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NEWS RELEASE

AFRICA OIL ANNOUNCES STRONG SECOND QUARTER 2022 FINANCIAL RESULTS WITH RECORD PRIME FREE CASHFLOW AND AN IMPROVED HEDGING STRATEGY

August 10, 2022 (AOI–TSX, AOI–Nasdaq-Stockholm) – Africa Oil Corp. ("Africa Oil", "AOC" or the "Company") announces its financial and operating results for the three and six months ended June 30, 2022.

Highlights

- The Company received two dividends from its shareholding in Prime, totaling $62.5 million[1] in Q2 2022 ($162.5 million in H1 2022); since its acquisition of a 50% shareholding in Prime in 2020, the Company has received an aggregate dividend amount of $562.5 million, representing 108% of the closing cash payment.
- Cash balance at June 30, 2022, of $191.0 million (at December 31, 2021 - $58.9 million), with no debt outstanding and an undrawn corporate facility of $100 million.
- Prime has made amendments to its hedging strategy to provide greater scope for retaining price upside, while protecting price downside risk for 50%-70% of its oil entitlement over a 12-month rolling period.
- Selected Prime's results net to Africa Oil's 50% shareholding*:
  - in Q2 2022, record FCF/boe of $52.8 (Q2 2021 - $30.9)[6] due to higher oil prices;
  - cash position of $330.6 million and gross debt balance of $501.0 million at June 30, 2022 (Prime net debt to Africa Oil of $170.4 million), which combined with the $191 million cash balance at the Africa Oil corporate level results in a net cash position of $20.6 million; this also gives a robust Net Debt to EBITDAX[7] ratio for the twelve months ended June 30, 2022, of 0.3x (twelve months ended December 31, 2021 – 0.4x);
  - average daily W.I. production of 25,300 boepd and economic entitlement production of 27,350 boepd (82% light and medium crude oil and 18% conventional natural gas) in Q2 2022 (Q2 2021: 28,000 boepd and 30,300 boepd respectively)[3,4,5];
  - in Q2 2022, EBITDAX[7] of $127.1 million (Q2 2021 - $155.6 million);
  - in Q2 2022, cash generated from operating activities of $130.0 million (Q2 2021: $92.9 million, excluding $152.5 million relating to the receipt of the Agbami Security deposit); and
  - historical payments relating to Gas Sales Purchase Agreement of $112.0 million received in H1 2022, and the payments are now regularized.

Africa Oil President and CEO Keith Hill commented: "I am pleased to announce another robust quarter that has led to further strengthening of our now debt-free balance sheet with a cash balance of $191 million. Our shareholders can look forward to a busy second half of the year of catalysts including the expected license extension in Nigeria and refinancing of Prime's RBL debt facility; the two-well Venus appraisal program; the Gazania-1 exploration well; and the potential farm-out of Project Oil Kenya."

* Important information: Africa Oil's interest in Prime is accounted for as an investment in joint venture. Refer to Note 2 on page 5 for further details. Please also refer to other notes on page 5 for important information on the material presented.

2022 Second Quarter Financial Results

(Thousands United States Dollars, except Per Share and Share Amounts)

	June 30, 2022	December 31, 2021
Cash and cash equivalents	191,040	58,885
Total assets	1,036,359	991,618
Debt	-	-
Total liabilities	44,994	43,560
Total equity attributable to common shareholders	991,365	948,058

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Share of profit from investment in joint venture	14,350	48,564	65,355	97,378
Share of (loss)/profit from investment in associates	(1,054)	(1,205)	1,679	(2,090)
Total operating income	13,296	47,359	67,034	95,288
Net operating income	6,369	44,133	53,158	88,339
Net income	5,653	38,384	51,261	77,304
Net income per share - basic	0.01	0.08	0.11	0.16
Net income per share - diluted	0.01	0.08	0.10	0.16
Weighted average number of share outstanding - basic ('000s)	477,166	473,253	476,155	472,703
Weighted average number of share outstanding - diluted ('000s)	490,562	476,398	489,384	475,848
Number of shares outstanding ('000s)	477,281	473,360	477,281	473,360
Cash flows used in operations	(5,341)	(3,080)	(10,121)	(6,922)
Cash flows provided by investing	56,309	32,525	155,641	30,623
Cash flows used in financing	(621)	(23,785)	(13,433)	(29,073)
Total change in cash and cash equivalents	50,433	5,655	132,155	(5,384)
Total change in equity	5,817	44,504	43,307	72,427

The financial information in this table was selected from the Company's unaudited consolidated financial statements for the three and six months ended June 30, 2022. The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the three and six months ended June 30, 2022, and 2021, and the 2021 Report to Shareholders and Annual Information Form have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.africaoilcorp.com).

FINANCIAL POSITION AND EARNINGS

The Company recognized a total operating income of $13.3 million and net income of $5.7 million during the second quarter of 2022. The operating income primarily relates to the Company's share of profit from its investments in Prime amounting to $14.4 million.

The Company ended first quarter 2022 with cash of $191.0 million in comparison to cash of $58.9 million at the end of 2021. The Company has no outstanding debt. During second quarter 2022, Prime paid two dividends for aggregate distribution of $125.0 million with net payment to Africa Oil of $62.5 million, related to its 50% shareholding interest. Since the acquisition of a 50% shareholding in Prime in January 2020 for $519.5 million, the Company has received 13 dividends from Prime for a total amount of $562.5 million, representing 108% of the closing purchase price.

On January 31, 2022, the Company announced that all lenders to its Corporate Facility had approved increasing the available amount to $100.0 million from the then unutilized amount of $62.0 million, and extending the availability period to December 31, 2022, from May 13, 2022. The Corporate Facility maturity date of May 13, 2024 and interest margins were unchanged.

On February 28, 2022, the Company announced that its Board of Directors had declared an initial aggregate annual dividend of $0.05 per share (approximately $24.0 million) to be paid semi-annually, with the first payment payable on March 31, 2022, to shareholders of record at the close of business on March 17, 2022.

PRIME'S SECOND QUARTER 2022 PERFORMANCE

Prime's second quarter 2022 average daily working interest ("W.I.") production was 25,300 boepd and economic entitlement production was 27,350 boepd (82% light and medium crude oil and 18% conventional natural gas), net to Africa Oil's 50% shareholding in Prime. These compare to second quarter 2021[5] average daily W.I. production of 28,000 boepd and economic entitlement production of 30,300 boepd (84% light and medium crude oil and 16% conventional natural gas), net to Africa Oil's 50% shareholding in Prime. Year to date field performance has been at the higher end of expectation and the full year production outlook remains within the management guidance range for both W.I. production (22,500 – 25,500 boepd) and economic entitlement production (23,000 – 27,000 boepd).

During the second quarter 2022, Prime was allocated 3 oil liftings with total sales volume of approximately 3.0 million barrels or 1.5 million barrels net to Africa Oil's 50% shareholding.

Prime achieved an average realized oil price of $77.1/bbl in Q2 2022 (Q2 2021: $58.4/bbl) including premium adjustments. Two additional cargos were sold in July 2022 for an average price of $103/bbl including premium demonstrating the upside price exposure under the revised hedging policy.

Prime achieved second quarter 2022 sales revenue of $176.4 million (Q2 2021: $125.0 million[9]); EBITDAX of $127.1 million (Q2 2021: $155.6 million) and cash flow generated from operating activities of $130.0 million (Q2 2021: $245.4 million[8], including $152.5 million relating to the receipt of the Agbami Security deposit), in each case net to Africa Oil's 50% shareholding.

As at June 30, 2022, net to the Company's 50% shareholding, Prime had $330.6 million of cash and debt of $501.0 million (at December 31, 2021: $258.9 million of cash and debt of $508.4 million).

The debt outstanding has decreased slightly following gross repayments on the RBL Facility of $164.8 million which net off a drawdown on the PXF Facility of $150.0 million. Net to the Company's 50% shareholding, the overall debt has reduced by $7.4 million during H1 2022. The next repayment under the RBL facility will not occur until September 2022. The PXF repayments will also begin in September 2022.

At June 30, 2022, Prime has a Net Debt of $340.8 million (at December 31, 2021 – Net Debt of $498.9 million) and a Net Debt/EBITDAX of 0.3x for the twelve months ended June 30, 2022, (0.4x for the twelve months ended December 31, 2021). The strength of this ratio demonstrates the low leverage within Prime compared with industry peers. This strong Net Debt/EBITDAX ratio, combined with the full repayment of the Company's Corporate Facility in 2021 means the Company and Prime are well placed to raise more debt in the future if required. Net Debt/EBITDAX is a non-GAAP measure and a reconciliation is performed on page 13 of the MD&A.

Prime's Supervisory Board have approved a new hedging strategy with a 50% - 70% coverage target for the next 12-month scheduled cargoes on a rolling basis. Under this new strategy, Prime gives an irrevocable instruction to an offtaker to fix the Dated Brent component of a cargo when the forward curve price goes below a trigger of circa 80% of the Brent forward curve (at the time when the instruction was given) for the month of the expected lifting. Otherwise, the cargo is sold on a spot basis. For instance, the most recent forward sale (in Aug-22) was set with a trigger of $85.0/bbl. This means that if the forward curve drops to $85.0/bbl for the month of the forecast cargo, the forward sale price would be locked in. If the forward curve does not drop to $85.0/bbl up to 31 days before the cargo is lifted, then Prime would sell on a spot basis. This policy allows Prime to retain price upside, while securing a minimum oil price for 50% to 70% of its oil entitlement.

DIVIDENDS

The Company is committed to a sustainable dividend policy over the future years. The second dividend distribution for 2022 of $0.025 per share is payable on September 30, 2022, to shareholders of record at the close of business on September 9, 2022. This dividend qualifies as an 'eligible dividend' for Canadian income tax purposes.

Dividends on shares traded on TSX will be paid in Canadian dollars on September 30, 2022. Dividends on shares traded on Nasdaq Stockholm will be paid in Swedish kroner in accordance with Euroclear principles on October 4, 2022. To execute the payment of the dividend, a temporary administrative cross-border transfer closure will be applied by Euroclear from September 8, 2022, up to and including September 9, 2022 during which period shares of the Company cannot be transferred between the TSX and Nasdaq Stockholm.

OUTLOOK

The Company's debt-free balance sheet, its share of Prime's cash flows and access to debt funding on competitive terms, supports a range of opportunities for the Company to achieve accretive growth and create shareholder value. The Company's valuation is underpinned by its 50% shareholding in Prime, which accounts for all of the Company's reserves and production interests.

The Company will work to maximize Prime's dividends by distributing its excess cash, whilst maintaining a prudent treasury management policy at Prime. The near-term priority is to extend Prime's debt tenor with the primary objective of refinancing Prime's RBL facility, possibly facilitated by the early conversion of Prime's licenses in Nigeria to the new Petroleum Industry Act ("PIA") terms. The Company's management will also work with Prime to assess other financing options that could extend Prime's debt maturity profile on competitive costs, such as the PXF Facility that was arranged by Prime in 2021.

Prime and its upstream partners are currently working on the early renewal of OML 127 and OML 130 licenses and consequent conversions to the PIA terms. It is expected that OML 130 conversion and renewal, which accounts for most of the reserves, production and value in Prime's portfolio can be delivered by end of 2022, although a successful outcome on this timeline can't be guaranteed. It is further expected that a successful early conversion and renewal of OML 130 could provide the basis for concurrent refinancing of Prime's RBL debt.

Furthermore, a conversion and renewal of OML 130 could facilitate the final investment decision for the Preowei oil discovery. Preowei oil field is to the north of Egina FPSO and is a low-risk development opportunity through a satellite subsea tie-back project to the Egina FPSO.

Fast track processing of the data from the 4D seismic survey completed over Egina in Q4 2021 is now complete and infill drilling targets have been confirmed. Infill drilling was initially expected to commence mid-year 2022, however this has been delayed until late in Q4 2022 due to the late arrival of the rig. First production from the infill drilling campaign is now not expected until Q1 2023. To offset the impact of the delayed drilling campaign, the operator has identified 4 well intervention opportunities in OML130 which are expected to be executed during Q3 2022.

In 2021, the Company and its partners initiated a farm-out process for Project Oil Kenya. Advanced discussions are on-going with the interested parties. A successful farm-out is viewed by the Company as a critical step towards the FID for Project Oil Kenya being achieved over the course of the next year. There is no guarantee that the Company can successfully conclude a farm-out to new strategic partner(s) on favorable terms.

In Q1 2022, the Company's investee company, Impact, made a major light oil discovery with the Venus 1-X exploration well on Block 2913B, offshore Namibia.

The Venus discovery is a light oil and associated gas field, sitting approximately 290 kms off the Namibian coast. The Venus-1X discovery well was drilled by TotalEnergies on behalf of the joint venture group comprising TotalEnergies (40%), QatarEnergy (30%), Impact (20%) and state owned NAMCOR (10%).

An appraisal well and a re-entry into Venus-1X is being planned, with spud expected in Q3 2022. The operator plans to conduct flow tests on both wells.

Venus, together with the nearby Graff-1 discovery on the adjacent Block 2913A (the Company has no interest in this block), herald the opening of a major petroleum province in the Orange Basin with significant upside potential for the Company. As well as the immediate significance of Venus for the Company, both Venus and Graff discoveries also bode well for the Company's exploration efforts on Block 3B/4B, which it operates with a 20% WI and Impact's Orange Basin Deep Block, both located on trend in the Orange Basin, South Africa.

The Company has filed an application to extend Block 3B/4B license and to move into the first extension period. The Company is also continuing its technical studies on Block 3B/4B with the aim of maturing exploration prospects for possible future drilling. The Company and JV Partners are working together to collectively farmout up to 50% gross WI in Block 3B/4B.

The Company, through its shareholdings in Africa Energy and Eco, has indirect effective interest in the Gazania-1 exploration well on Block 2B, offshore South Africa, which is expected to spud in September 2022. The block has significant contingent and prospective resources in relatively shallow water and contains the A-J1 discovery that flowed light sweet crude oil to surface. Gazania-1 will target two large prospects seven kilometers up-dip from A-J1.

Africa Energy has a 27.5% participating interest in Block 2B offshore South Africa. The block is operated by a subsidiary of Eco Atlantic, which holds a 50% participating interest. Africa Oil has a 19.78% shareholding in Africa Energy and a 16.2% shareholding in Eco and a resulting 13.6% participating interest in Block 2B.

The Company has been actively working on the acquisition of strategic producing assets that are accretive on per share valuation and cashflow metrics. The Company's focus remains on buying producing assets offshore West Africa and the management will consider both operated and non-operated opportunities as well as oil and natural gas assets. There is no guarantee that the Company can complete such transactions.

NOTES

1. Prime does not pay dividends to its shareholders, including Africa Oil, on a fixed pre-determined schedule. Previous number of dividends and their amounts should not be taken as a guide for future dividends to be received by Africa Oil. Any dividends received by Africa Oil from Prime's operating cash flows will be subject to Prime's capital investment and financing cashflows, including payments of Prime's RBL principal amortization, which are subject to semi-annual RBL redeterminations.

2. The 50% shareholding in Prime is accounted for using the equity method and presented as an investment in joint venture in the Consolidated Balance Sheet. Africa Oil's 50% share of Prime's net profit or loss will be shown in the Consolidated Statements of Net Income and Comprehensive Income. Any dividends received by Africa Oil from Prime are recorded as cash flow from investing activities. The guidance presented here is for information only.

3. Aggregate oil equivalent production data comprised of light and medium crude oil and conventional natural gas production net to Prime's W.I. in Agbami, Akpo and Egina fields. These production rates only include sold gas volumes and not those volumes used for fuel, reinjected or flared.

4. Net entitlement production is calculated using the economic interest methodology and includes cost recovery oil, tax oil and profit oil and is different from working interest production that is calculated based on project volumes multiplied by Prime's effective working interest in each license.

5. Q2 2021 comparative figures have been revised from those previously reported to ensure comparability and consistency of calculation as a result of a change in the conversion factor (to 6.0 Mcf:1bbl from 5.8 Mcf:1bbl) used in converting gas production to barrels oil equivalent.

6. Definitions and reconciliations to the non-GAAP measures are provided on page 11 of the MD&A.

7. Earnings Before Interest, Tax, Impairment, Depreciation, Amortization and Exploration Expenses ("EBITDAX") is not a generally accepted accounting measure under International Financial Reporting Standards ("IFRS") and does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with definitions of EBITDAX that may be used by other public companies. This is used by management as a performance measure to understand the financial performance from Prime's business operations without including the effects of the capital structure, tax rates, DD&A, impairment and exploration expenses. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. A reconciliation from total profit (a GAAP measure) to EBITDAX (a non-GAAP measure) can be found on page 13 of the MD&A.

8. Q2 2021 comparative figures have been revised to ensure compatibility and consistency of calculation as a result of a change in the classification of items between cash generated from operating activities, cash used in investing activities and cash used in financing activities.

9. Q2 2021 comparative figures have been revised to ensure compatibility and consistency of calculation. Royalties were previously recognized net in Prime's income statement and are now presented gross in both revenue and cost of sales.

10. All dollar amounts are in United States dollars unless otherwise indicated.

Management Conference Call

Senior management will hold a conference call to discuss the results on Thursday, August 11, 2022 at 07:00 (ET) / 13:00 (CET). The conference call may be accessed by dial in or via webcast:

Canada, Toronto	(647) 932-3411
North America toll free	(800) 715-9871
Sweden	+46.8.505.246.90
Sweden toll free	+46.20.0123749
UK	+44.20.3481.4247
Conference ID	3651642
Webcast URL	https://onlinexperiences.com/Launch/QReg/ShowUUID=17CD306E-0326-4E5B-8F8C-C28B6D09A5A6

Please join the event conference 5-10 minutes prior to the start time. A recording of the webcast will be available on the Company's website after the event.

About Africa Oil

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

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Additional Information

This information is information that Africa Oil is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 p.m. ET on August 10, 2022.

Advisory Regarding Oil and Gas Information

The terms boe (barrel of oil equivalent) is used throughout this press release. Such terms may be misleading, particularly if used in isolation. Production data are based on a conversion ratio of six thousand cubic feet per barrel (6 Mcf: 1bbl). This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Forward Looking Information

Certain statements and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation). Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, ongoing uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including statements pertaining to dividend distributions, share repurchase programs, the 2022 Management Guidance including production, cashflow from operation and capital investment estimates, performance of commodity hedges, the results, schedules and costs of exploratory drilling activity, uninsured risks, regulatory and fiscal changes, availability of materials and equipment, unanticipated environmental impacts on operations, duration of the drilling program, availability of third party service providers and defects in title. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in macro-economic conditions and their impact on operations, changes in oil prices, reservoir and production facility performance, hedging counterparty contractual performance, results of exploration and development activities, cost overruns, uninsured risks, regulatory and fiscal changes, defects in title, claims and legal proceedings, availability of materials and equipment, availability of skilled personnel, timeliness of government or other regulatory approvals, actual performance of facilities, joint venture partner underperformance, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental, health and safety impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.