

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Africa Oil Corp. (the "Company" or "AOC")
2000 – 885 West Georgia Street
Vancouver, BC V6C 3E8

Telephone Number: (604) 689-7842

Item 2 Date of Material Change

October 31, 2018

Item 3 News Release

The news release was disseminated in Canada on October 31, 2018 through the facilities of CCN Matthews and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company announced that a consortium led by Vitol Investment Partnership II Ltd. ("Vitol") and comprising of AOC (25%), Delonex Energy Ltd. ("Delonex") (25%) and Vitol (50%), (collectively, the "Consortium"), has entered into a Share Purchase Agreement ("SPA") to acquire a 50% ownership interest in Petrobras Oil and Gas B.V. ("POGBV") for \$1.407 billion. BTG Pactual E&P B.V. will continue to own the remaining 50% of POGBV. The transaction is subject to customary conditions precedent.

The primary assets of POGBV are an indirect 8% interest in Oil Mining Lease ("OML") 127, which contains the producing Agbami Field, operated by affiliates of Chevron Corporation, and an indirect 16% interest in OML 130, operated by affiliates of TOTAL S.A., which contains the producing Akpo Field and the Egina Field, which is expected to commence production by the end of 2018. Current production of 368,000 barrels per day is anticipated to increase to over 568,000 barrels per day by the second half of 2019.

Item 5 Full Description of Material Change

Please see the attached News Release

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Keith Hill – President
Tel: (604) 689-7842

Item 9 Date of Report

November 1, 2018



CONSORTIUM OF AFRICA OIL, DELONEX AND VITOL ANNOUNCES ACQUISITION OF PRODUCING ASSETS IN DEEPWATER NIGERIA

**NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES**

All dollar amounts in this press release are USD unless otherwise indicated.

October 31, 2018

A consortium led by Vitol and comprising Africa Oil Corp (“Africa Oil”) (25%), Delonex Energy Ltd. (“Delonex”) (25%) and Vitol Investment Partnership II Ltd. (“Vitol”) (50%), (collectively, the “Consortium”), is pleased to announce that it has entered into a Share Purchase Agreement (“SPA”) to acquire a 50% ownership interest in Petrobras Oil and Gas B.V. for \$1.407 billion. BTG Pactual E&P B.V. will continue to own the remaining 50% of POGBV. The transaction is subject to customary conditions precedent.

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Russell Hardy, CEO, Vitol said: “Vitol has a long history of investing in Nigeria’s energy sector. We are pleased and proud to add this significant upstream asset to our infrastructure and downstream Nigerian investments. POGBV has a strong non-operated portfolio, managed by Chevron and Total and which represents circa 20% of Nigerian production. Vitol looks forward to continuing to grow and invest in Nigeria.”

Africa Oil CEO Keith Hill commented, “We are very pleased to be able to join Vitol and Delonex in acquiring an interest in these established, low unit cost, producing assets, with additional appraisal and development upside, that are operated by some of the best companies in the industry. With the addition of production and cash flow, Africa Oil will transform into a significant, Africa-focused, independent oil company. Combining these assets with our Kenya development project and recently rejuvenated exploration portfolio, we believe that Africa Oil is exposed to high growth potential in the current and anticipated strong oil price environment. The two producing fields have consistently outperformed expectations and our goal will be aligned with our operators and partners to keep the FPSOs as full as possible for the foreseeable future.”

Rahul Dhir, CEO of Delonex, said: “We are delighted to join Vitol and Africa Oil in acquiring an interest in these high quality assets. These assets are operated by leading industry operators and have consistently outperformed expectations. This acquisition represents an important strategic step for our company. We

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look forward to working with our operators and partners to further develop and achieve the goals of the consortium and deliver value for the government and nation of Nigeria.”

The agreed base purchase price of \$1.407 billion, is on a cash and debt free basis as of the effective date of 1st January 2018 (the “Effective Date”). A deferred payment of up to \$123 million may be due to the Seller depending on the date and ultimate OML 127 tract participation in the Agbami Field, which is subject to a redetermination process (see below). The Consortium’s funding required to ultimately close the transaction will be reduced by any leakage paid to the Seller by POGBV, including dividends, and increased by any contributions made to POGBV by the Seller during the period between the Effective Date and completion. POGBV has an existing reserve-based lending facility, with a syndicate of international banks and commitments of \$1.245 billion, which POGBV and the Consortium believe may be increased. Given the anticipated time required to complete the transaction, POGBV’s debt capacity, forecast post effective date cash flow and the structure of the transaction, Africa Oil expects to fund its share of the acquisition with cash on hand.

The three fields in these two licenses are all giant fields, located over 100 km offshore Nigeria, and are some of the largest and highest quality in Africa. Two of these fields, Agbami and Akpo, have been on production since 2008 and 2009, respectively, and in 2017 averaged a combined gross production rate of approximately 368,000 barrels of oil per day. Lifting costs in 2017 were well below \$10/bbl. The TOTAL-operated Egina development project in OML 130 is the largest investment project currently ongoing in the oil and gas sector in Nigeria. The Egina FPSO, with a 200,000 barrel of oil per day capacity is currently on station and is being hooked up to existing wells. Egina first oil is expected before the end of 2018 and quickly ramp up to plateau production of approximately 200,000 barrels of oil per day during the first half of 2019. The fields all have high quality reservoirs and produce light sweet crude oil with state of the art Floating Production, Storage and Offloading (“FPSO”) facilities.

During 2017, daily oil production from the Agbami Field averaged approximately 240,000 barrels of crude oil. Production commenced from the field in 2008 and has been on plateau for over 8 years. An infill drilling program is ongoing, aimed at extending plateau into 2020. The field spans OML 127 and OML 128 and is subject to a unitization agreement, with 62.5% of field production currently allocated to OML 127. A redetermination process has been subject to expert review and arbitration in order to finally determine an increase in the portion of the Agbami Field attributable to OML 127. During 2017, POGBV’s entitlement of daily oil production averaged approximately 21,000 barrels of crude oil (based on a 62.5% tract participation).

During 2017, daily oil production from the Akpo Field averaged approximately 128,000 barrels of crude oil. Production commenced from the field in 2009. During 2017, POGBV’s entitlement of daily oil production averaged approximately 26,000 barrels of crude oil.

In addition to the current fields under production and development there are other growth opportunities in horizons not yet under developed in existing fields and adjacent fields being considered for development together with exploration opportunities.

About Africa Oil Corp.

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

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About Vitol

Vitol is an energy and commodities company; its primary business is the trading and distribution of energy products globally – it trades over seven million barrels per day of crude oil and products and, at any time, has 250 ships transporting its cargoes.

Vitol's clients include national oil companies, multinationals, leading industrial and chemical companies and the world's largest airlines. Founded in Rotterdam in 1966, today Vitol serves clients from some 40 offices worldwide and is invested in energy assets globally including: circa 18mm³ of storage across seven continents, 480kbpd of refining capacity and 5,000 service stations across Africa, Australia, Eurasia and in Northwest Europe. Revenues in 2017 were \$181 billion.

About Delonex

Delonex is a leading sub-Saharan oil and gas company focused on exploration, development and production and with operations in Chad, Kenya and Ethiopia. Delonex is backed by an investor group including the International Finance Corporation (a member of the World Bank Group) and Warburg Pincus, a leading global private equity firm which has invested or committed over \$14 billion across more than 90 energy-related companies.

Additional Information

This information is information that Africa Oil Corp. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below at 5:00 Eastern Time on October 31, 2018.

Cautionary Language

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation). All statements in this news release, other than statements of historical facts are forward-looking statements. Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, the expected increase in production from Agbami and Akop fields and the timing thereof, the expected closing date of the Transaction, the ability of Africa Oil to fund its share of the acquisition with cash on hand, the timing for commencement of, and reaching plateau, production from the Egina field, the amount and timing of the increased reserve based lending facility, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

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, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in

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those forward-looking statements are reasonable, but 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 oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Market data and other statistical information used herein are based on internal company research, independent industry publications, governments publications, reports by market research firms or their published independent sources. Industry publications, governmental publications, market research surveys and forecast generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes such information is accurate and reliable, it has not independently verified any of the data from third party sources cited or used for our management's industry estimates, nor has the Company ascertained the underlying economic assumptions relied upon therein. While the Company believes internal company estimates are reliable, such estimates have not been verified by any independent sources, and the Company makes no representations as to the accuracy of such estimates.

FOR FURTHER INFORMATION PLEASE CONTACT:

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