



AFRICA OIL CORP.

# CORPORATE PRESENTATION

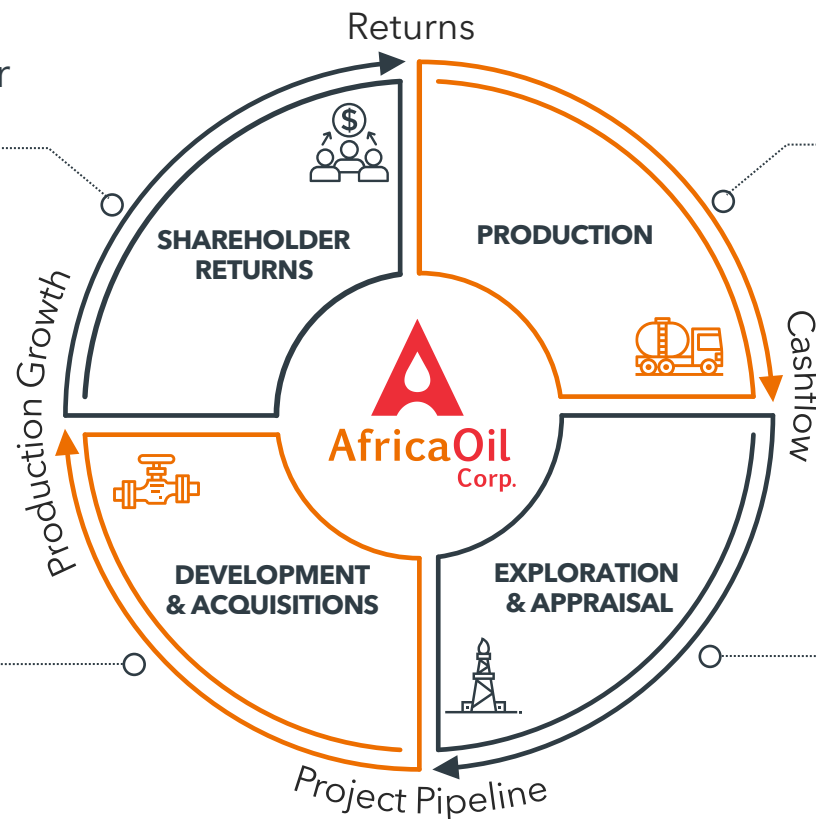
## POISED FOR TRANSFORMATIONAL VALUE UPSIDE

March 2023

# AFRICA FOCUSED FULL CYCLE E&P COMPANY

Committed to sustainable shareholder returns - distributed \$63.3m in 2022

Strong, high margin cash generation from world class deepwater Nigeria assets



Low risk development opportunities close to existing world class infrastructure deepwater Nigeria

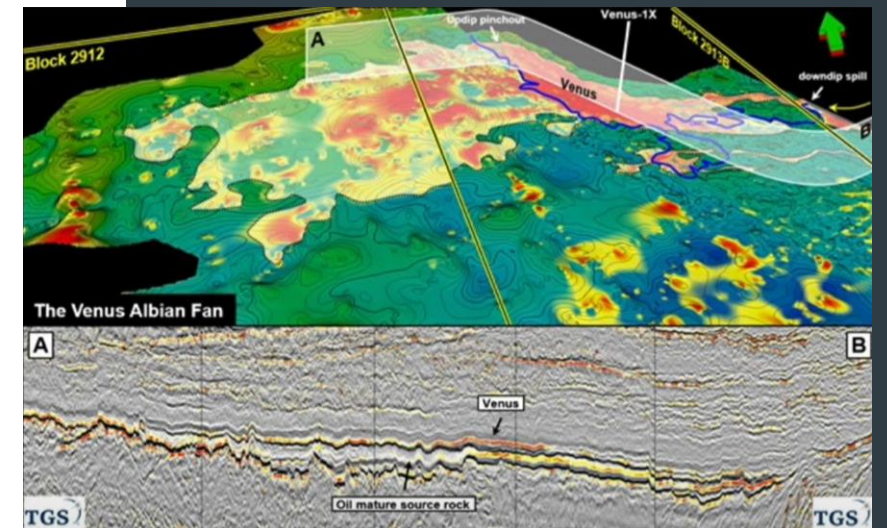
Delineating Venus, largest global discovery in 2022<sup>1</sup> and potentially Sub-Saharan Africa's largest ever discovery

1. According to Wood Mackenzie report of January 2023

Catalyst-rich portfolio with multiple upside events in 2023  
Debt-free balance sheet

# VENUS DISCOVERY - TRANSFORMATIONAL UPSIDE

- Largest global discovery in 2022<sup>1</sup>
- Potential to become a top 10 offshore oil discovery<sup>2</sup>
- Venus-1X well exceeded pre-drill expectations
  - Light, sweet oil discovery with associated gas
  - 84m net oil pay
- Africa Oil is the only publicly listed Independent E&P with exposure to Venus and Nara

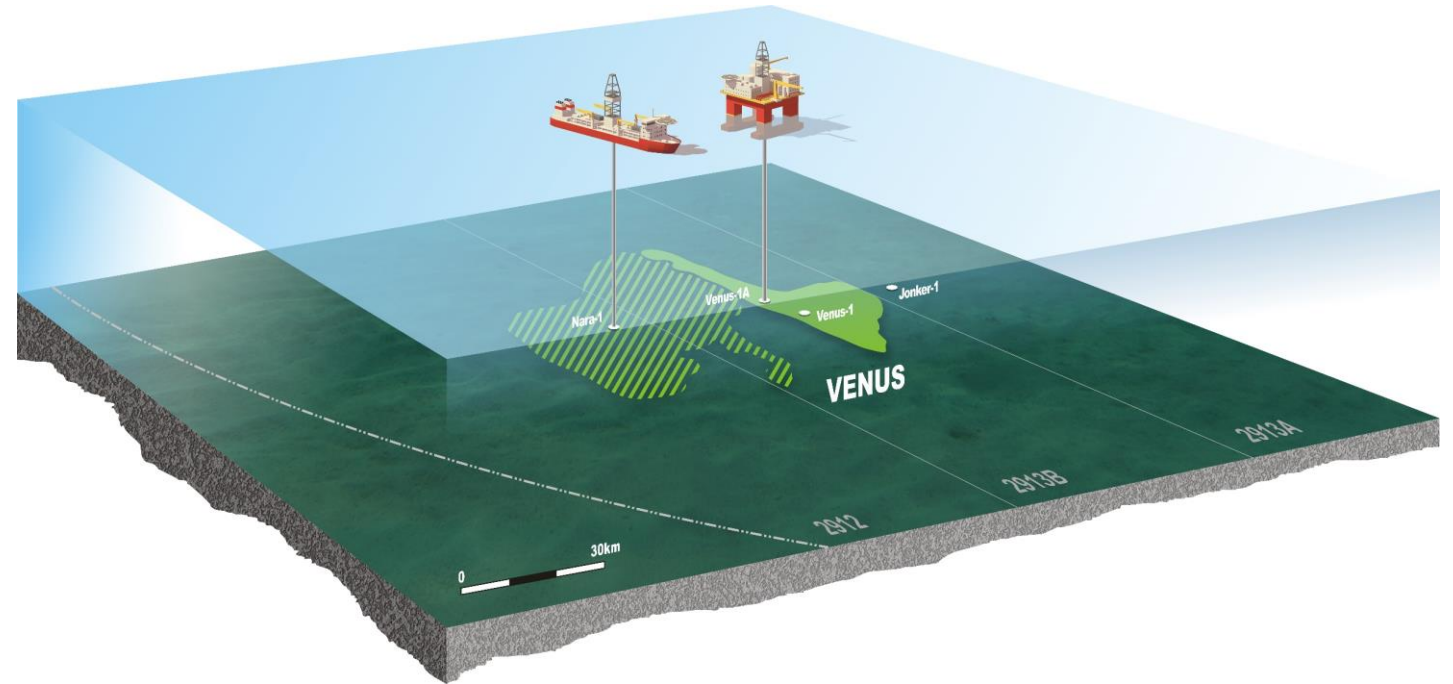


1. According to Wood Mackenzie report of January 2023

2. Please refer to Reader Advisory Section for the details.

# DRILLING UNDERWAY TO DELINEATE GIANT DISCOVERY

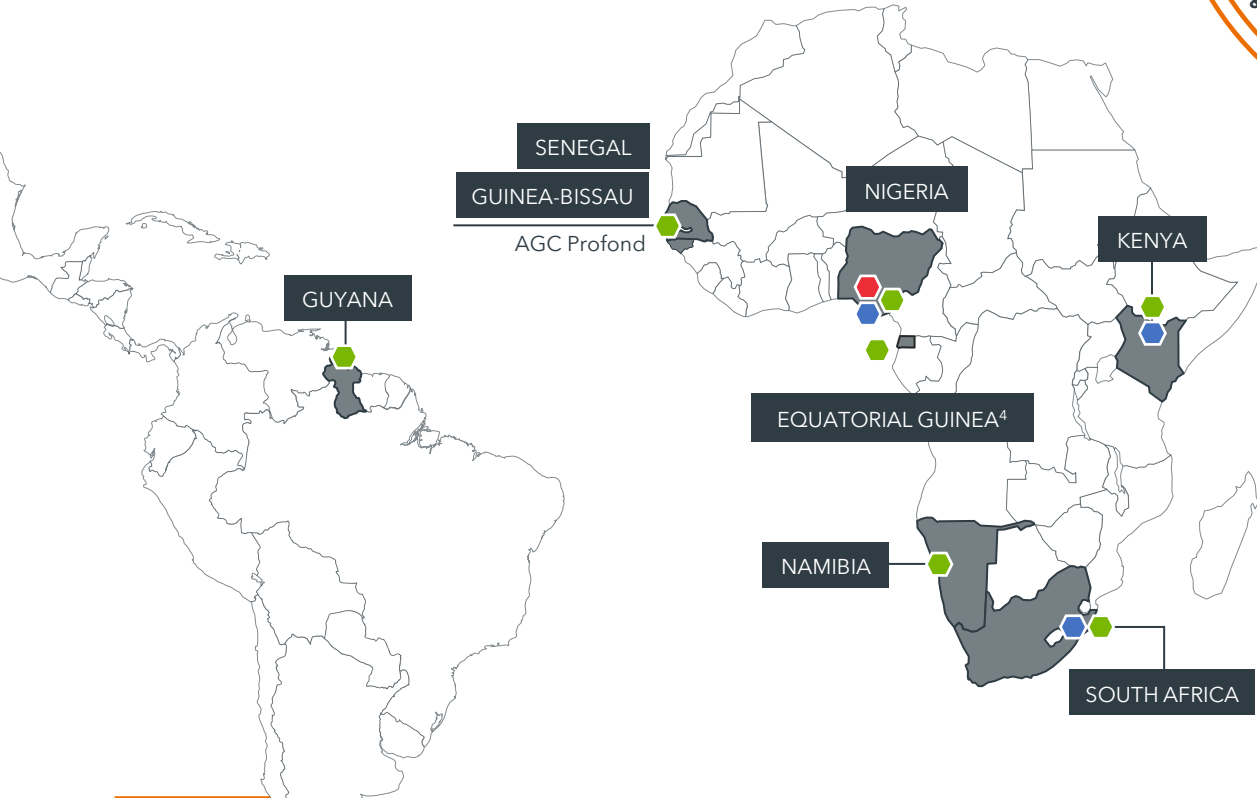
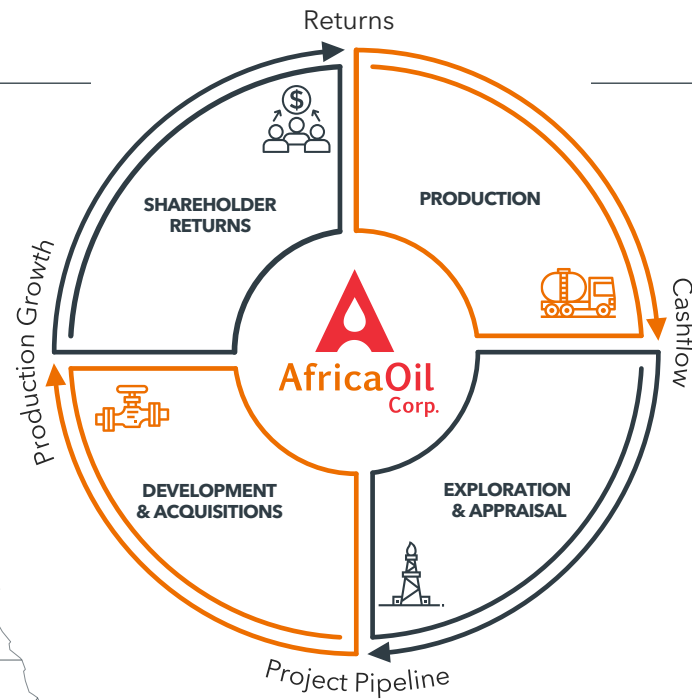
- Multi-billion barrel potential
- TotalEnergies' mooted "Golden Block"
- 2023 campaign could underpin a fast-tracked phase one development
- Nara-1 well to test westerly extension of Venus



Rig	Q1	Q2	Q3	Q4
Tungsten Explorer	Venus 1 appraisal	Nara -1X + DST	Nara -1X + DST	Nara-1A appraisal + DST
Deepsea Mira		Venus-1A DST	Venus-1 DST	

# AFRICA FOCUSED FULL CYCLE E&P COMPANY

■ Exploration 
 ■ Development 
 ■ Production



2P Reserves <sup>1</sup>  
**55.6** MMBOE



FY'22 Production<sup>2</sup>  
**25.6** KBOE/d



YE'22 Cash  
**\$199.7** m



Catalysts  
**Venus, OML 130 renewal**



Carbon Neutral <sup>3</sup>  
**2025**



Notes:

1. Based on RISC's NI 51-101 report for YE'2022.
2. Entitlement production.
3. Scope 1 and Scope 2 emissions.
4. Subject to Government ratification

In the Top 1% of the 85,000+ companies rated by EcoVadis

# 2022 HIGHLIGHTS

## ROBUST FINANCIAL RESULTS & BALANCE SHEET (YE'22)

- Debt free and cash balance of \$199.7m
- Consolidated AOC and Prime (net 50%) net debt of \$25.6m
- Prime's LTM Net Debt/EBITDAX<sup>1</sup> of 0.4x

## PRIME DIVIDENDS STRONG CASHFLOW

- Received \$250.0m in dividends from Prime
- \$650.0m since the acquisition in Jan'20 vs. \$519.5m closing cash payment



## SHAREHOLDER RETURNS

- Full-year 2022 returns of \$63.3m
- \$39.5m through share repurchases
- Distributed \$23.8m in dividends

## SIGNIFICANT EXPLORATION SUCCESS

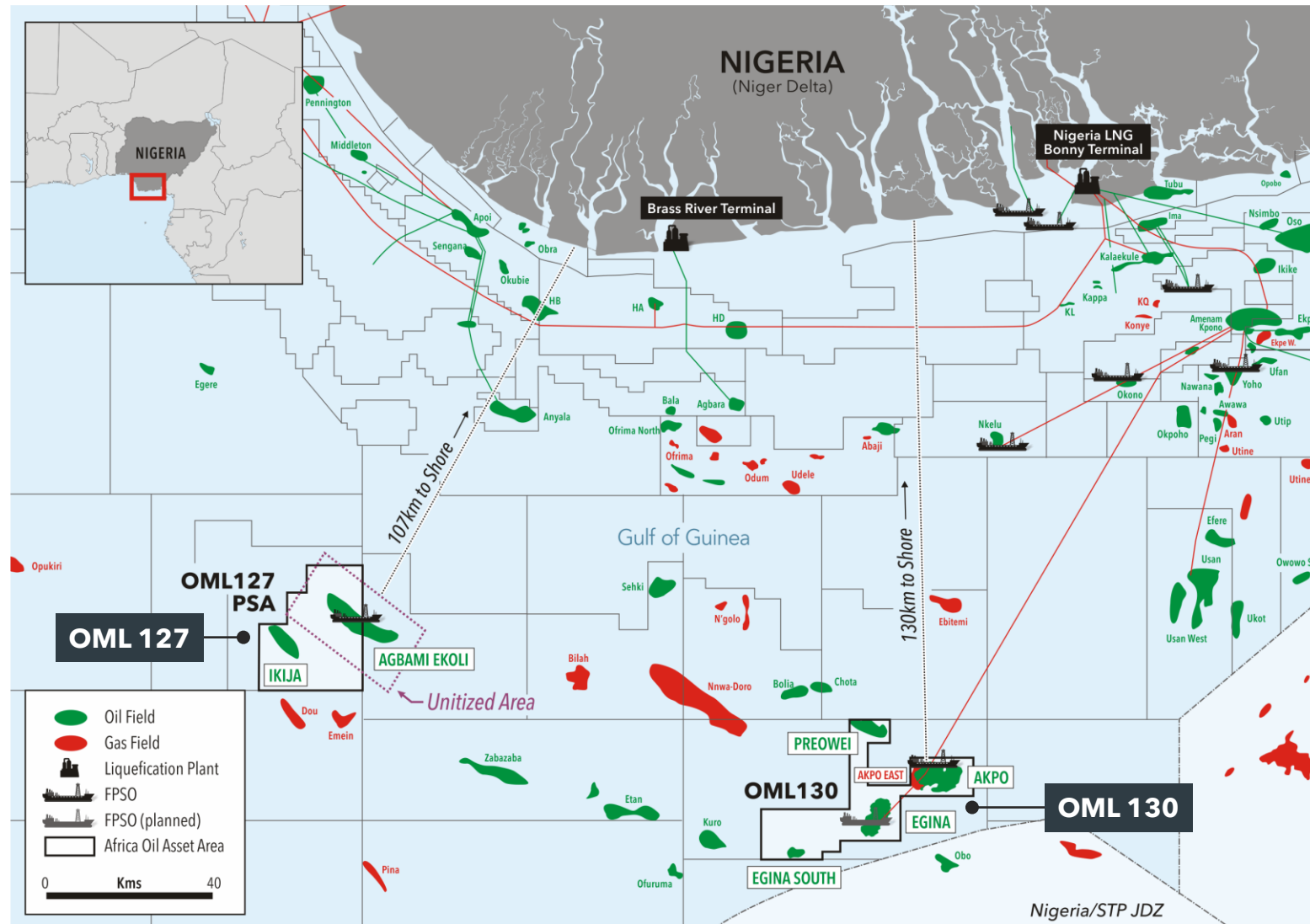
- Venus light oil discovery materially exceeds pre-drill expectations
- New petroleum province with substantial upside potential for the Company

Notes:

<sup>1</sup> EBITDAX is not a generally accepted IFRS term. Refer to Reader Advisory Section of this document for important information on non-IFRS measures.



# ADVANTAGED BARRELS OFFSHORE NIGERIA



**Top oil fields**  
In Nigeria



**Operators**  
Highly experienced



**World-class**  
production facility hubs



**62% of**  
2P reserves<sup>1</sup> base is  
Proven category (P90)



**Low risk & high IRR**  
development projects



**Infill drilling**  
and satellite tiebacks



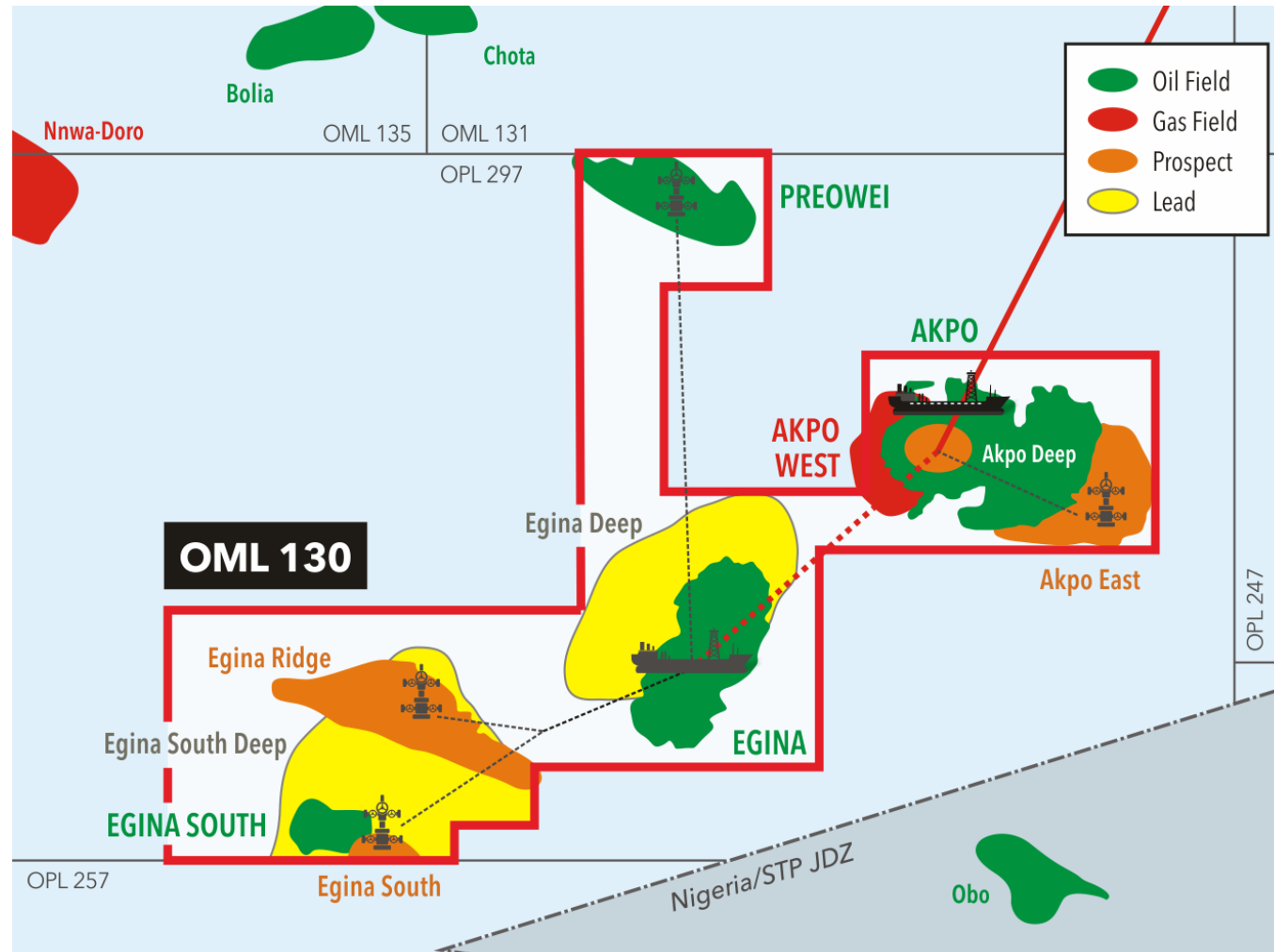
**3-Year Average 1P**  
RRR<sup>1</sup> of 72%



**Low lifting**  
Costs  
(FY'2022: \$8.3/boe)

1. Based on RISC's NI 51-101 report for YE'2022.

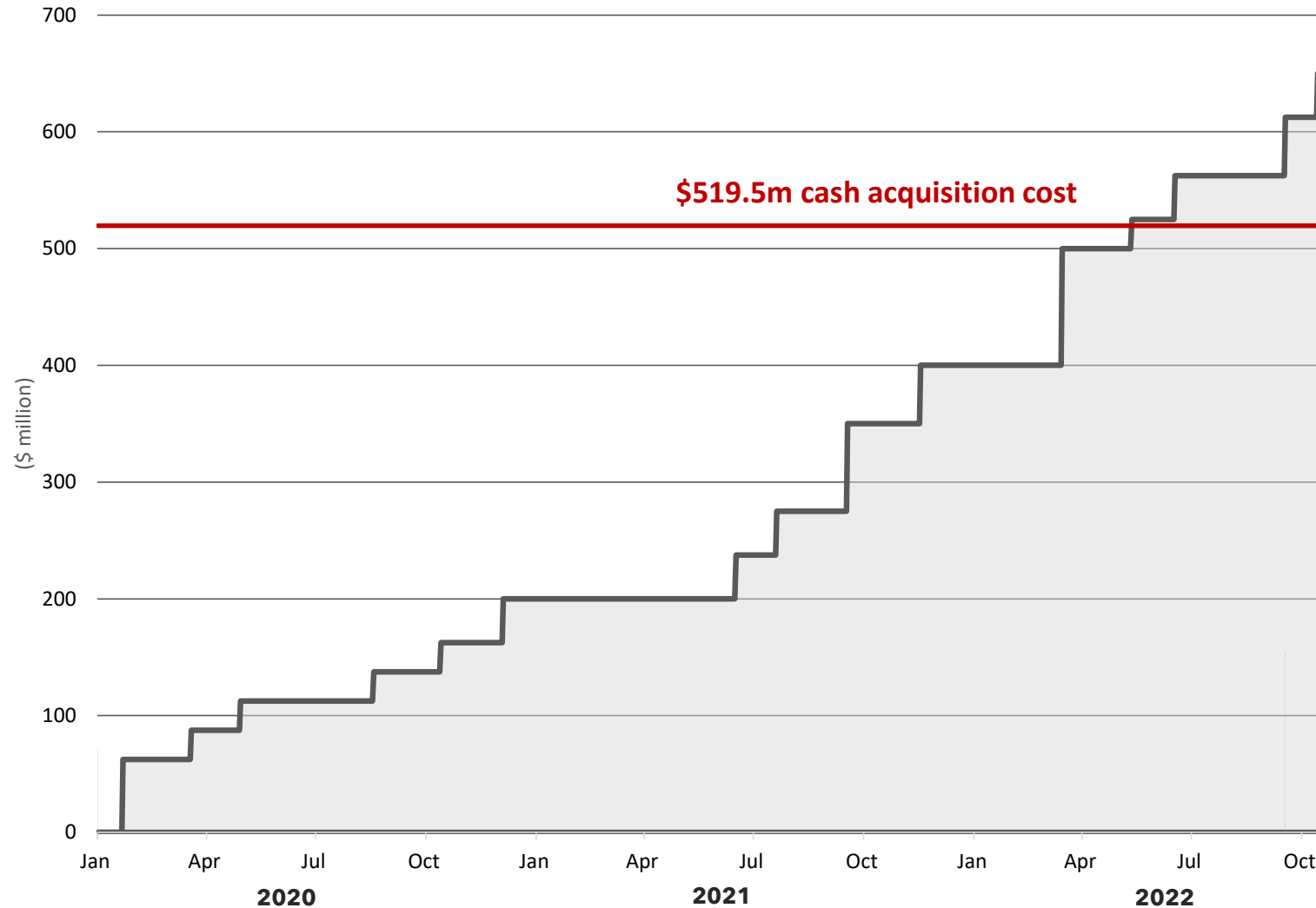
# OML 130 MULTI-WELL DRILLING CAMPAIGN



- First infill well commenced drilling on Egina in late February 2023
- New 4D monitoring survey planned for 2023 to help underpin future drilling
- Engineering work continuing on Preowei development project



# PRIME INVESTMENT REPAID IN UNDER 3 YEARS



**\$650m**

Received since the acquisition in January 2020



**\$96m**

approximate increase in Prime's cash balance net to Africa Oil since the acquisition<sup>1</sup>



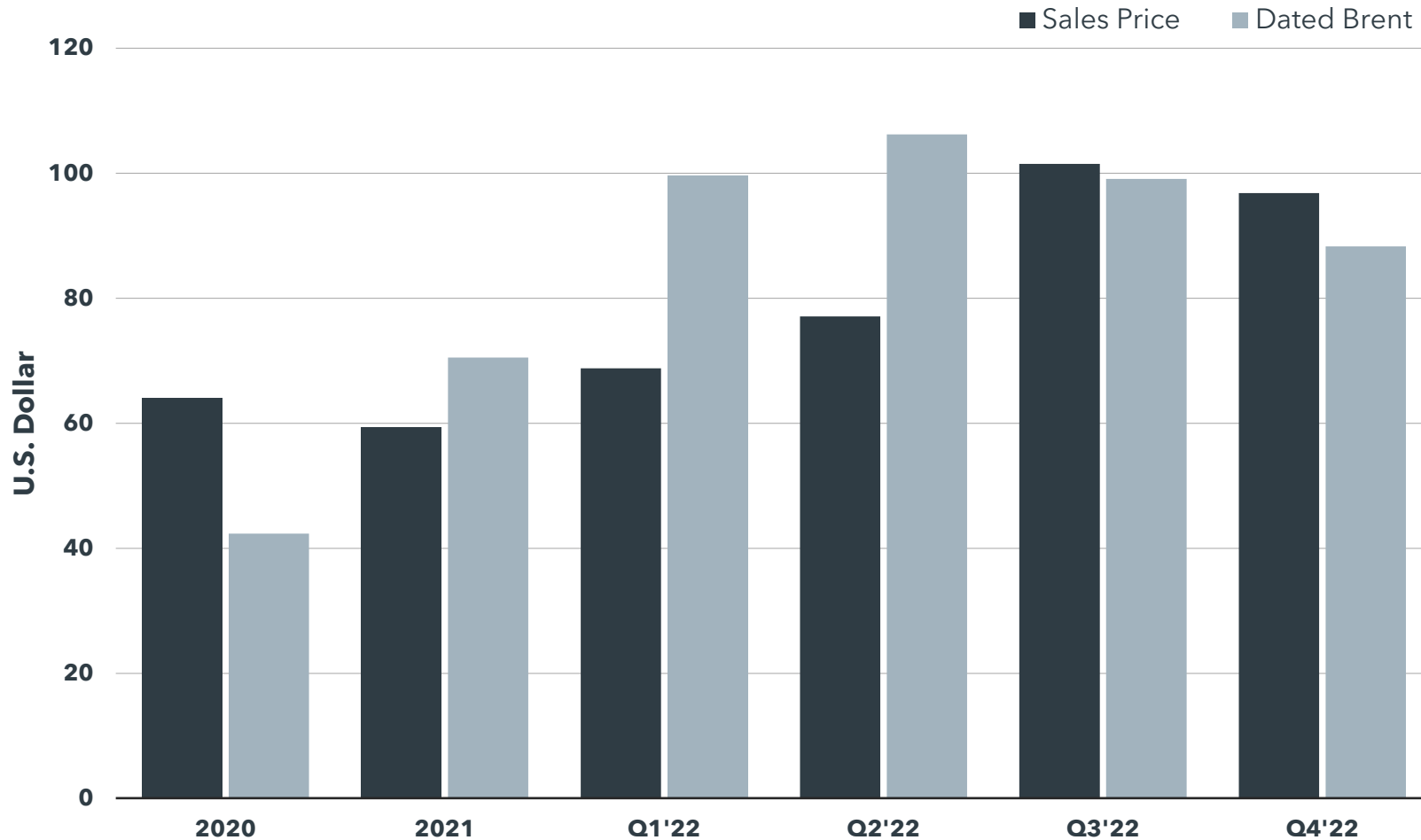
**\$515m**

approximate reduction in Prime's debt net to Africa Oil since the acquisition<sup>1</sup>

# HIGH MARGIN OIL SALES



New Oil Marketing Strategy Strengthened  
Sales Price Margins in H2'22

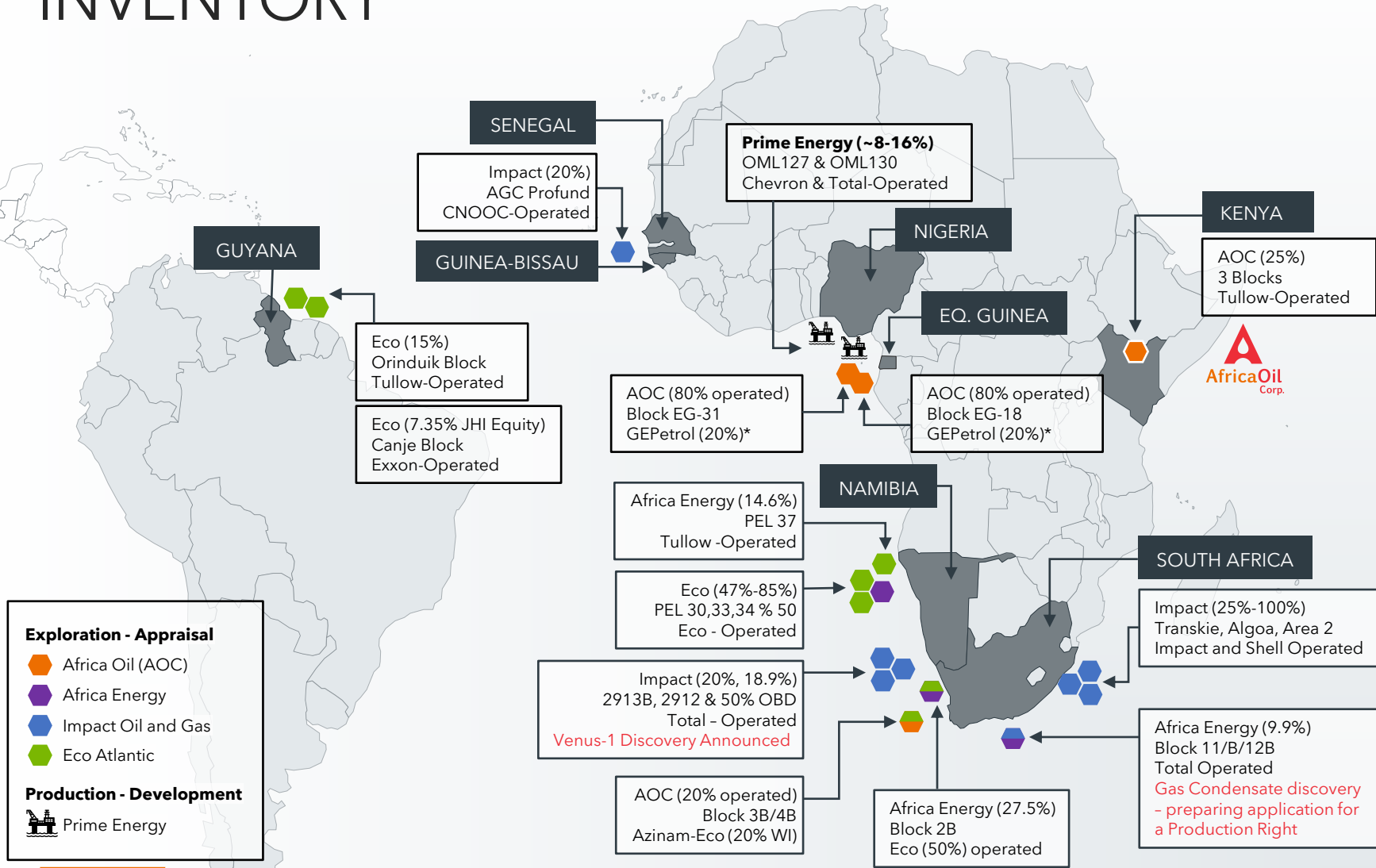


Q4'22 average sales price

**\$96/bbl**

(Q4'22 Dated Brent: \$88./bbl)

# AFRICA OIL EXPLORATION INVENTORY



Africa Oil has an active exploration portfolio in West Africa and Guyana through AOC-Operated exploration licenses, and indirect interests through:

**Africa Energy**

19.7% equity + 11.2% through Impact

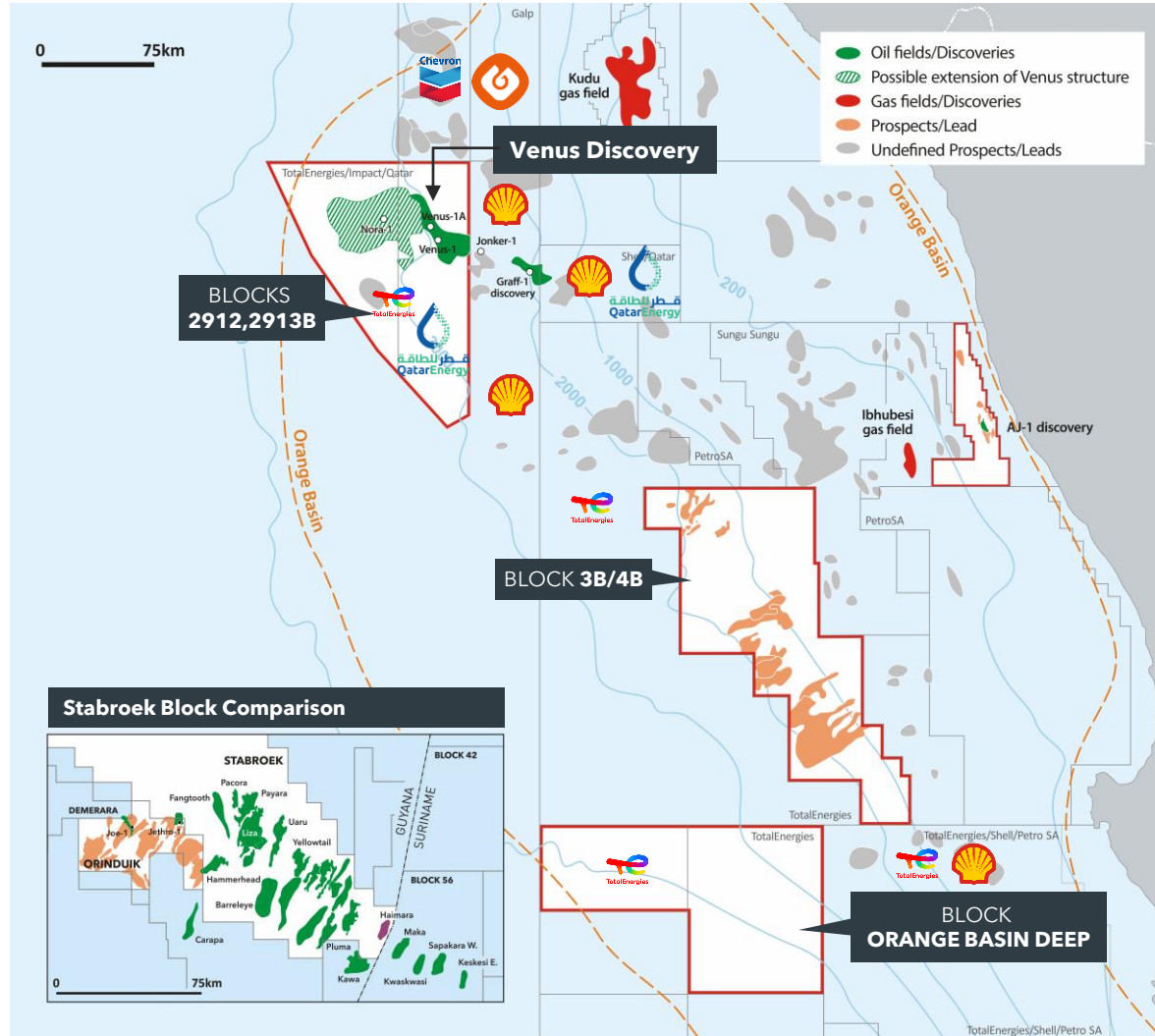
**Impact**

30.9%

**Eco-Atlantic**

15.0%

# SIGNIFICANT ORANGE BASIN UPSIDE



## Venus light oil discovery and de-risking of Orange Basin

- Materially exceeded pre-drill expectations
- Venus appraisal drilling has commenced
- Average indirect 6.0% interest in Blocks 2912 and 2913B through Impact shareholding, operated by TotalEnergies

## Block 3B/4B

- On trend with Venus and Graff oil discoveries
- Most of the block is covered by 3D seismic
- Maturing the selection of exploration targets for possible drilling in 12-18 months
- Partners working together to collectively farmout up to 55% gross W.I.
- 20% operated interest and indirect 3.9% interest through Eco

## Orange Basin Deep

- Technical evaluation is underway to assess the prospectivity of apron fans
- Indirect 6.9% interest through Impact shareholding, operated by TotalEnergies

# INFRASTRUCTURE-LED EXPLORATION IN EG

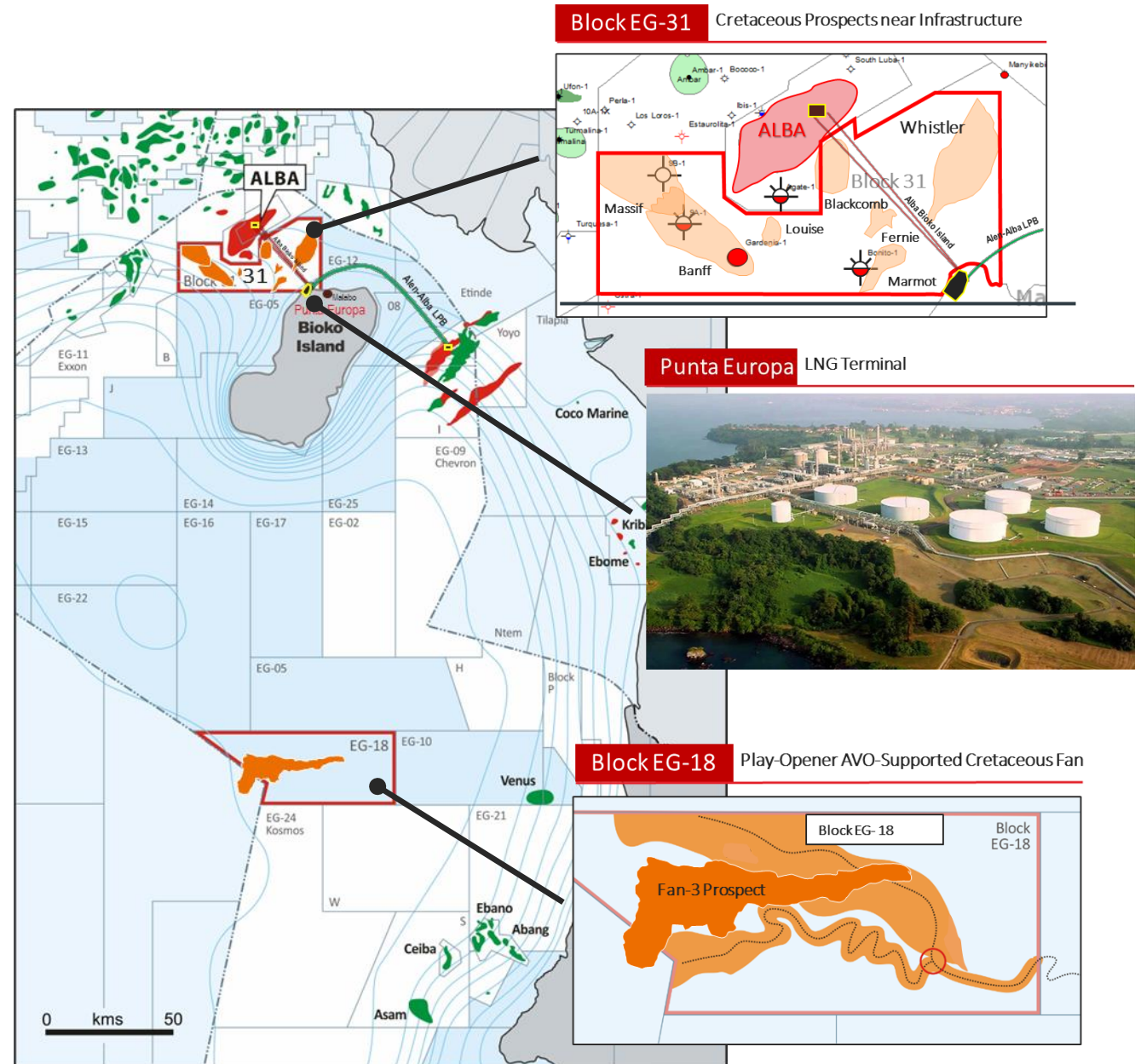
## Block EG-31\*

- Several gas-prone prospects in shallow water depths of less than 80 meters
- Close to existing infrastructure, including the offshore Alba gas field and the onshore Punta Europa Liquefied Natural Gas (“LNG”) Terminal.
- Potential future discoveries could present low-risk gas development opportunities targeting international LNG markets.

## Block EG-18\*

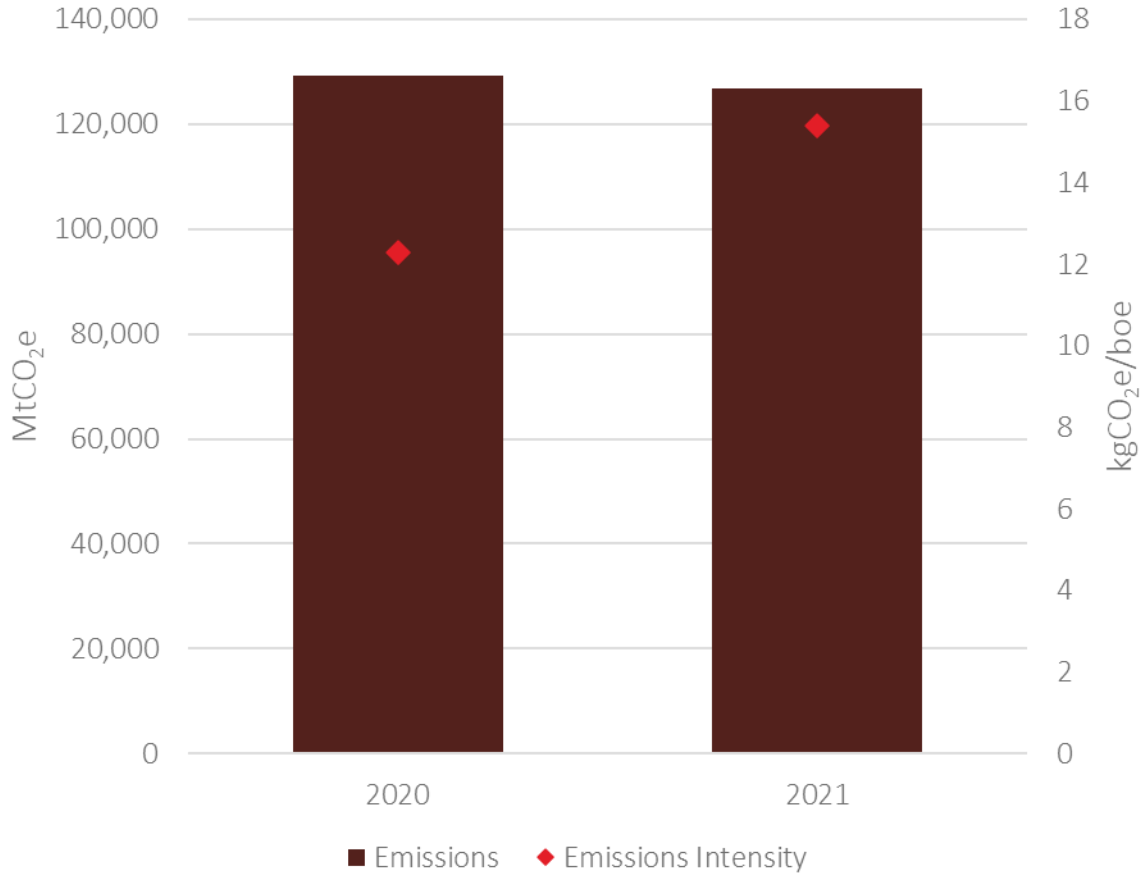
- The Company has identified a potentially large and highly prospective basin floor fan prospect of Cretaceous age
- Similar to those within the Company’s exploration portfolio in Namibia and South Africa.

\* Subject to Government ratification



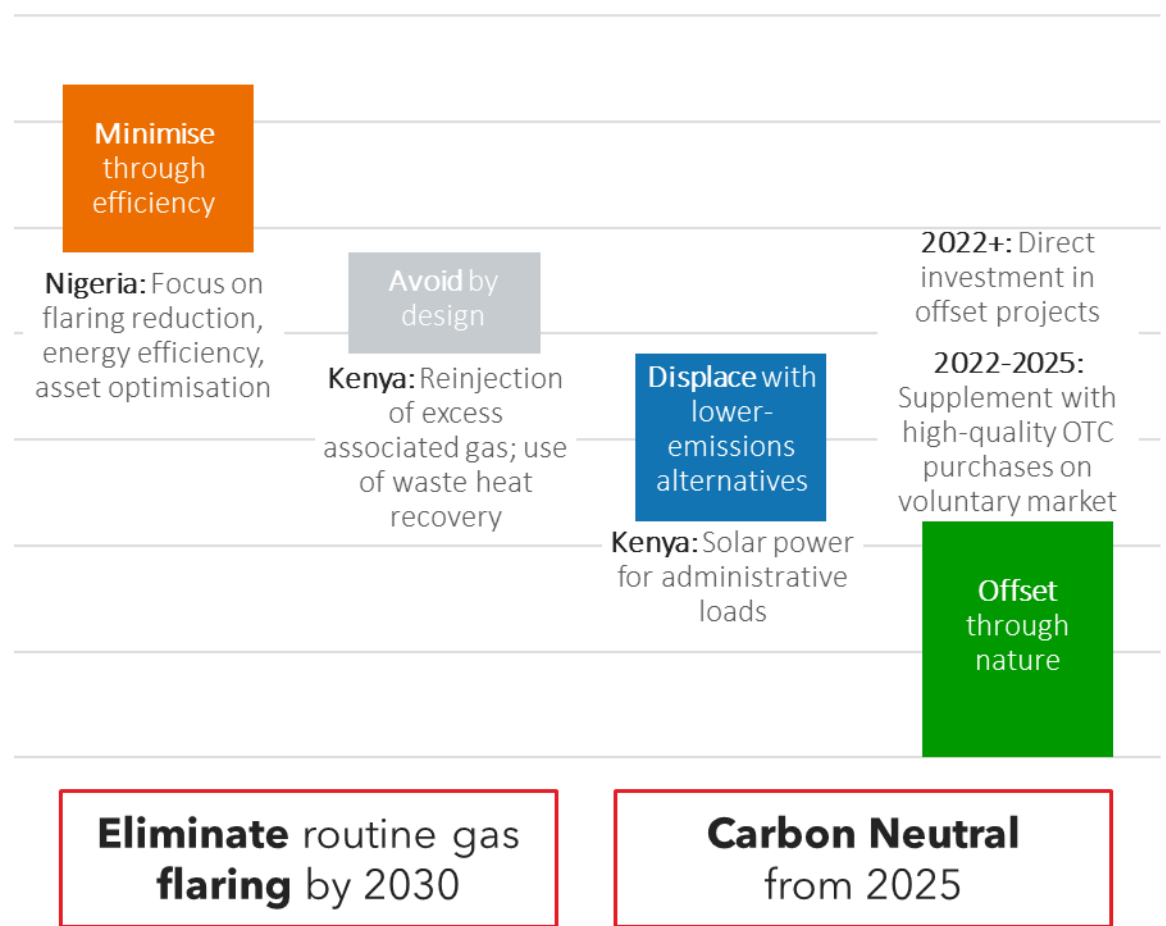
# INVESTING IN EMISSIONS MANAGEMENT

## GHG Performance (Scope 1 & 2)\*



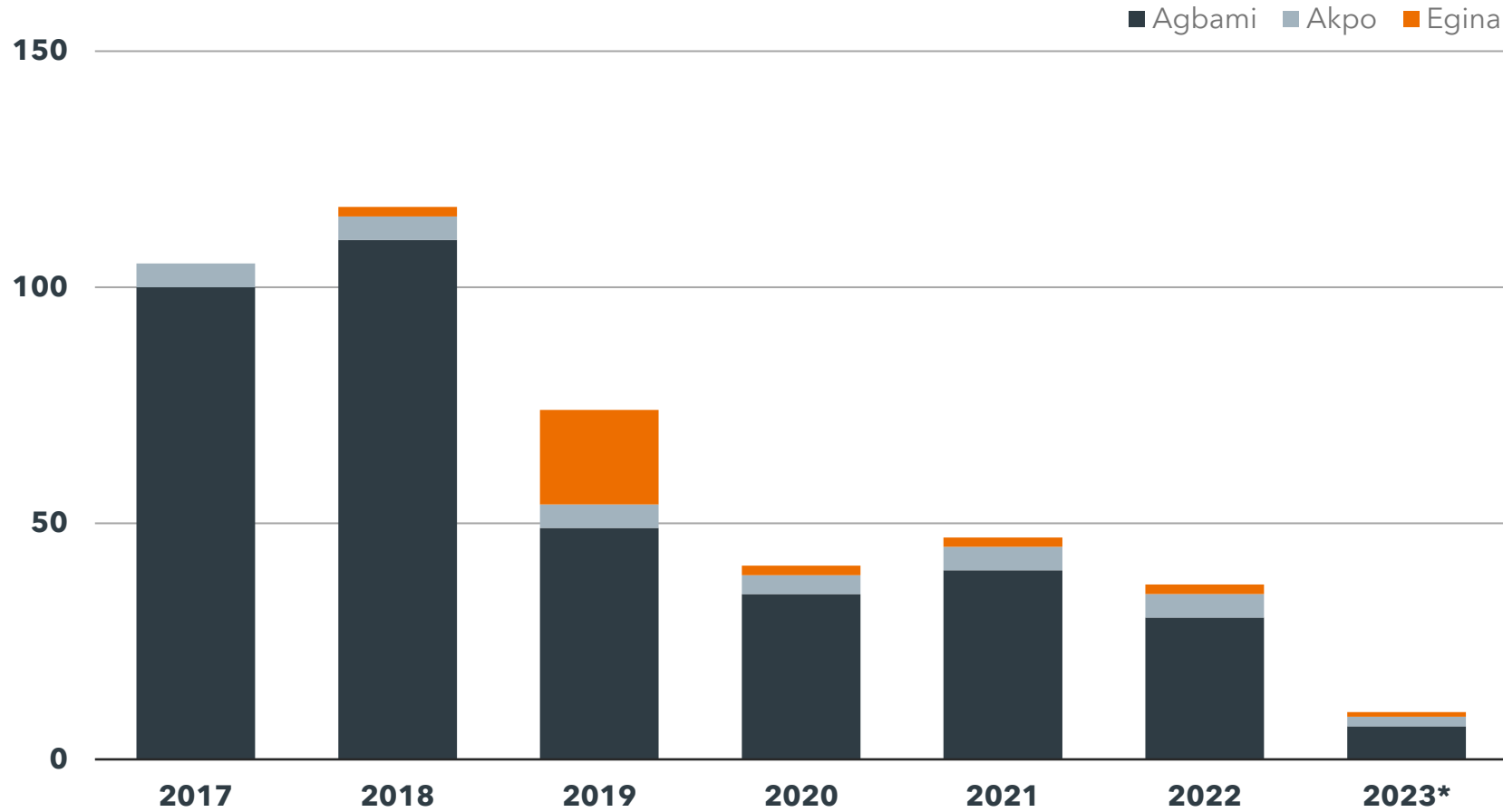
\* Net equity basis

## GHG Management Plan (Scope 1 & 2)



# SUBSTANTIAL REDUCTION IN FLARING

## Gas Flare Volume Trend (mmscf/d)



\* Average flare volume up to 21 January 2023

- Gas flaring reduced from 44 in 2021 to 34 mmscf/d in 2022.
- Flare YTD 28 January is 14 mmscf /d, stable performance.



# 2023: MULTIPLE HIGH IMPACT CATALYSTS



Venus appraisal drilling and testing program



Nara-1 (formerly West Venus) well to test westerly extension of Venus



Potential acquisition of strategic producing assets



OML 130 renewal



Refinancing of Prime's RBL and PXF facilities



Potential farmout of Block 3B/4B

# READER ADVISORY

## Accounting for Africa Oil's (Africa Oil, AOC or the Company) Interest in Prime

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/Loss and Comprehensive Income/Loss. Any dividends received by Africa Oil from Prime are recorded as Cash flow from Investing Activities.

## Non-IFRS Measures

References are made to "Earnings Before Interest, Tax, Depreciation, Amortization and Exploration Expenses ("EBITDAX"), free cash flow to firm ("FCFF") and free cash flow to equity ("FCFE"). These are not a generally accepted accounting measures 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, and FCFE that may be used by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Management believes that non-IFRS measures are useful supplemental measures that may assist shareholders and investors in assessing the cash generated by and the financial performance and position of the Company. Management also uses non-IFRS measures internally in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Company's ability to meet its future capital expenditure and working capital requirements. EBITDAX and FCFE presented in this document represent Prime's metrics net to Africa Oil's 50% shareholding in Prime:

- FCFF - calculated as operating cash flow less capital expenditures less general, administration and depreciation expenses before depreciation. FCFF represents the amount of cash that is generated and is available for interest payments and repaying debt.
- FCFE - calculated as FCFF less interest costs and debt principal repayments and represents the amount of cash that is available for distribution to shareholders.
- "EBITDAX" is calculated as net result before financial items, taxes, depletion of oil and gas properties, exploration costs, impairment costs and depreciation and adjusted for non-recurring profit/loss on sale of assets and other income.

## Oil and Gas Information

The reserves estimates presented have been evaluated by RISC in accordance with NI 51-101 and the COGE Handbook, are effective December 31, 2022. The reserves presented herein have been categorized accordance with the reserves and resource definitions as set out in the COGE Handbook. The estimates of reserves in this press release may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation. The production forecast are based on the RISC report prepared for the Company dated February 2023, effective as of December 31, 2022.

Aggregate oil equivalent production data are comprised of light and medium crude oil and conventional natural gas. These production rates only include sold gas volumes and not those volumes used for fuel, reinjected or flared. 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.

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: 1 bbl). 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.

## Slides 3

1. According to Wood Mackenzie report of January 2023
2. Based on a screening study using Rystad database, current top 10 oil fields in water depths of more than 25m include: Qatif, Zuluf, Marjan, Tupi, Buzios, Cantarrel, Ku-Maloob-Zaap, Azeri and Khafji

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

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Actual results may differ materially from those expressed or implied by such forward-looking statements. This update contains certain forward looking information that reflect the current views and/or expectations of management of the Company with respect to its performance, business and future events including statements with respect to financings and the Company's plans for growth and expansion. Such information is subject to a number of risks, uncertainties and assumptions, which may cause actual results to be materially different from those expressed or implied including the risk that the Company is unable to obtain required financing and risks and uncertainties inherent in oil exploration and development activities. Readers are cautioned that the assumptions used in the preparation of such information, such as market prices for oil and gas and chemical products, the Company's ability to explore, develop, produce and transport crude oil and natural gas to markets and the results of exploration and development drilling and related activities, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. The Company assumes no future obligation to update these forward looking information except as required by applicable securities laws.

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# THANK YOU

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