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## **NEWS RELEASE**

### **AFRICA OIL 2018 THIRD QUARTER FINANCIAL AND OPERATING RESULTS**

**November 13, 2018 (AOI-TSX, AOI-Nasdaq-Stockholm) ... Africa Oil Corp.** ("Africa Oil" or the "Company") is pleased to announce its financial and operating results for the three and nine months ended September 30, 2018.

#### **HIGHLIGHTS:**

- The Company ended Q3 2018 with cash of \$380.1 million and working capital of \$371.5 million;
- Cash increased by \$10.6 million during Q3 2018, primarily due to receiving the third \$18.75 million quarterly advance development carry payment from Total. The fourth and final \$18.75 million advance carry payment is expected in Q4 2018;
- Operational activity continues to be focused in the South Lokichar basin (Blocks 10BB and 13T – Kenya). Work has continued in both the Amosing and Ngamia fields, with water injection testing ongoing at Ngamia-11 and continued oil production from the Ngamia-8 well. The Ngamia-3 well also successfully started production in June 2018. The produced oil from testing has been stored in the field. A comprehensive review of results from this program commenced in the third quarter of 2018. To date, the results are positive;
- The upstream and pipeline Front End Engineering and Design (FEED) work associated with the South Lokichar development project is progressing to plan and is expected to be completed in the first quarter of 2019. Environmental and Social Impact Assessments are also on schedule for submission to the regulators in the second quarter of 2019;
- The transfer of stored crude oil from Turkana to Mombasa by road continues, with four trucks continuing to be dispatched every two days, transporting approximately 600 bopd. To date, approximately 30,000 barrels of oil has been transported to Mombasa. The volume of oil transported by truck is expected to increase to 2,000 bopd once the Early Oil Production System is fully operational and production testing commences from the Amosing production facility. The first lifting of sweet Kenyan crude oil stored in Mombasa is expected in the second quarter of 2019;
- The Kenya Joint Venture Partners (Blocks 10BB and 13T) continue to negotiate key commercial Heads of Terms ("HOT's") with the Government of Kenya, related to agreements expected to establish the commercial structure associated with field development;
- Subsequent to the end of the quarter the Company announced it had entered into a share purchase agreement to acquire an effective 12.5% ownership interest in a company who holds interests in multiple producing and developing fields offshore Nigeria (please refer to press release dated 31<sup>st</sup> October 2018).

Africa Oil Corp. has a 25% working interest in Blocks 10BB and 13T with Tullow Oil plc (50% and Operator) and TOTAL S.A. (25%) holding the remaining interests.

## 2018 Third Quarter Financial Results

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

	September 30, 2018	December 31, 2017
Cash and cash equivalents	380,144	392,290
Total assets	969,278	1,006,312
Total liabilities	29,231	32,858
Total equity attributable to common shareholders	940,047	973,454
Net working capital	371,469	436,292

  

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Operating expenses	2,358	2,309	53,350	6,612
Net loss	323	944	48,493	3,735
Net loss per share (basic and diluted)	0.00	0.00	0.10	0.01
Weighted average number of shares outstanding (basic and diluted) ('000s)	470,568	456,617	467,196	456,599
Number of shares outstanding ('000s)	470,568	456,617	470,568	456,617
Cash flows provide by (used in) operations	516	18	(10)	(757)
Cash flows provide by (used in) investing	10,045	(13,053)	(11,558)	(38,195)
Cash flows provide by (used in) financing	-	-	(568)	(249)
Total change in cash and cash equivalents	10,567	(12,952)	(12,146)	(39,156)
Change in share capital	-	-	14,333	407
Change in contributed surplus	271	740	753	1,215
Change in deficit	(323)	(944)	(48,493)	(3,735)
Total change in equity	(52)	(204)	(33,407)	(2,113)

The financial information in this table was selected from the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2018. The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the three and nine months ended September 30, 2018 and 2017, and the 2017 Annual Information Form have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and are available on the Company's website ([www.africaoilcorp.com](http://www.africaoilcorp.com)).

## FINANCIAL POSITION AND EARNINGS

The Company ended Q3 2018 with cash of \$380.1 million and working capital of \$371.5 million in comparison to cash of \$392.3 million and working capital of \$436.3 million at the end of 2017. Africa Oil is debt free. Investments in intangible exploration expenditures of \$8.9 million were incurred during Q3 2018 (\$30.2 million year to date in 2018). These expenditures relate primarily to costs associated with appraisal activities and developments studies related to the South Lokichar basin (Blocks 10BB and 13T Kenya). Offsetting these expenditures, were advance development carry funds received from Total of \$18.75 million in Q3 2018 (\$56.3 million year to date in 2018).

Operating expenses increased \$46.7 million during the nine months ended September 30, 2018 compared to the same period in 2017. The Company recognized a \$44.7 million impairment of intangible exploration assets during the nine months ended September 30, 2018 relating to the relinquishment of Block 9 in Kenya. Project evaluation expenses increased \$1.0 million during the nine months ended September 30, 2018 due to costs associated with assessing potential Africa-related investment opportunities. The Company recognized \$1.1 million in losses relating to the revaluation of Impact Oil and Gas Limited ("Impact") warrants, acquired during the first quarter of 2018. The share of loss from equity investments increased \$0.3 million during the nine months ended September 30, 2018 compared to the same period in 2017. This is due to the Company recognizing losses from its investments in Africa Energy Corp. ("Africa Energy") and Eco (Atlantic) Oil and Gas Ltd. ("Eco") which were offset by the recognition of a gain from its investment in Impact. The Eco investment was completed during November 2017 and the Impact investment was completed in March 2018. Travel expenses increased \$0.4 million due to an increase in activities relating to business development and current operations. Office and general increased \$0.2 million during the nine months ended September 30, 2018 compared to the same period in 2017 which is primarily due to increased activity related to current operations. Salaries and benefits increased \$0.3 million during the nine months ended September 30, 2018 compared to the same period in 2017 due to the recovery of costs relating to the secondment of an employee during 2017 as well as the addition of an employee during the second quarter of 2018. Equity-based compensation decreased \$0.3 million which can be mainly attributed to the decrease in the number and fair value of stock options granted at the end of 2017. Donations decreased as the Company made a donation of \$0.9 million during the nine months ended September 30, 2017 compared \$ nil during the same period in 2018.

Operating expenses were fairly consistent during the third quarter of 2018 compared to the same period in 2017. Project evaluation increased \$0.3 million during the third quarter of 2018 due to costs associated with assessing potential Africa-related investment opportunities. The Company recognized \$0.4 million in losses relating to the revaluation of Impact warrants acquired during the first quarter of 2018. The Company recognized a gain \$0.4 million during the third quarter of 2018 compared to a loss of \$0.3 million during the same period in 2017. This is due to the Company recognizing losses from its investments in Africa Energy and Eco which was offset by the recognition of a gain from its investment in Impact.

#### **About Africa oil**

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".

#### **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 5:30 p.m. Eastern Time on November 13, 2018.

## **FORWARD LOOKING INFORMATION**

Certain statements made 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. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, 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 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.

### **ON BEHALF OF THE BOARD**

"Keith C. Hill"  
President and CEO

For further information, please contact: Sophia Shane, Corporate Development (604) 689-7842.