



Suite 2000
885 West Georgia Street
Vancouver, B.C. Canada V6C 3E8
Ph. 604-689-7842
info@africaoilcorp.com
africaoilcorp.com

NEWS RELEASE

AFRICA OIL ANNOUNCES AN INCREASE IN ITS OPERATED INTEREST IN BLOCK 3B/4B

July 11, 2023 (AOI-TSX, AOI-Nasdaq-Stockholm) – Africa Oil Corp. (“Africa Oil”, “AOC” or the “Company”) is pleased to announce that it has entered an agreement to increase its operated working interest (“WI”) in Block 3B/4B, located in the Orange Basin offshore South Africa and on trend with the Venus, Graff, La Rona and Jonker oil discoveries, for an additional 6.25% interest.

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

The Company has signed a legally binding Letter of Intent (“LOI”) with Azinam Limited (“Azinam”), a wholly owned subsidiary of Eco (Atlantic) Oil & Gas Ltd. (“Eco”), to acquire the 6.25% interest for a total cash consideration of USD 10.5 million, to be paid in tranches on the following milestones:

- USD 2.5 million within 30 days after the signing of the LOI;
- USD 2.5 million upon the government’s approval for the transfer of the 6.25% to Africa Oil;
- USD 4.0 million upon the completion of a farm-out deal to a third party; and
- USD 1.5 million upon spudding of the first exploration well on the block.

Africa Oil is a major shareholder in Eco with a 15.02% shareholding. The Company’s Directors other than Mr. Keith Hill, who is also a Director of Eco have reviewed and approved the terms of the LOI.

The Company will hold an operated WI of 26.25% subject to and, on the receipt of the government’s approval for the transfer, with Azinam holding a 20.00% WI and Ricocure (Proprietary) Limited holding the remaining 53.75% interest.

The Company and its Block 3B/4B partners are progressing plans to conduct a two-well campaign on the block and are in discussions with various potential partners to farm out up to a 55% gross working interest in the Block. The Company and its partners have also selected a leading South African environmental consulting firm to conduct a comprehensive Environmental and Social Impact Assessment process in preparation for permitting and drilling activity on the block.

About Block 3B/4B

Block 3B/4B covers an area of 17,581 km² within the Orange Basin offshore of the Republic of South Africa. This block lies to the southeast and on trend with number of oil discoveries including Venus and Graff. An independent review of the block’s prospective resources has been completed by RISC Advisory (UK) Limited (“RISC”), in accordance with Canadian National Instrument 51-101 – Standards for Oil and Gas Activities (“NI 51-101”), the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) and the Petroleum Resources Management System 2018 (“PRMS”). The effective date of RISC’s report is March 7, 2023, and can be found on the Company’s website: <https://africaoilcorp.com/operations/project-overview/>

RISC has reviewed the prospective resources and probability of geological success of 24 exploration prospects within Block 3B/4B in accordance with the PRMS. The report provides an evaluation of prospective resources from a prospect inventory identified using 3D seismic data and follows completion of the reprocessing of 2,200 km² of 3D seismic data and play-opening discoveries in Namibia including TotalEnergies’ Venus discovery and Shell’s Graff, La Rona, and Jonker light oil

discoveries. These discoveries prove the existence of a working petroleum system for light oil, gas condensate and gas in the geological play fairway. The proven reservoirs in Graff and Venus discoveries are similar to Cretaceous reservoirs and geological plays that would be targeted in Block 3B/4B. Prospects in Block 3B/4B are identified using 3D seismic data to assess the presence of seismic attributes including amplitude-variation-with-offset ("AVO") or direct hydrocarbon indicators ("DHI's").

About Africa Oil

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

For further information, please contact:

Shahin Amini
IR and Commercial Manager
shahin.amini@africaoilcorp.com
T: +44 (0)20 8017 1511

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 person set out above, at 2:00 a.m. ET on July 11, 2023.

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 production, schedules and costs of exploratory drilling activity including those offshore Namibia and on Block 3B/4B offshore South Africa, receipt of South African government approvals, farmout of an interest in Block 3B/4B, 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 including uncertainties around applicable corporate income tax in Nigeria, 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.