



Suite 2500
666 Burrard Street,
Vancouver, B.C. Canada V6C 2X8
info@africaoilcorp.com
africaoilcorp.com

NEWS RELEASE

AFRICA OIL ANNOUNCES THIRD QUARTER 2023 RESULTS

November 14, 2023 (AOI-TSX, AOI-Nasdaq-Stockholm) – Africa Oil Corp. (“Africa Oil”, “AOC” or the “Company”) is pleased to announce its operating and interim condensed consolidated financial results for the three and nine months ended September 30, 2023.

Highlights*

- Successfully completed Venus-1X drill stem testing (“DST”) program after flowing oil at positive rates, supporting the Venus commercial development case, and as confirmed by the operator’s public statements that there will be an oil development on Venus.
- The Tungsten Explorer drilling rig has spudded the Mangetti-1X exploration well in the northern part of Block 2913B with the results expected by early next year.
- AOC participated in a \$40.0 million equity placement by Impact after the period end, investing \$13.0 million with the proceeds to fund Impact’s continuing activities for the remainder of 2023.
- Prime distributed a dividend of \$125.0 million, \$62.5 million net to the Company’s 50% shareholding.
- In Q3 2023 OML 127 was voluntarily converted to operate under the new Petroleum Industry Act from March 1, 2023, and is now subject to 30% Corporate Income Tax regime compared to the previous 50% Petroleum Profit Tax regime.
- OML 130 drilling campaign continues with two water injection wells and one production well on the Egina oil field having been successfully completed and put online.
- Q3 2023 average daily WI production rate of 20,300 boepd was approximately 4% higher than Q2 2023 average of 19,500 boepd.
- Achieved an average realized oil sales price of \$84.5/bbl compared to the average Bloomberg Dated Brent price of \$81.5/bbl for the offtake dates in July and August.
- Prime’s cash position of \$118.9 million and debt balance of \$375.0 million resulting in a Prime net debt position of \$256.1 million, in each case net to the Company’s 50% shareholding at September 30, 2023.
- AOC’s cash and cash equivalents at September 30, 2023, of \$201.5 million.

Africa Oil President and CEO, Roger Tucker commented: “Third quarter 2023 was a positive period for the Company with notable achievements for our two main assets offshore Namibia and Nigeria. The Venus-1X testing program achieved positive flow rates for the world-class Venus light oil discovery offshore Namibia, and I am encouraged to note the public statements by the operator, TotalEnergies, that there will be a development on the Venus field.

I am pleased to confirm the conversion of OML 127 to Nigeria’s new Petroleum Industry Act regime, that reduces the effective tax rate for the Agbami field. Our Nigerian assets continue to perform well and we received a dividend for \$62.5 million during the period. We also saw the first quarterly increase in the average daily production since the second quarter 2021, as the Egina infill drilling program offset the field’s production decline.

We have a strong balance sheet and liquidity position, high netback production and unique transformational catalysts in our portfolio. We are focused on optimizing our business structure and

* Important information: Africa Oil’s interest in Prime is accounted for as an investment in joint venture. Refer to Note 1 on page 4 for further details. Please also refer to other notes on page 4 for important information on the material presented.

delivering on our organic growth opportunities. I look forward to updating you in due course as we make progress on several fronts towards delivering the next phase of value creation.”

2023 Third Quarter Results Summary

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

		Three months ended		Nine months ended		Year ended
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	December 31, 2022
Unit						
AOC highlights						
Net income/ (loss)	\$'m	47.1	70.5	175.9	121.8	(60.3)
Net income/ (loss) per share - basic	\$/ share	0.10	0.15	0.38	0.26	(0.13)
Cash position	\$'m	201.5	207.3	201.5	207.3	199.7
Prime highlights, net to AOC's 50% shareholding¹						
WI production ³	boepd	20,300	22,100	20,200	24,200	23,500
Economic entitlement production ⁴	boepd	23,000	25,200	22,800	26,500	25,600
Cash flow from operations ^{2,5}	\$'m	76.7	100.7	236.3	213.8	279.4
EBITDAX ²	\$'m	117.5	227.4	348.0	476.7	617.4
Free Cash Flow ²	\$'m	84.8	65.1	132.4	316.7	299.8
Net debt	\$'m	256.1	165.1	256.1	165.1	225.3

The financial information in this table was selected from the Company's interim condensed consolidated financial statements for the three and nine months ended September 30, 2023 and the Company's audited consolidated financial statements for the year ended December 31, 2022. The Company's interim condensed consolidated financial statements, notes to the financial statements, management's discussion and analysis for the three and nine months ended September 30, 2023 and 2022 and the 2022 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).

In Q3 2023 and first nine months of 2023, the Company recognized net operating income amounting to \$47.1 million and \$175.9 million respectively (Q3 2022 and first nine months of 2022 - \$70.5 million and \$121.8 million respectively).

In Q3 2023 and first nine month of 2023, included in the Company's share of income from equity investments is income from its 50% investment in Prime of \$57.1 million and \$307.3 million respectively (Q3 2022 and first nine months of 2022 - \$78.3 million and \$143.7 million respectively).

The figures used in the explanations for movements period on period below are based on Prime's gross balances per the interim condensed consolidated financial statements.

Prime revenues decreased by \$125.7 million in Q3 2023 compared to Q3 2022, mainly from a decrease in oil revenue of \$76.1 million driven by lower liftings. Prime also recorded an increase in cost of sales of \$131.7 million, primarily driven by an underlift movement during Q3 2023 of \$29.8 million compared to an underlift movement in Q3 2022 of \$147.0 million. This resulted in a decrease in gross profit to \$151.0 million in Q3 2023 from \$408.4 million in Q3 2022. There was a tax charge in Q3 2023 of \$5.1 million compared to \$224.0 million in Q3 2022.

In Q3 2023 Prime voluntarily converted the OML 127 license to operate under the new Petroleum Industry Act from March 1, 2023, with all key conditions precedent fulfilled during the three months ended September 30, 2023. Under these terms, OML 127 is subject to a 30% Corporate Income Tax regime compared to the previous 50% PPT regime which resulted in the release of \$62.0 million of deferred income tax liabilities during the period for OML 127. These factors explain the lower profit in the period of \$42.5 million in Q3 2023 compared to Q3 2022.

2023 Management Guidance

The 2023 Management Guidance is unchanged and a summary is presented below, including significant assumptions in the footnotes, for completeness:

Prime, net to AOC's 50% shareholding:	Full-Year 2023 Guidance	Nine months ended September 30, 2023 Actuals
WI production (boepd) ⁽¹⁾⁽²⁾	18,500 – 21,500	20,200
Economic entitlement production (boepd) ^(2,3)	20,500 – 23,500	22,800
Cash flow from operations ^(4,5) (million)	\$250.0 – \$330.0	\$236.3
Capital investment (million)	\$80.0 - \$100.0	\$35.0

- (1) The Company's 2023 production will be contributed solely by its 50% shareholding in Prime.
- (2) Approximately, 82% expected to be light and medium crude oil and 18% conventional natural gas.
- (3) Net entitlement production estimate is based on a 2023 average Brent price of \$80.9/bbl being the average of the Brent forward curves between November 15, 2022, and January 15, 2023. Net entitlement production is calculated using the economic interest methodology and includes cost recovery oil, tax oil and profit oil and is different from WI production that is calculated based on project volumes multiplied by Prime's effective WI.
- (4) Cash flow from operations before working capital adjustments and interest payments.
- (5) Prime does not pay dividends to its shareholders, including the Company, 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 the Company. Any dividends received by the Company 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, and Prime's minimum cash on hand requirements.

Namibia Orange Basin – Venus Oil Discovery

The Company believes that its most impactful catalysts for the remainder of 2023 are the appraisal and exploration results from Block 2913B (PEL 56), located offshore Namibia and operated by TotalEnergies. These include flow test results from the Venus-1A appraisal well and the outcome of the Mangetti-1X exploration well.

At the date of this announcement, AOC has an interest in this program through its 31.1% shareholding in Impact, which in turn has a 20.0% WI in PEL 56, giving Africa Oil effective interest of 6.2% in the license.

During Q3 2023, Deepsea Mira rig performed the DST program for Venus-1X well with positive results achieved, which support the case for a commercial development of the Venus field as confirmed by the operator's public statements that there will be an oil development on Venus. The results for Venus-1X are being incorporated in the development studies and are expected to be confirmed by the Venus-1A DST program, currently being carried out by Deepsea Mira.

During Q3 2023, the Tungsten Explorer rig drilled the Nara-1X exploration well in Block 2912, approximately 30km to the northwest of Venus-1X. The formation was encountered on prognosis and a thick interval was drilled with oil and gas shows. This outcome confirms the presence of a working petroleum system at the Nara-1X location, a considerable distance from Venus-1X and Venus-1A locations. A full wireline logging program was completed, and a core taken; however, the well was not flow tested as the interval drilled was deemed non-commercial and was plugged and abandoned. The Joint Venture is continuing to evaluate the results of Nara-1X.

Impact closed a private placement with certain existing shareholders on October 31, 2023, to raise \$40.0 million. The proceeds from this placement, together with existing cash reserves, is intended to fund Impact's participating share of costs for the remainder of 2023, which include the on-going appraisal of the Venus discovery, drilling of the Mangetti-1X exploration well and further 3D seismic acquisition for the southern part of Block 2913B to cover the Damara and South Damara structures that have been identified on 2D seismic.

Prime

The OML 130 drilling campaign that commenced on February 22, 2023, continues with the 3 wells, two water injectors and one production well, successfully drilled and completed on Egina. The infill drilling has offset production declines with the first quarterly increase in the average daily production since second quarter 2021.

The drilling rig is currently drilling the first of 3 wells on Akpo West field. The wells will be tied into the Akpo FPSO. The multi-well program is planned for up to 9 wells on Egina and Akpo in the license area during 2023 and 2024.

Acquisition of 4D monitor seismic surveys are planned for Akpo, Egina and Agbami during late 2023 through early 2024. The acquisition plan also includes a baseline 4D seismic survey of the Preowei field. The surveys will support future drilling decisions across both OML 127 and OML 130.

Full year 2023 production outlook remains within management guidance for both working interest and economic entitlement after Q3 2023 production results. Beyond the aforementioned drilling campaign on Egina and Akpo, which will offset production decline, there is a planned maintenance shutdown for the Akpo field taking place during Q1 2024, this was previously planned for Q4 2023.

Following the 20-year renewal of the OML 130 license on May 28, 2023, FEED studies are expected to take place through the fourth quarter of 2023, which could facilitate the final investment decision for the Preowei oil discovery development project. Preowei oil field is to the north of Egina FPSO and is a development opportunity via a satellite subsea tie-back project to the Egina FPSO.

NOTES

1. The 50% shareholding in Prime is accounted for using the equity method and presented as an investment in joint venture in the Interim Condensed 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.
2. The table includes non-GAAP measures. Definitions and reconciliations to these non-GAAP measures are provided in Third Quarter 2023 MD&A.
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. Cash flow from operations before working capital adjustments.

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, November 16, 2023 at 09:00 (ET) / 14:00 (GMT) / 15:00 (CET). Participants should use the following link to register for the live webcast:

Participants should use the following link to register for the live webcast:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=A1806FF6-C426-4F69-B753-724D32CE5198>

Please note that for optimal viewing, it is best not to connect to a Virtual Private Network (VPN) but instead to connect directly to the Internet.

Please test your connection prior to joining to ensure a successful user experience. Connection Test: [Click Here](#). For system requirements, visit the [FAQ](#) page.

Participants can also join via telephone with the instructions available on the following link:

<https://register.vevent.com/register/BI141f840ff99443cdbab7d323626c0f0f>

1. Click on the call link and complete the online registration form.
2. Upon registering you will receive the dial-in info and a unique PIN to join the call as well as an email confirmation with the details.
3. Select a method for joining the call;
 - i. Dial-In: A dial in number and unique PIN are displayed to connect directly from your phone.
 - ii. Call Me: Enter your phone number and click "Call Me" for an immediate callback from the system. The call will come from a US number.

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 persons set out above, at 5:00 p.m. ET on November 14, 2023.

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. Petroleum references in this press release are to light and medium gravity crude oil and conventional natural gas in accordance with NI 51-101 and the COGE Handbook.

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 the 2023 Management Guidance including production, cashflow from operation and capital investment estimates, performance of commodity hedges, the results, schedules and costs of drilling activity including those offshore Namibia and Nigeria, the outcome of exploration and appraisal activities including those offshore Namibia, 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 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.