & Development Corp. (CA) | Phoenix Global Resources(1) |
| Talos Energy (US) | Savannah Energy PLC(1) |
| TORC Oil & Gas (CA) | Seplat Petroleum(1) |
| Touchstone Exploration (CA) | Tethys Oil |
| Vermilion Energy (CA) | Tullow Oil |

(1) Formed part of the 2019 comparator group

## Pay Positioning

Our Executive compensation program consists of three major components: base salary, a short-term incentive plan ("STIP"), and a long-term incentive plan ("LTIP"). We generally target total direct compensation at the median relative to our TDC comparator group, however, the Compensation Committee and the Board may use its judgment regarding individual pay positioning to set appropriate targets depending on an Executive's role, tenure, and individual performance. In particular, while the Company continues to be a Canadian company, most of the Africa Oil executives are now located in the UK (alongside a significant portion of African-focused energy companies), resulting in the UK being an important source of talent for the Company. The Compensation Committee therefore seeks to have a pay program which is competitive with the Canadian, US, and UK markets, acknowledging that pay mix varies between these markets. Except for Mr. Nicodeme, who was recruited out of the London market, and notwithstanding UK pay levels, for 2020 the Committee continued to award Canadian/US-style compensation arrangements that include lower base salaries and greater variable pay and pay at risk relative to the UK/Europe peers.

### Elements of Africa Oil's Executive Compensation Program

In addition to base salary, the STIP, and the LTIP, Africa Oil's NEO compensation program includes benefits and perquisites. Africa Oil does not provide its Executives with a savings plan. The Company complies with the employer pension duties in the UK in respect of Mr. Nicodeme's employment.

### NEO Pay Mix

During 2020, the NEOs received compensation that was both fixed (guaranteed) and variable (at-risk) with the weighting of the LTIP mix at 20% RSUs and 80% PSUs, respectively. Our Executives' target compensation was variable, at-risk pay that is dependent upon performance relative to operational objectives, financial goals, and strategic objectives approved by the Committee, as well as our stock price. Over 50% of total direct compensation was delivered in the form of long-term incentives. From 2021 onwards the Company's LTIP will be comprised solely of PSUs and we will no longer award RSUs to the Executives. This change puts the entire LTIP 'at-risk'.

The 2020 pay mix for our President & CEO and other NEOs was as follows(1):

| Component | At Risk | Objectives | Time Frame | Description |
|---|---|---|---|---|
| **Components Total Direct Compensation ("TDC")** | | | | |
| Base Salary | No | Provide market competitive level of fixed compensation | Reviewed annually | • Only fixed component of TDC<br>• Intended to remunerate the NEO for discharging job responsibilities<br>• Individual NEO salary reflects level of responsibility, skills and experience |
| STIP | Yes | Acknowledge progress on strategic priorities and rewards for achievement of annual performance goals | One year | • Cash-based performance incentive<br>• Payout based on combination of Board-approved financial goals, operational metrics, strategic objectives, and individual performance |
| LTIP - Performance Share Units (80%) | Yes | Reward for performance and incentivizes the creation of shareholder value and alignment to the long-term strategy | Three years | • Annual grants<br>• 100% cliff vest 3 years after the date of grant (0-200% of units granted) based on Board-approved operational, financial, and strategic performance measures |
| LTIP - Restricted Share Units (20%) | Yes | Incentivize the creation of shareholder value | Three years | • Annual grants<br>• RSUs granted to NEOs vest over 3 years (1/3 on the first, second, and third anniversary of the date of grant) |

(1) The Company's Executives include the President & CEO, the CFO, the COO, and the VP Exploration, all of whom are NEOs for the purposes of the Company's management information circulars. In 2021, the Board decided that RSUs will no longer be part of the pay-mix for NEOs. The VP Operations reports to the COO and did not participate in the LTIP during 2020. In 2021, the Board decided to cease issuing any further options under the Company's Stock Option Plan program. From 2021 onwards, Mr. Dingley, will participate under the LTIP, and he may be awarded PSUs.

### CEO Compensation

The Committee understands the importance of CEO compensation in setting the standard for compensation structure for the entire organization. In 2020, approximately 80% of our CEO's total target direct compensation was "at risk".

Based on Mercer's research, the CEO's total direct compensation was found to be market competitive, being positioned within the interquartile range, and reflected a salary and bonus that were at the low end of the market with above-market long term incentives. In addition, the CEO's remuneration was more leveraged to performance than is common in Europe but generally in line with the pay mix of Canadian/US comparators. The table below summarizes 2020 target pay levels for the Company's President and CEO, Keith Hill.

| Year | Base $ | STIP Target | | LTI Target | | TDC Target $ |
|---|---|---|---|---|---|---|
| | | % of Salary | $ | % of Salary | $ | |
| **2020** | $375,000 | 80% | $300,000 | 300% | $1,125,000 | $1,800,000 |

### NEO Compensation

Similar to the CEO compensation in 2020, on average approximately 70% of our NEO's total target compensation was "at-risk". Below is a summary of the 2020 target pay levels among the members of Africa Oil's NEOs:

| NEO | Base $ | STIP Target | | LTI Target | | Target TDC $ |
|---|---|---|---|---|---|---|
| | | % of Salary | $ | % of Salary | $ | |
| **Pascal Nicodeme(1)** | $481,388 | 70% | $343,875 | 120% | $589,500 | $1,424,625 |
| **Tim Thomas** | CAD $350,000 | 60% | CAD $210,000 | 200% | CAD $700,000 | CAD $1,260,000 |
| **Paul Martinez** | $282,000 | 50% | $141,000 | 175% | $493,500 | $916,500 |
| **Mark Dingley(2)** | $250,000 | 50% | $125,000 | 75% | $187,500 | $562,500 |

(1) Mr. Nicodeme's cash compensation was denominated in British pounds and converted to USD as follows: annual salary of £375,000, STIP of £262,500 and LTI of £450,000. These amounts were converted to USD using an annual average FX rate of 1.283.

(2) Mark Dingley (Vice President Operations) did not participate in the LTIP (RSUs and PSUs) during 2020. In 2020, stock options were granted as his long-term incentive. In 2021, the Board decided to cease issuing any further options under the Company's Stock Option Plan program. From 2021 onwards, Mr. Dingley, will participate under the LTIP, and he may be awarded PSUs. Mr. Dingley is the only NEO residing in Kenya, on an expatriate assignment and he reports to the COO.

### NEO Base Salary

Base salaries are reviewed annually and are set by the Board based on competitive compensation levels for the markets in which the Company operates and other criteria, including individual performance, and level of responsibility. Base salaries are provided to NEOs to provide a fixed level of compensation and to remunerate the NEO for discharging job responsibilities. In making its NEO base salary recommendations to the Board, the Compensation Committee also considers the particular skills and experience of the individual. The table below shows the Company's NEO base salaries for 2020. NEO base salaries remained unchanged since 2016.

| Executive | Position | 2020 Base | % Change |
|---|---|---|---|
| **Keith Hill** | President & CEO | $375,000 | 0% |
| **Pascal Nicodeme**[(1)] | Chief Financial Officer | $481,388 | 0% |
| **Tim Thomas** | Chief Operating Officer | CAD$350,000 | 0% |
| **Paul Martinez** | Vice President Exploration | $282,000 | 0% |
| **Mark Dingley** | Vice President Operations | $250,000 | 0% |

(1) Mr. Nicodeme commenced employment as the company's CFO on October 14, 2019 and his base salary has not changed. Mr. Nicodeme's annual salary of £375,000 is denominated in British pounds and converted to USD as follows: annual salary of £375,000. This amount was converted to USD using an average annual FX rate of $1.2837.

## Short Term Incentive Plan

The Compensation Committee develops bonus targets levels based on peer group pay practices as well as each NEO's role, responsibility and experience level. Our NEOs participate in Africa Oil's STIP, which is designed to reward short-term performance relative to key financial, strategic and operational goals with an annual cash bonus. The key goals in the corporate scorecard requires a collective effort from all NEOs, and there was no formal individual performance component for each NEO. Notwithstanding this, when approving final performance scores for each NEO, the Compensation Committee applies discretion to reflect the individual performance of each NEO during the year.

Actual performance bonus awards may range from 0%-200% of target levels depending on the corporate and each NEO's individual performance evaluation. Accordingly, the entire STIP is considered "at risk". Performance evaluations for executives are submitted to the Board by the CEO for approval, with the exception of the CEO's performance, which is evaluated independently by the Compensation Committee. The Board reserves final judgment over all STIP payouts.

## Short Term Incentive Awards - NEOs

### 2020 Performance Highlights

2020 was a challenging year in the industry due to the effects of the COVID-19 Pandemic. However, Africa Oil was able to stay focused as our investment in Prime continued to perform well with its strong production and free cash flows that enabled us to deleverage, both at the Prime and Africa Oil corporate levels. Our performance highlights include the following:

- **Investment in Prime**: The most significant event for us was the successful closing of the Prime acquisition at the beginning of 2020, a transaction that was transformational for Africa Oil. Prime managed to maximise the return of dividends despite the drop in oil price and OPEC quotas, and during 2020 Prime reduced its RBL debt by $522 million or 29% of the principal amount at the start of 2020.
- **Term-Loan Reduction**: We reduced our corporate term loan by $109 million or 44% of the original amount of $250 million that was drawn in January 2020.
- **Portfolio Investment Companies**: Our other investee companies continue to perform well, including the further progress in the development of the Block 11B/12B in 2020 with the Luiperd well, offshore South

Africa, and the anticipated drilling of the Venus exploration well in Block 2913B, offshore Namibia and the drilling of the Gazania exploration well in Block 2B, South Africa, both planned in 2021.

- **Kenya Development Project**: We continue to work closely with the Government of Kenya and our JV partners to progress the South Lokichar development project, and the Kenya licence extension was granted with minimal 2020 and 2021 spends.
- **ESG:** We enhanced the Company's ESG policy and standards and we remain focused on improvement, and transparency. As a non-operator and shareholder, we continue to work with our operating partners and investee companies to develop appropriate ESG monitoring and reporting to improve performance and further integrate sustainable business practices.

Taking the above 2020 performance into consideration, and the fact that the Company's share price, which in relative terms outperformed the average for our peer group of international oil and gas producers by 31% (-3% vs. -34%) on a U.S. Dollar adjusted base, the Compensation Committee assessed performance against the STIP scorecard as follows, in the table below: 83.8%.

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| 2020 Corporate Performance Scorecard | | | | |
|---|---|---|---|---|
| **Component** | **Weighting** | **Assessed** | **Key Measures** | **Factors taken into consideration in assessment** |
| **Strategic Measures** | **40.0%** | **32.5%** | Merger & Acquisitions<br>Portfolio Investee Company Management to advance drilling targets<br>Stakeholder engagement<br>Kenya: Focus on advancing/completing critical path activities on the ground in Country | Successful closing of the Prime acquisition at the beginning of 2020<br>Various M&A opportunities pursued in 2020<br>Additional discoveries made by AOI's investment companies and drilling of various wells<br>In Kenya, provided midstream services to the joint venture |
| **Finance and Administration Measures** | **35.0%%** | **26.3%** | Manage budget and costs<br>Liquidity & Capital Resources<br>Human resource management<br>Manage Kenya Revenue Authority Corporate Income Tax and VAT claims on Farmout and other Disputes, with minimal financial impact<br>Reach alignment with JV Partners/GOK on project financing strategy, advancing project finance on a timeline enabling agreed FID date. | Kenya budget reduced<br>Reduced term loan by $109 million or 44% of the original amount of $250 million that was drawn in January 2020.<br><br>Appealed KRA tax assessment |
| **Operational Measures** | **25.0%** | **25.0%** | Kenya: Advance Upstream and Midstream FEED, ESIA, integrated land acquisition and H2O sourcing plan and contracting strategy<br>- Work collaboratively to achieve high degree of KJV alignment on outstanding elements of subsurface interpretation<br>Develop relationship with Prime technical team<br>Complete NI51-101 compliant reserve/resource report on interest in Prime<br>Health, safety, environmental and community action plan | License extension obtained<br>Progressing FDP preparing and submission planned in 2021<br>South Lokichar CPR progressing<br>Collaboration developed with Prime's technical team<br>ESG Policies updated and roll-out started in 2020<br>Continued implementation of the HSE Master Action Plan |
| **Total** | **100.0%** | **83.8%** | | |

In recognition of these accomplishments and challenges, the Executives were awarded short term incentive payouts ranging from 63% to 126% of the target payout. The VP Operations was awarded a short-term incentive payout of 120% of target, taking into consideration his contributions as the Company's sole expatriate employee based in Nairobi, where his contribution to several stakeholder engagements and joint venture operations is critical to advancing the Company's interests.

| **Executive** | **2020 Base $** | **2020 Bonus** | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | **Target** | | | | | **Award** | |
| | | **% of Salary** | **Performance Factor(1)** | | **Min $** | **Max $** | **$** | **% of Target** |
| **Keith Hill** | $375,000 | 80% | 0% | 200% | Nil | $600,000 | $377,000 | 126% |
| **Pascal Nicodeme(2)** | $481,388 | 80% | 0% | 200% | Nil | $786,000 | $353,018 | 92% |
| **Tim Thomas** | CAD $350,000 | 60% | 0% | 200% | Nil | CAD $420,000 | CAD $132,000 | 76% |
| **Paul Martinez** | $285,000 | 50% | 0% | 200% | Nil | $285,000 | $90,000 | 63% |
| **Mark Dingley** | $250,000 | 50% | 0% | 150% | Nil | $187,500 | $150,000 | 120% |

(1) Performance factors range from minimum to maximum.

(2) Mr. Nicodeme's cash compensation was denominated in British pounds and converted to USD as follows: annual salary of £375,000, STIP of £262,500 and LTI of £450,000. These amounts were converted to USD using an average annual FX rate of 1.2837.

## Long Term Incentive Plan

Our Executives are entitled to participate in Africa Oil's LTIP (See Appendix B), which is designed to promote their long-term motivation and retention. During 2020, the weighting of the LTIP mix was set at 80% PSUs and 20% RSUs. From 2021 onwards our long-term incentive plan ("LTIP") will be comprised solely of PSUs and we will no longer award RSUs to the Executives. This change puts the entire LTIP 'at-risk'.

Independent directors of the Board receive an annual restricted share unit grant, while the Company's Executives receive an annual grant of both restricted and performance share units. During 2020, Africa Oil did not grant stock options to Executives, but continued to do so for employees, including Mr. Mark Dingley, VP Operations. The Board has decided to cease issuing any further options under the Company's Stock Option Plan program and, from 2021 onwards, will award PSUs to the Company's employees.

RSUs are a notional share instrument which tracks that value of common shares. RSUs granted to our Executives vest over three years (1/3 on the first, second and third anniversary of the grant date). Upon payout, RSUs may be settled in cash or treasury shares, at the Compensation Committee's and Board's discretion.

Similar to RSUs, PSUs are notional share instruments which track the value of common shares. However, PSUs are subject to additional performance conditions that serve to enhance the alignment of executives to key strategic, financial and operational milestones of the company. PSUs cliff vest three years from the date of grant, at which point the Committee will assign a performance multiple ranging from 0% – 200%, based on actual results relative to the PSU performance scorecard (subject to the Compensation Committee's discretion). During the three-year term of the PSUs, the Compensation Committee performs an interim evaluation of performance against the stated performance conditions applicable to granted PSUs. In addition, the Compensation Committee performed a final assessment of performance over the entire three-year PSU term. To determine the final performance multiple, the Committee will provide a 20% weighting to each of the interim annual performance assessments and a 40% weighting to the overall three-year combined assessment. PSUs may be settled in cash or treasury shares, at the Compensation Committee's and Board's discretion.

The LTIP forms part of the Company's compensation risk mitigating strategy by providing a meaningful amount of total executive pay in variable compensation. These programs align the interests of the Company to those of shareholders by motivating executives to grow share price through execution of our business strategy. The Board has an oversight role for the Company's compensation risk mitigating strategy. The staggered vesting and payout schedule of annual RSU and PSU grants also creates a significant retention mechanism for our Executives.

## PSU Performance Metrics

When determining performance metrics for the PSU plan, the Compensation Committee evaluates several alternatives, including relative TSR**.** For the 2020 financial year, the Compensation Committee decided that relative TSR would not be an effective measure of Africa Oil's performance given the limited number of Canadian-based, international exploration and production companies that would be suitable as performance peers. The Compensation Committee instead developed a performance scorecard based on long-term strategic, financial and operational milestones suited to measure and reward long-term value creation and reflecting Africa Oil's current stage of development. The Compensation Committee has decided to include relative TSR as a performance metric in the 2021 PSU performance scorecard. The Compensation Committee retains the right to exercise discretion in assessing ultimate performance and share price performance will be taken into consideration.

The performance framework for each year's PSU grants is developed by the CEO and reviewed and approved by the Compensation Committee. The metrics chosen have been primarily focused on:

- Deploying the Company's capital, via investments and mergers and acquisitions, to diversify the portfolio and add additional components (production and exploration) to create an independent, full-cycle, Africa-focused oil and gas exploration and production company;
- Actions required to integrate and realise value from acquired assets, which apply to the recent acquisition of Prime;
- achieving key milestones required to continue progressing development of the South Lokichar Basin (Blocks 10BB and 13T in Kenya) through a final investment decision and towards first oil.

The following tables provides a summary of how performance was assessed in comparison to target for the PSUs, which were granted in 2017 and vested in 2020. The final assessment is 30.4%. Factoring in the Company's 2019 year-end share price, this assessment would result in the President and CEO realizing approximately 8% of his LTIP PSU award on the date of grant.

| **2017 PSU Final Performance Scorecard:** | | | |
|---|---|---|---|
| **Performance Condition** | **Weighting** | **Assessment** | **Primary Factors Affecting Interim Assessment** |
| Resource growth | 20.0% | 0.0% | 2P reserves + 2C resources target not achieved |
| Resource Certainty: increase in 1P reserves / 1C resources | 20.0% | 0.0% | 1P reserves + 1C resources target not achieved |
| Final Investment Decision on South Lokichar Development | 20.0% | 0.0% | Preparing and working towards Final Investment Decision date has been deferred during evaluation period |
| Midstream Development Concept: Achieve JV Alignment | 17.5% | 13.1% | Partners now aligned on a development concept (oil export via pipeline to Lamu) and prepare FID for end 2020 |
| Reach First Oil from South Lokichar Without Additional Equity Financing | 17.5% | 4.4% | Debt market sounded to fund the pipeline construction. Depending on final size of financing, there might be a requirement for equity financing. |
| Evaluate Growth and Risk Management Strategy | 5.0% | 4.0% | Strategy analysed and governed by the Board and management team |
| Total | 100.0% | 21.5% | |
| Year 1 assessment | | 58.3% | |
| Year 2 assessment | | 29.3% | |
| Year 3 assessment | | 21.5% | |
| Overall assessment | | 21.5% | |
| **Average assessment** | | **30.4%** | |

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The following table provides a summary of how performance was assessed in comparison to target for the PSUs, which were granted in 2018 and vested in 2021. The final assessment is 40.7%. Factoring in the Company's 2020 year-end share price, this assessment would result in the President and Chief Executive Officer realizing approximately 44**%** of his LTIP PSU target on the date of grant.

| **2018 Performance Scorecard:** | | | |
|---|---|---|---|
| **Performance Condition** | **Weighting** | **Assessment** | **Primary Factors Affecting Interim Assessment** |
| Mergers & Acquisitions | 25.0% | 6.3% | M&A target not achieved |
| Reach final investment decision on South Lokichar Development | 20.0% | 0.0% | Decision target IRR not achieved |
| Kenya Pipeline Development | 15.0% | 0.0% | Pipeline construction timeline not achieved |
| Resource Certainty: 1C/1P resources/reserves | 15.0% | 0.0% | 1P reserves + 1C resources target not achieved |
| South Lokichar - Resources Growth | 15.0% | 15.0% | 2P reserves + 2C resources target achieved |
| Exploration Success - Affiliates | 10.0% | 20.0% | Multiple commercial discoveries |
| Total | 100.0% | 41.3% | |
| Year 1 | | 51.8% | |
| Year 2 | | 28.0% | |
| Year 3 | | 41.3% | |
| Overall Assessment | | 41.3% | |
| **Average Assessment** | | **40.7%** | |

Interim PSU assessments were undertaken by the Compensation Committee related to the PSUs granted in 2019 and 2020 and are 76.4% and 87.8% respectively.

### 2020 LTIP Grants

The Compensation Committee developed 2020 LTIP targets having considered peer group pay practices as well as each executive's role, responsibility and experience level. In 2020, Africa Oil granted our Executives RSUs and PSUs in line with their target LTIP. These RSU and PSU grants served to both motivate the executive toward increasing share value and to enable the executive to share in the future success of the Company.

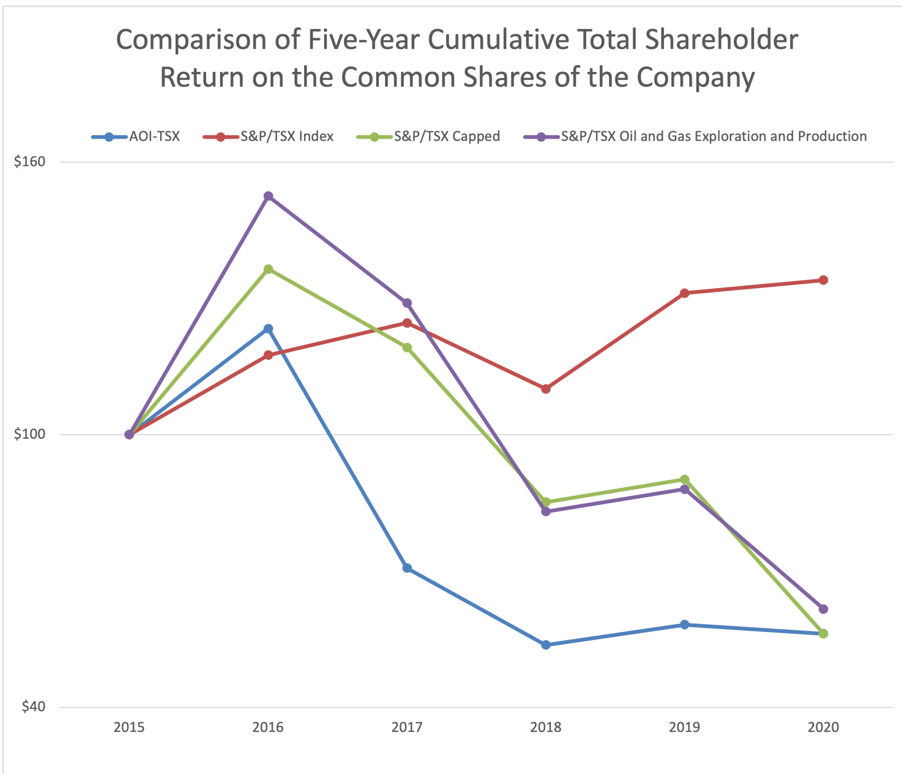
| **Executive** | **2020 Base** | **2020 LTIP** | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Target** | | **Award** | | | |
| | | **% of Salary** | **$** | **Stock Options (#)** | **PSUs (#)[1]** | **RSUs (#)[1]** | **$** |
| **Keith Hill** | $375,000 | 300% | $1,125,000 | Nil | 1,316,900 | 329,200 | $1,125,000 |
| **Pascal Nicodeme[2]** | $481,388 | 120% | $577,665 | Nil | 654,100 | 163,500 | $577,665 |
| **Tim Thomas** | CAD$350,000 | 200% | CAD$700,000 | Nil | 589,500 | 147,400 | CAD$700,000 |
| **Paul Martinez** | $285,000 | 175% | $493,500 | Nil | 583,800 | 146,000 | $493,500 |
| **Mark Dingley** | $250,000 | 75% | $187,500 | 460,000 | Nil | Nil | Nil |

(1) PSUs and RSUs awarded to all executives were awarded on March 16, 2020 at an award share price of C$0.95 and FX of 1.3901.
(2) Mr. Nicodeme's cash compensation was denominated in British pounds and converted to USD as follows: annual salary of £375,000, STIP of £262,500 and LTI of £450,000. These amounts were converted to USD using an average annual FX rate of 1.2837.

Pascal Nicodeme (CFO), Tim Thomas (COO) and Paul Martinez (VP Exploration) report directly to Keith Hill (President and CEO) and participate in the LTIP (RSUs and PSUs). Mark Dingley, Vice President Operations reports to Tim Thomas (COO), was the only NEO that received stock options during 2020. The Board has decided to cease issuing any further options under the Company's Stock Option Plan program and, from 2021 onwards, Mr. Dingley will participate in the LTIP, and may be awarded PSUs.

## Performance Graph

The following graph illustrates Africa Oil's five-year cumulative shareholder return, as measured by the closing price of the Company's common shares at the end of each financial year, assuming an initial investment of C$100 on December 31, 2015, compared with the S&P/TSX Composite Index, S&P TSX Capped Energy Index, and S&P/TSX Oil and Gas Exploration and Production Index, assuming the reinvestment of dividends where applicable.




| December 31 | AOI-TSX ($) | S&P/TSX Index ($) | S&P/TSX Capped ($) | S&P/TSX Oil and Gas Exploration and Production ($) |
|---|---|---|---|---|
| **2015** | 100 | 100 | 100 | 100 |
| **2016** | 123.3383 | 117.51 | 136.47 | 152.5 |
| **2017** | 70.6468 | 124.59 | 119.22 | 128.97 |
| **2018** | 53.7313 | 110.09 | 85.17 | 83.09 |
| **2019** | 58.209 | 131.16 | 90.17 | 88.03 |
| **2020** | 56.2189 | 134 | 56.22 | 61.63 |

The Compensation Committee and Board are committed to ensuring Africa Oil's compensation program for its Executives is aligned with the growth and maturity of the Company, while also considering the experience of our shareholders. Africa Oil revamped the Executive compensation program in 2016, transitioning from stock options to full-value shares as a form of long-term incentive, and adjusting pay levels and pay mix to better reflect a company of our size and stage of development. By providing a significant portion of our Executive pay in the form of equity-based compensation, the take home pay of our Executives has been better aligned with Africa Oil's share price performance. As described above, equity-based compensation expense has decreased dramatically since revamping the Executive compensation program. Just as shareholder return has been below expectation in the years since implementing the executive compensation program (December 31, 2019 share price approximately 49% of December 31, 2015 share price), both LTIP and STIP awards to Executives have been below expectation.

Since the revamping of the Executive compensation program in 2016, the CEO's realized compensation has ranged between 35% and 63% of his Target Total Direct Compensation. The other Executives' realized compensation, over the same period, has ranged between 38% and 61% of Target Total Direct Compensation.

For full details of our revised compensation program, see the "Compensation Discussion and Analysis" section of this Circular.

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### Executive Compensation - Summary Compensation Table

The following table sets forth, for the last three (3) financial years, the compensation paid by the Company to the Executives and NEOs for services rendered. All currency values are in US dollars for reporting purposes.

| Name and principal position | Year | Salary(1) | Option-based awards(2) | Share-based awards(3) | Non-equity incentive plan compensation ($) | | All other compensation(5)(6) | Total compensation |
|---|---|---|---|---|---|---|---|---|
| | | | | | Annual incentive plans (4) | Long-term incentive plans | | |
| Keith Hill | 2020 | 375,000 | nil | 1,124,951 | 377,000 | nil | 550,468 | 2,427,419 |
| | 2019 | 375,000 | nil | 1,125,000 | 342,000 | nil | 112,869 | 1,954,869 |
| | 2018 | 375,000 | nil | 1,125,000 | 270,000 | nil | 26,688 | 1,796,688 |
| Pascal Nicodeme(7) | 2020 | 481,388 | nil | 558,751 | 353,018 | nil | 4,572 | 1,397,729 |
| | 2019 | 101,563 | nil | 148,682 | 323,700 | nil | nil | 573,945 |
| Tim Thomas | 2020 | 260,902 | nil | 503,600 | 98,397 | nil | 234,289 | 1,097,188 |
| | 2019 | 263,773 | nil | 524,650 | 123,485 | nil | 16,445 | 928,353 |
| | 2018 | 270,124 | nil | 534,870 | 135,834 | nil | 7,086 | 947,914 |
| Paul Martinez | 2020 | 285,000 | nil | 498,748 | 90,000 | nil | 542,517 | 1,416,265 |
| | 2019 | 282,000 | nil | 493,500 | 108,000 | nil | 84,015 | 967,515 |
| | 2018 | 282,000 | nil | 493,500 | 83,763 | nil | 6,762 | 866,025 |
| Mark Dingley(8) | 2020 | 250,000 | 98,483 | nil | 150,000 | nil | 392,961 | 891,444 |
| | 2019 | 250,000 | 98,483 | nil | 150,000 | nil | 417,573 | 916,056 |
| | 2018 | 250,000 | 98,483 | nil | 150,000 | nil | 432,069 | 930,552 |

(1) Salaries for the NEOs are paid in Canadian dollars or Pound Sterling and converted to United States dollars for reporting purposes, except for Mr. Hill, Dr. Martinez, and Mr. Dingley whose salary is denominated in USD.

(2) These amounts represent the value of stock options granted to the respective Executive or NEO. The fair value of each option granted is estimated on the date of grant using the Black-Scholes options pricing model taking into account the following assumptions on a weighted average basis: (i) risk-free interest rate (%); (ii) expected life (years); and (iii) expected volatility (%). This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.

(3) These amounts represent the fair value of RSUs and PSUs granted to the respective NEOs, on the grant date. PSUs are notional share instruments which track the value of the common shares and are subject to non-market performance conditions related to key strategic, financial and operational milestones. PSUs cliff vest three years from the date of grant, at which time the Board of Directors will assign a performance multiple ranging from nil to two hundred percent to determine the ultimate vested number of PSUs. PSUs may be settled in shares issued from treasury or cash, at the discretion of the Board of Directors. The Company accounts for PSUs as equity-based awards whereby the estimated fair value of the grant is expensed evenly throughout the remaining vesting period. RSUs are notional share instruments which track the value of the common shares. RSUs granted to Executives vest over three years (1/3 on the first, second and third anniversary of grant). RSUs may be settled in shares issued from treasury or cash, at the discretion of the Board of Directors. The Company accounts for RSUs as cash settled awards whereby the estimated fair value of the grant is expensed evenly throughout the remaining vesting period.

(4) Annual short-term incentive plan payments earned and paid during the year.

(5) Amounts reflected under this column typically consist of benefits such as health insurance premiums, parking benefits, and the payment of living expenses and tax gross ups related to long-term foreign assignment.

(6) Included in “All other compensation” for Keith Hill, Tim Thomas and Paul Martinez are housing benefits and tax gross ups in relation to long-term foreign assignment. The Company provided tax equalisation to the Executive expatriates with the effect of having the expatriates not be better off, or no worse off from a tax position during the secondment period. Mr. Thomas’ secondment agreement for his expatriate assignment was terminated effective September 25, 2020. Mr. Thomas has elected to retire at the end of the first quarter of 2021 and will become a consultant for the Company. Mr. Hill and Mr. Martinez’ expatriate assignment is for an initial 24-month period ending in August 2021. The Board will reassess the decision for an expatriate assignment and determine if Mr. Hill and Mr. Martinez’ expatriate assignments should be extended.

All other compensation is broken down as follows:

| Name and principal position | Tax gross up | Housing benefit | Other compensation | All other compensation |
|---|---|---|---|---|
| Keith Hill | 309,261 | 157,733 | 83,473 | 550,468 |
| Tim Thomas | 68,682 | 83,200 | 82,402 | 234,289 |
| Paul Martinez | 177,600 | 155,480 | 209,437 | 542,517 |

(7) Mr. Nicodeme commenced employment as the company’s CFO on October 14, 2019. Mr. Nicodeme’s cash compensation was denominated in British pounds and converted to USD as follows: annual salary of £375,000, STIP of £262,500 and LTI of £450,000. These amounts were converted to USD using an average annual FX rate of 1.2837.

(8) Mr. Dingley is not considered an Executive of the Company and he did not participate in the LTIP in 2020. The Board has decided to cease issuing any further options under the Company’s Stock Option Plan program and, from 2021 onwards, Mr. Dingley will participate in the LTIP, and may be awarded PSUs. Mr. Dingley is an expatriate employee on a work assignment based in Kenya. As part of Mr. Dingley’s expatriate compensation package, the Company pays for certain Kenyan living expenses including housing, automobile, housing utilities. The housing benefit included under “All other compensation” was $73,143 in 2020 ($74,000 in 2019, and $91,000 in 2018). The tax gross up included under “All other compensation” was $206,980 in 2020 ($217,796 in 2019, and $223,981 in 2018).

Other than as set out above, no perquisites have been included as they do not reach the prescribed threshold of the lesser of CAD$50,000 or 10% or more of total salary for the financial year.

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## Outstanding Option and Share-Based Awards

The following table sets out all of the awards outstanding for each Executive and NEO at the end of the most recently completed financial year:

| | | Option-based Awards | | | | Share-based Awards | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Year | Number of securities underlying unexercised options (#) | Option exercise price (CAD$) | Option expiration date (Y/M/D) | Value of unexercised in-the-money options ($)[1] | Number of PSUs that have not vested (#) | Market or payout value of PSUs that have not vested ($)[2] | Market or payout value of vested PSUs not paid out or distributed ($) | Number of RSUs that have not vested (#) | Market or payout value of RSUs that have not vested ($)[3] | Market or payout value of vested RSUs not paid out or distributed ($) |
| Keith C. Hill | 2020 | | | | | 1,316,900 | 1,025,579 | nil | 329,200 | 292,166 | NIL |
| *President and Chief* | 2019 | NIL | NIL | NIL | NIL | 1,081,800 | 733,276 | nil | 180,267 | 159,987 | NIL |
| *Executive Officer* | 2018 | | | | | 869,500 | 314,152 | nil | 96,600 | 85,733 | NIL |
| *Pascal Nicodeme* | 2020 | | | | | 654,100 | 509,402 | nil | 163,500 | 145,107 | NIL |
| | | NIL | NIL | NIL | NIL | | | | | | |
| *Chief Financial Officer* | 2019 | | | | | 128,000 | 86,762 | nil | 21,333 | 18,933 | NIL |
| Tim Thomas | 2020 | | | | | 589,500 | 459,093 | nil | 147,400 | 130,818 | NIL |
| *Chief Operating* | 2019 | NIL | NIL | NIL | NIL | 504,500 | 341,965 | nil | 84,067 | 74,609 | NIL |
| *Officer* | 2018 | | | | | 413,400 | 149,362 | nil | 45,933 | 40,766 | NIL |
| Paul Martinez | 2020 | | | | | 583,800 | 454,654 | nil | 146,000 | 129,575 | NIL |
| *Vice President* | 2019 | NIL | NIL | NIL | NIL | 474,500 | 321,630 | nil | 79,067 | 70,172 | NIL |
| *Exploration* | 2018 | | | | | 381,400 | 137,801 | nil | 42,367 | 37,601 | NIL |
| Mark Dingley | 2020 | 460,000 | $1.21 | 2025/12/11 | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| *Vice President* | 2019 | 464,000 | $1.15 | 2024/12/12 | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| *Operations* | 2018 | 486,000 | $1.06 | 2023/12/18 | 30,537 | NIL | NIL | NIL | NIL | NIL | NIL |
| | 2017 | 160,000 | $1.38 | 2022/12/19 | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | 2016 | 265,000 | $2.12 | 2021/12/16 | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

(1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2020 of CAD$1.13 and subtracting the exercise price of in-the-money stock options. As at December 31, 2020, these stock options had not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise. Mr. Dingley is not considered an Executive of the Company and he did not participate in the LTIP prior to 2021. The Board has decided to cease issuing any further options under the Company's Stock Option Plan program and, from 2021 onwards, Mr. Dingley will participate in the LTIP and may be awarded PSUs.

(2) PSUs granted to Executives are notional share instruments which track the value of the common shares and are subject to non-market performance conditions related to key strategic, financial and operational milestones. PSUs cliff vest three years from the date of grant, at which time the Board of Directors will assign a performance multiple ranging from nil to two hundred percent to determine the ultimate vested number of PSUs. A one-to-one ratio was used for the purpose of this valuation.

(3) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2020 of CAD$1.13 multiplied by the number of outstanding RSUs. RSUs granted to Executives vest over three years (1/3 on the first, second and third anniversary of grant).

## Incentive Plan Awards

The following table sets forth details of the value vested or earned for all incentive plan awards in 2020 by each Executive or NEO:

| Name | Option-based awards – Value vested during the year ($)(1) | Share-based awards - Value vested during the year ($)(2) | Non-equity incentive plan compensation - Value earned during the year ($) |
|---|---|---|---|
| Keith C. Hill<br>*President & Chief Executive Officer* | Nil | 199,061 | Nil |
| Pascal Nicodeme<br>*Chief Financial Officer* | Nil | 8,153 | Nil |
| Tim Thomas<br>*Chief Operating Officer* | Nil | 129,783 | Nil |
| Paul Martinez<br>*Vice President Exploration* | Nil | 87,306 | Nil |
| Mark Dingley<br>*Vice President Operations* | Nil | Nil | Nil |

(1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on the dates on which stock options vested during the financial year ended December 31, 2020 and subtracting the exercise price of in-the-money stock options.
(2) This represents the amount paid upon vesting of RSUs and PSUs. No amounts realized upon vesting have been deferred.

## Termination and Change of Control Benefits

All Executives have employment agreements with the Company, which provide protection to the employee in the event of termination without cause. The following chart sets out the quantum of notice of termination or payment in lieu for each agreement.

| NEO | Notice Amount |
|---|---|
| Keith C. Hill | One year's base salary |
| Pascal Nicodeme | Six months' base salary |
| Tim Thomas | One Year's base salary |
| Paul Martinez | One Year's base salary |

Our COO, Mr. Thomas has elected to retire at the end of the first quarter of 2021 and will become a consultant for the Company starting in the second quarter of 2021.

The Executives are also entitled to a notice amount in the event of a change of control which results in their termination or resignation. Mr. Hill, Mr. Thomas, and Mr. Martinez are entitled to resign within 180 days of such change of control. Mr. Nicodeme is entitled to resign within 90 days of such change of control. The outstanding RSUs and PSUs in the Company for Mr. Hill, Mr. Thomas, and Mr. Martinez would fully vest and become immediately exercisable upon a change of control occurring.

The agreement with Mr. Hill provides that a change of control is deemed to occur if: (i) there is a direct or indirect sale or transfer of beneficial ownership of all or substantially all of the assets of the Company ; (ii) there is a consolidation, merger, amalgamation or similar transaction as a result of which shareholders of the Company prior to the transaction hold less than fifty percent (50%) of the outstanding shares after completion of the transaction; or (iii) there is a sale or transfer of beneficial ownership to an acquirer of: (A) securities of the Company possessing more than fifty (50%) of the combined voting power; or (B) the right to appoint a majority of the Company's Board, as a result of which a majority of the Board elected at the next shareholders' meeting are non-incumbent directors who are nominees of such acquirer.

The agreement with Mr. Nicodeme provides that a change of control means the sale of Africa Oil Corp. or a controlling interest in all or substantially all of its assets; or there is a change of control in the Company, being a successful take-over of the Company. Mr. Nicodeme will not qualify for the Change of Control Payments if he is offered a suitable role within 90 days of the change of control. If he rejects a suitable role offered to him within 90 days he will not qualify for the change of control notice amount.

The agreements with Mr. Thomas, and Mr. Martinez provides that a change of control is deemed to occur if there is a successful take-over of the Company.

The table below provides the compensation that would have been paid to each Executive if any of them had been terminated without cause or terminated without cause in the event of a change of control on December 31, 2020.

| Name | Terminated without cause notice amount | Change of control notice amount | Value of outstanding incentive stock option awards, RSUs and PSUs(1) | Additional Amounts(2) | Total |
|---|---|---|---|---|---|
| Keith C. Hill | $375,000 | $750,000 | $1,058,102 | $50,860 | $2,233,962 |
| Pascal Nicodeme(3) | $245,625 | $491,250 | $136,471 | Nil | $873,346 |
| Tim Thomas | CAD$350,000 | CAD$700,000 | $493,447 | Nil | CAD$1,690,924 |
| Paul Martinez | $282,000 | $564,000 | $464,103 | Nil | $1,310,103 |

(1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2020 of CAD$1.13 and subtracting the exercise price of in-the-money stock options. As at December 31, 2020, these stock options had not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

(2) Amounts reflected under this column consist of benefits such as life insurance premiums, and dental benefits. The agreements with Mr. Hill, Mr. Thomas, and Mr. Martinez provides for the continuation of all benefits for two years, at the highest level provided to these individuals at any time within the one-year period prior to the change of control.

(3) Mr. Nicodeme's compensation was denominated in British pounds and converted to USD as follows using an average annual FX rate of 1.283.

In accordance with the Company's Stock Option Plan, Mr. Dingley's outstanding incentive stock option awards in the Company would fully vest and become immediately exercisable upon a change of control occurring (valued at $172,0726 as at December 31, 2020). For Mr. Dingley, a "change of control" is deemed to occur if there is a successful take-over of the Company. Such stock option awards were granted to Mr. Dingley prior to 2021. The Board has decided to cease issuing any further options under the Company's Stock Option Plan program and, from 2021 onwards, Mr. Dingley will participate in the LTIP and may be awarded PSUs.

**Compensation Oversight, Governance and Risk Management**

The Company's executive compensation program is administered by the Compensation Committee of the Board. Risk management is a primary consideration of the Compensation Committee when implementing its compensation program. It does not believe that its compensation program results in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

The Company's directors and executive officers are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director or officer.

**Executive Remuneration Clawback Policy**

The Company's Board has adopted an Executive Remuneration Clawback Policy that applies to all incentive payments awarded to the Company's CEO, CFO, COO, and the VP Exploration, including cash bonuses and equity based incentive awards granted or paid to an individual or that an individual might become entitled to receive under one or more of the Company's incentive compensation programs in effect from time to time . The clawback policy provides the Board discretion to recover any or all incentive compensation that would have otherwise not been paid if the Board determines that:

a) There has been a material restatement in the Company's financial statements resulting in the awarding of more PSUs, RSUs, or other options, or the awarding of a larger bonus than would have otherwise occurred (the "Material Restatement"); or
b) The participant engaged in gross negligence or intentional misconduct, fraud, theft, or wilful misconduct (with or without a Material Restatement) as determined by Board; or
c) The participant is found to have committed an act or omission which caused or contributed to either the censure of the Company by any applicable regulatory authority or had a significant detrimental impact to the reputation of the Company in the opinion of the Board.

The actual clawback of incentive awards, if any, will be at the sole discretion of the Board. The Executive Remuneration Clawback Policy applies to any incentive-based compensation received by the CEO, CFO, COO, and the VP Exploration during the three-year period immediately preceding the date the Company becomes aware of the misconduct or is required to restate its financial results.

**Compensation Consultants**

The Compensation Committee engaged the services of Hugessen, an independent compensation governance advisor at the end of 2019, and Hugessen also provided services to the Company during 2020, including the following services:

- Development of an updated compensation peer groups (Canadian peers and UK reference peers)

- Benchmarking of pay levels for Executive Officers, and non-executive directors of Africa Oil, relative to compensation peers and development of a formal pay structure
- Performance Analysis
- Review of pay governance policies

The Compensation Committee reviewed information and advice provided by Hugessen, among other factors, in making its executive compensation decisions.

The Compensation Committee engaged Mercer Limited, a third-party compensation consultant at the end of 2020. Given the timing of Mercer's engagement, no fees were paid to Mercer in 2020.

### Compensation Consultant Fees

The table below summarizes all fees paid to Hugessen, our compensation consultant, in 2020.

| Executive / Director Compensation Related Fees | Year | Consultant | Fees |
|---|---|---|---|
| | 2020 | Hugessen Consulting | $4,690 |

### Equity Compensation Plan

Compensation plans under which equity securities of the Company are authorized for issuance, at the fiscal year ended December 31, 2020, are aggregated as follows:

| Plan Category | Number of securities to be issued upon exercise of outstanding options (a) | Weighted-average exercise price of outstanding options (CAD$) | Number of securities remaining available for future issuance under the Plan (excluding securities reflected in column (a)) |
|---|---|---|---|
| Equity Compensation Plans approved by securityholders | | | |
| • Stock Option Plan | 9,618,000 | $1.31 | 6,900,617 |
| • Long Term Incentive Plan | 10,804,884 | N/A | 7,451,798 |
| Equity Compensation Plans not approved by securityholders | N/A | N/A | N/A |

### Security-Based Award Burn Rate for the Last Three Years

Pursuant to the TSX rules, the Company is required to calculate and disclose the annual "burn rate" of its security-based awards for the three most recently completed financial years. The annual burn rate is equal to the number of options granted in the applicable year, divided by the weighted average number of shares outstanding in that year, expressed as a percentage. The Company's average burn rate over the last three financial years is 0.44%.

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Options Granted | 2,061,000 | 3,277,000 | 1,966,000 |
| Weighted average number of shares outstanding | 471,792,153 | 471,076,199 | 468,045,570 |
| Burn rate | 0.44% | 0.69% | 0.42% |

### Management Contracts

The management functions of the Company and its subsidiaries are performed by directors, executive officers or senior officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

Our COO, Mr. Thomas has elected to retire at the end of the first quarter of 2021 and will become a consultant for the Company commencing in the second quarter of 2021.

### Interest of Informed Persons in Material Transactions

None of the insiders of the Company or any proposed nominee for election as director, nor any associate or affiliate of said persons has had any material interest, direct or indirect, in any transaction, which has materially affected or will materially affect the Company or any of its subsidiaries during the fiscal year ended December 31, 2020.

### Additional Information

Additional information relating to the Company is available on SEDAR under the Company's profile at www.sedar.com. Financial information regarding the Company is provided in the consolidated annual financial statements and related management's discussion and analysis ("MD&A") for its most recently completed financial year.

Copies of the consolidated financial statements and related MD&A, as well as a copy of the Company's AIF for the fiscal year ended December 31, 2020, may be accessed on the Company's website at www.africaoilcorp.com or shareholders may contact the Company to request copies of the consolidated financial statements, MD&A and AIF, as follows:

| | |
|---|---|
| e-mail: | africaoilcorp@namdo.com |
| telephone: | 604-689-7842 |
| mail: | Africa Oil Corp. - Attn: Investor Relations |
| | Suite 2000, 885 West Georgia Street |
| | Vancouver, B.C., V6C 3E8 |

## APPENDIX A
## BOARD OF DIRECTORS' MANDATE

The following is a description of the mandate and responsibilities of the Board of Directors (the "Board") of Africa Oil Corp. (the "Company"):

a. The principal responsibilities of the Board are to supervise and evaluate management, to oversee the conduct of the Company's business, to set policies appropriate for the business of the Company and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value, and to ensure the Company meets its obligations on an ongoing basis and that the Company operates in a safe manner.

b. The Board has the responsibility to identify and understand the principal risks of the business in which the Company is engaged and to ensure there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

c. Certain responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees will be as set forth in their mandates, as amended from time to time. Any responsibility not delegated to management or a committee of the Board remains with the Board.

d. In discharging its duty of stewardship over the Company, the Board expressly undertakes the following specific duties and responsibilities:

    i. adopting, supervising and providing guidance on the Company's strategic planning process including, reviewing on at least an annual basis, a strategic plan which takes into account the opportunities and risks of the Company's business and annual approval of annual capital and operating budgets which support the Company's ability to meet its strategic objectives;

    ii. managing the Board's own affairs, including planning its composition and size, nominating candidates for election to the Board, appointing committees, determining director compensation and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities;

    iii. reviewing executive performance at least annually against agreed upon written objectives and approve decisions relating to senior management, including appointment and discharge, compensation and benefits, employment contracts, termination and other special arrangements with executive officers or other employee groups;

    iv. identifying the principal risks of the Company's business and ensuring the implementation of appropriate risk management systems;

    v. ensuring that the Company has executives and management of the highest caliber and integrity and maintaining adequate and effective succession planning for senior management;

    vi. placing limits on management's authority;

vii. approve and monitor compliance with all significant policies and procedures by which the Company is operated and review any significant new corporate policies or material amendments to existing policies;

viii. approve material divestitures, acquisitions, financings, changes in authorized capital, issue and repurchase of units, issue of debt securities, listing of units or other securities, issue of commercial paper and related prospectuses or the commencement or settlement of litigation that may have a material impact on the Company;

ix. approve annual and quarterly financial statements and other disclosure documents required by regulatory law and the release thereof by management and ensure the timely reporting of any other developments that have a significant and material impact on the value of the Company;

x. ensure financial results are reported fairly and in accordance with applicable accounting principles and financial reporting standards;

xi. overseeing the integrity of the Company's internal control and management information systems;

xii. overseeing the Company's effective and timely communication processes with its shareholders and with the public generally; and

xiii. direct management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained.

e. The Board's independent directors shall meet without management and non-independent directors present on at least a quarterly basis. If a Lead Director has been appointed, such meetings of the independent directors will be presided over by the Lead Director.

<u>Composition</u>

At least two-thirds of directors comprising the Board must qualify as independent directors. Any future expansion of the Board will be targeted to maintain two-thirds of the directors as independent.

<u>Outside Advisors and Fulfilling Responsibilities</u>

A director may, with the prior approval of the Chair of the Board, engage an outside advisor at the reasonable expense of the Company, where such director and the Chair of the Board determine that it is appropriate in order for such director to fulfill his or her responsibilities, provided that the advice sought cannot properly be provided through the Company's management or through the Company's advisors in the normal course. If the Chair of the Board is not available in the circumstances, or determines that it is not appropriate for such director to so engage outside counsel, the director may appeal the matter to the Corporate Governance and Nominating Committee, whose determination shall be final.

## APPENDIX B
## SUMMARY OF EQUITY PLAN TERMS

***Long Term Incentive Plan***

The following summarizes the key terms of the LTIP as adopted by the Board. Capitalized terms used in the summary of the LTIP below that are not otherwise defined herein, shall have the meanings given to such terms in the LTIP.

*Administration.* The Board will administer the LTIP and has the right to delegate the administration and operation of the LTIP, in whole or in part, to a committee of the Board.

*Awards Available for Grant*. Pursuant to the LTIP, the Board may grant restricted share units ("RSUs") and performance share units ("PSUs") and any combination of the foregoing.

*Eligible Participants.* As designated by the Board, RSUs and PSUs may be granted to any officer, director or employee of the Company or a Consultant of the Company or any Affiliates and any such person's personal holding company.

*Number of Shares.* The maximum number of shares which may be reserved for issuance under the LTIP in respect of grants of RSUs and PSU to Eligible Participants, and for dividend-equivalent payments in respect thereof, cannot exceed 18,256,682 shares. As of December 31, 2018, there were 2,553,960 RSUs and 3,880,500 PSUs outstanding under the LTIP, representing, in aggregate, 35.2% of the maximum number of shares reserved for issuance. There are 11,822,222 shares available, being 64.8% of the maximum number of shares reserved for issuance under the LTIP.

*Participation Limits.* Unless the Company has received requisite shareholder approval, under no circumstances shall the LTIP, together with all other share compensation arrangements of the Company, result, at any time, in: (i) the aggregate number of shares reserved for issuance to insiders (as a group) at any point in time exceeding 10% of the Company's issued and outstanding shares; (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of shares exceeding 10% of the Company's issued and outstanding shares; (iii) the aggregate number of shares reserved for issuance to all non-employee directors of the Company exceeding 1% of the Company's issued and outstanding shares; or (iv) the grant to any individual non-employee director of the Company of more than CAD$150,000 worth of shares annually.

Subject to compliance with the foregoing limitations, the LTIP does not provide for a maximum number of shares which may be issued to an individual pursuant to the LTIP.

*Vesting.* Each Grant Agreement will describe the vesting dates for RSUs and PSUs. The Company intends that for non-executive directors, RSUs will cliff vest three years after the date of grant and for all other participants, RSUs will have ratable vesting over three years. PSUs will cliff vest three years after the date of grant.

*Term and Settlement*. RSUs and PSUs will be settled on the first business day following the applicable vesting date but in all events in the calendar year in which such first business day occurs. RSUs and PSUs will be settled by the Company in shares issued from treasury, unless the Participant elects to settle in cash in which case the cash payment will be determined by the number of shares the Participant would be eligible to receive multiplied by the Market Value. The Company has the right to override the Participant's election and settle such RSUs or PSUs in shares issued from treasury.

*Cessation.* Unless otherwise provided in the applicable Grant Agreement, if a Participant ceases to be an Eligible Person due to his or her termination or resignation without good reason, any unvested Units held by that Participant shall expire. The expiration of a Unit renders it void and incapable of settlement.

If the Participant ceases to be an Eligible Person because of a resignation with good reason or his or her death, then any unvested Units held by that Participant will immediately vest and become available for settlement. If the Participant ceases to be an Eligible Person because of his or her retirement, such Participant will continue to participate in the LTIP as if the Participant continued to be actively employed with the Company. If the Participant ceases to be an Eligible Person because of a disability, all unvested Units held by such Participant will vest based on a pro-rated amount of months between the date of grant and the termination date and be settled in accordance with the LTIP. In respect of PSUs, the Board will calculate the actual performance criteria for the purposes of settlement.

*Assignability.* In no event may the Units under the LTIP be assigned or transferred in any way, except to the extent such Units may pass to a beneficiary or legal representative upon death of a participant.

*Amendments.* The Board may amend, revise or discontinue the terms and conditions of the LTIP in its sole discretion subject to certain limitations under the LTIP. The Board may, from time to time, in its discretion and without the approval of shareholders, make changes to the LTIP which do not require shareholder approval, which may include an amendment that: (i) is necessary to comply with any applicable law or any requirement of a stock exchange; (ii) is in respect of the administration of or eligibility for participation in the LTIP; (iii) is to alter, extend or accelerate the vesting or settlement terms of any Unit; or (iv) is of a "housekeeping nature", including those which are made to clarify the meaning of an existing provision of the LTIP, is to correct or supplement any provision of the LTIP that is inconsistent with any other provision of the LTIP, correct any grammatical or typographical errors or amend the definitions in the LTIP regarding administration of the LTIP.

The Board may not amend the LTIP without approval from the shareholders if any applicable law, or stock exchange rule, regulation or policy, requires that the amendment be approved by the shareholders. Shareholder approval of an amendment to the LTIP is specifically required where the amendment: (i) increases the maximum number of shares issuable under the LTIP; (ii) alters the participation limits for insiders or non-employee directors; (iii) extends the time for which a Unit expires beyond its original expiry date; (iv) permits the assignment or transfer of a unit other than for normal estate settlement purposes; or (v) amends the amendment provisions of the LTIP.

*Market Value*. Market Value means, in relation to a share, the volume weighted average trading price of the share on the Toronto Stock Exchange (the "TSX") for the five immediately preceding trading days.

*Adjustments*. The LTIP provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization, or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the participant's economic rights in respect of their units in connection with such change in capitalization.

*Dividend Equivalents*. If a dividend becomes payable by the Company on its shares, participants will be entitled to be credited with dividend equivalent payments in the form of additional RSUs and/or PSUs, as applicable, which additional units will be settled at the same time that the underlying RSUs and/or PSUs, as applicable, are settled.

*Black-out period.* A Participant that receives shares in satisfaction of a Unit during a black-out period may not sell or otherwise dispose of those shares during the black-out period. If a Participant chooses to receive cash on the settlement of Units and the settlement date falls during a black-out period, then the Cash Equivalent will be calculated with a Market Value on the date that is seven days following the date the relevant black-out period is lifted, terminated or removed.

*Change of Control*. In the event of a change of control transaction in which there is an acquiring or surviving entity, the Board may provide for substitute or replacement units of similar value from the acquiring or surviving entity or one or more of its subsidiaries. In addition, if a participant is terminated without cause or resigns with good reason, within twelve months following a change of control, unvested Units or replacement equivalents become fully vested. In addition, on a change of control, the Market Value of a share underlying a Unit will be determined on the date of the change of control and such Unit will convert into the entitlement to receive a cash payment in accordance with the terms of the LTIP.

*Clawback.* The Board has adopted an Executive Remuneration Clawback Policy that applies to all incentive payments awarded to the Company's CEO, CFO, COO, and the VP Exploration, including cash bonuses and equity based incentive awards granted or paid to an individual or that an individual might become entitled to receive under one or more of the Company's incentive compensation programs in effect from time to time . The clawback policy provides the Board discretion to recover any or all incentive compensation that would have otherwise not been paid if the Board determines that:

a) There has been a material restatement in the Company's financial statements resulting in the awarding of more PSUs, RSUs, or other options, or the awarding of a larger bonus than would have otherwise occurred (the "Material Restatement"); or
    b) The participant engaged in gross negligence or intentional misconduct, fraud, theft, or wilful misconduct (with or without a Material Restatement) as determined by Board; or
    c) The participant is found to have committed an act or omission which caused or contributed to either the censure of the Company by any applicable regulatory authority or had a significant detrimental impact to the reputation of the Company in the opinion of the Board.

***Stock Option Plan***

The following summarizes the key terms of the Stock Option Plan, approved by shareholders on April 19, 2016. Capitalized terms used in the summary of the Stock Option Plan below that are not otherwise defined herein, shall have the meanings given to such terms in the Stock Option Plan.

Sock options are not awarded to NE directors and Executives.

*Administration.* The Board will administer the Stock Option Plan and has the right to delegate the administration and operation of the Stock Option Plan, in whole or in part, to a committee of the Board.

*Eligible Participants.* As designated by the Board, options may be granted to any employees, directors, officers and consultants of the Company and its Affiliates.

*Number of Shares.* The Stock Option Plan provides that that the shares reserved for issuance under the Stock Option Plan shall not exceed 3.5% of the total number of shares issued and outstanding from time to time. The share reserve has been reduced from the 5% share reserve, which was previously approved at the Company's 2016 AGM. Should the proposed amendment, to reduce the share reserve for issuance under the Stock Option Plan from 5% to 3.5% be approved by shareholders, a balance of 5,613,200 shares, representing 1.2% of the number of issued and outstanding shares will potentially be issuable under the Stock Option Plan.

*Participation Limits*. Unless the Company has received requisite shareholder approval, under no circumstances will the Stock Option Plan, together with all other share compensation arrangements of the Company, result, at any time, in: (i) the aggregate number of shares reserved for issuance to insiders (as a group) at any point in time exceeding 10% of the Company's issued and outstanding shares; (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of shares exceeding 10% of the Company's issued and outstanding shares; (iii) the aggregate number of shares reserved for issuance to all non-employee directors of the Company exceeding 1% of the Company's issued and outstanding shares; or (iv) the annual grant to any individual non-employee director of the Company under all share Compensation Arrangements exceeding a grant value of CAD$100,000 in options or CAD$150,000 in full value equity awards.

*Exercise Price*. The exercise price may not be less than the closing price of the shares on the TSX on the trading day that immediately preceded the date of the grant.

*Vesting*. The vesting schedule for any option outstanding under the Stock Option Plan is determined by the Board, acting in its sole discretion, and is stated in the Stock Option Certificate. Once vested, an option holder may exercise such options and the Company will issue shares from treasury in accordance with the Stock Option Plan.

*Term*. An option granted under the Stock Option Plan has a maximum term of five years from the date it was granted.

*Cessation*. Unless the Board decides otherwise, options granted under the Stock Option Plan expire at the earlier of their expiry date and: (i) 30 days after the option holders' termination by the Company with cause or resignation without good reason; (ii) 3 years after the option holders' retirement; (iii) 12 months after the option holders' death; and (iv) 90 days after resignation with good reason or termination by the Company without cause.

*Assignability*. Options are not assignable or transferrable by an option holder and may only be exercised during the lifetime of the option holder by the option holder personally. Options may be transferred upon the death of an option holder (subject to the cessation limitations above).

*Amendments.* Subject to compliance with TSX rules, the Board may, without shareholder approval, amend, suspend or terminate the Stock Option Plan or the terms of any option previously granted, provided that such amendments do not require approval of the shareholders, which may include amendments: (i) to amend the vesting provisions of an option; (ii) as are necessary to comply with any applicable law or any requirement of a stock exchange; (iii) that are of a "housekeeping nature", including those which are made to clarify the meaning of an existing provision of the Stock Option Plan, is to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan, correct any grammatical or typographical errors or amend the definitions in the Stock Option Plan regarding administration of the Stock Option Plan; or (iv) regarding the administration of the Stock Option Plan.

However, shareholder approval (as well as compliance with applicable TSX rules) is required if the Board seeks to amend the Stock Option Plan for any of the following purposes: (i) to increase the maximum reserve of shares permitted under the Stock Option Plan; (ii) to reduce the exercise price of outstanding options, except as permitted by the Stock Option Plan, or cancel and reissue options or extend the expiry date of an option except as permitted by the Stock Option Plan; (iii) to amend the insider participation limits; (iv) any change that would materially modify the eligibility requirements for participation in the Stock Option Plan; (v) any amendment that increases the limits on non-employee director participation in the plan; (vi) any amendment to the amendment provisions; or (vii) any amendment which would allow for the transfer or assignment of Options under this Plan, other than for normal estate settlement purposes

*Withholdings*.

Participants are responsible for all applicable withholding taxes resulting from their receipt of shares pursuant to the Stock Option Plan. Participants shall, at their discretion, provide the Company with any amount as necessary so as to ensure that the Company is in compliance with applicable laws relating to the applicable withholding taxes in connection with their participation under the Stock Option Plan. In addition, participants may authorize a securities dealer, to sell in the market a portion of the shares issued to realize cash proceeds to be used to satisfy the applicable withholding taxes. Participants are also responsible for completing and filing any tax returns which may be required under applicable tax laws within the applicable periods.

*Adjustments*. The Stock Option Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization, or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the participant's economic rights in respect of their options in connection with such change in capitalization, including adjustments to the exercise price or the number of shares to which a participant is entitled upon exercise of options, or permitting the immediate exercise of any outstanding options that are not otherwise exercisable.

*Black-out Period*. No option will be granted during a black-out period or other trading restriction imposed by the Company or any other time when the Board or the Company has material undisclosed information. An option holder may not exercise an option if the Company has imposed a black-out period. If an option would expire during or within nine days of a black-out period, then the expiry date of that option will automatically extend to the date that is 10 business days following the date that the black-out period ends.

If the expiry date of options granted fall on a date upon which a participant is prohibited from exercising their option due to a black-out period or other Company imposed trading restriction, then the expiry date of such options will, to the extent permitted under Section 409A, be automatically extended to the tenth (10th) business day following the date the relevant black-out period or other Company imposed trading restriction is lifted, terminated or removed.

*Exercise of Options*.

Participants are permitted to exercise their vested options and participate in a broker-assisted cashless exercise for payment of the participant's exercise price and withholding taxes in respect of their vested options being exercised.

*Change of Control.* In the event of a change of control transaction in which there is an acquiring or surviving entity, the Board may provide for substitute or replacement options of similar value from the acquiring or surviving entity or one or more of its subsidiaries. In addition, if a participant is terminated without cause or resigns with good reason, within twelve months following a change of control, unvested options or replacement equivalents become fully vested and each such vested option will cease to be exercisable on the earlier of the original expiry date of the option and 12 months following the termination date.