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## NEWS RELEASE

### **AFRICA OIL ANNOUNCES THE ENTRY OF SHELL OIL INTO TWO EXISTING BLOCKS AND THE SIGNING OF A NEW BLOCK IN SOUTH AFRICA**

**November 4, 2020 (AOI-TSX, AOI-Nasdaq-Stockholm)** – Africa Oil Corp. (“AOI”, “Africa Oil” or “the Company”) is pleased to announce that Impact Oil & Gas Limited (“Impact”) has entered into two agreements for exploration areas offshore South Africa. The Company has a 31.10% shareholding in Impact, a privately owned exploration company with a strategic focus on large scale, mid to deep water plays of sufficient materiality to be of interest to major companies. Impact has an asset base across the offshore margins of Southern and West Africa.

#### **Farm-out of Transkei & Algoa Blocks**

Impact has entered into an agreement with BG International Limited, a wholly owned subsidiary of Royal Dutch Shell plc (“Shell”) for the farm-out of a 50% working interest and operatorship in the Transkei & Algoa exploration right, offshore South Africa (Exploration Right reference 12/3/252).

Under the terms of the farm-out agreement, Shell will acquire a 50% working interest in the Transkei & Algoa blocks and operatorship. Shell has also been granted the option to acquire an additional 5% working interest should the joint venture elect to move into the Third Renewal Period, which is expected to be approximately 2024.

Siraj Ahmed, CEO of Impact Oil & Gas, commented: *“We are delighted to have secured a farm-out partner of Shell’s calibre, highlighting the significant value potential of our exceptional South African exploration portfolio. Shell joins the Transkei & Algoa licence at a very exciting time for exploration drilling in South Africa. They bring substantial exploration expertise, with particular understanding of the potential offshore South Africa, and an agreed strategy to accelerate the work programme to build upon the considerable work already undertaken by Impact and the previous JV partnership.”*

Whilst part of the same licence, the Transkei & Algoa blocks have different geological settings. Algoa is situated in the South Outeniqua Basin, a short distance east of Block 11B/12B, containing the Brulpadda gas condensate discovery and where Total has recently announced a further significant gas condensate discovery, following the successful drilling of the Luiperd-1X exploration well, which it is currently testing. The Transkei block is situated north-east of Algoa in the Natal Trough Basin where Impact has identified highly material prospectivity associated with several large submarine fan bodies, which this joint venture will explore with focused 3D seismic data and then

potential exploratory drilling. Impact and Shell plan to acquire over 6,000km<sup>2</sup> of 3D seismic data during the first available seismic window following completion of the transaction. This window is expected to be in the first quarter of 2022.

Closing of the transaction is subject to customary conditions, including the approval of the Government of South Africa. The participating interests in the Transkei & Algoa blocks following completion of the farm-out by Impact will be as follows: Shell (Operator), 50% and Impact, 50%.

### **Impact to farm-in to Area 2**

Impact Africa Ltd, has also entered into an agreement with Silver Wave Energy Pte Ltd (“Silver Wave”) for the farm-in of a 90% working interest and operatorship of Area 2, offshore South Africa (Exploration Right reference 12/3/276).

Under the terms of the farm-out agreement, Impact will acquire a 90% working interest and operatorship in Area 2, offshore South Africa. Being immediately east and adjacent to Impact’s Transkei & Algoa blocks, Area 2 complements Impact’s existing position by extending the entire length of the ultra-deep-water part of the Transkei margin (please refer to the exhibit at the bottom of this press release). Together, the Transkei & Algoa Blocks and Area 2 cover over 124,000 km<sup>2</sup> and occupy a very exciting frontier exploration area, with plays extending across both blocks.

*Siraj Ahmed, CEO of Impact Oil & Gas, commented: “We are delighted to have partnered with Silver Wave in Area 2; a significant addition to Impact’s portfolio. Following Total’s recent successes in the Outeniqua basin, and the upcoming Venus well in Namibia, this acquisition materially increases the Company’s presence within an exciting exploration region, as it opens up. The addition of Area 2 to Impact’s Transkei & Algoa and Orange Basin Deep Blocks in South Africa, and Blocks 2912 and 2913B in Namibia, delivers a unique and compelling Southern African exploration portfolio.”*

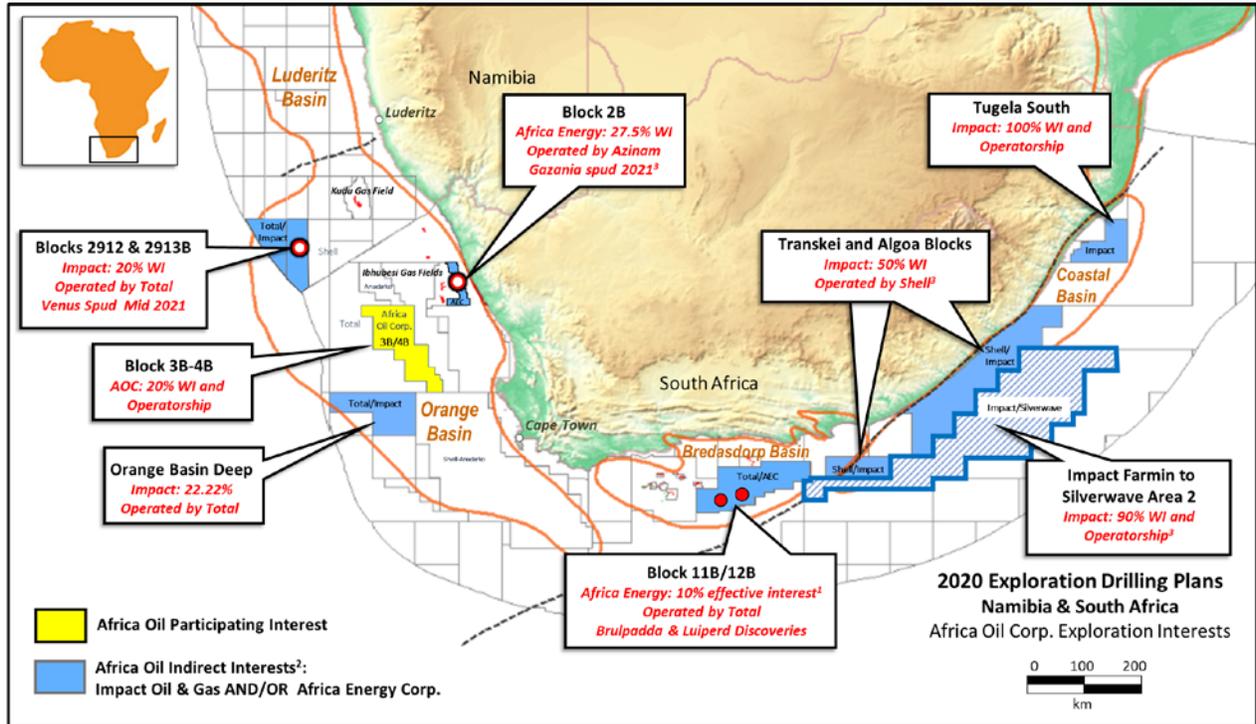
Area 2 lies within the emerging Southern African Aptian deep water oil and gas play, stretching from northern most Namibia, around Cape Agulhas and the Transkei margin, to the Durban Basin in the north-east. This play has been opened by the Brulpadda and Luiperd discoveries in the Outeniqua Basin and will be further tested during 2021 by the well on the giant Venus prospect in ultra-deep-water Namibia, where Impact is a substantial partner. Impact believes that there is good evidence for this Southern African Aptian play to have a common world-class Lower Cretaceous source rock, similar excellent quality Apto-Albian reservoir sands, and a geological setting suitable for the formation of large stratigraphic traps.

Closing of the transaction is subject to customary conditions, including the and the approval of Government of South Africa. The participating interests in the Area 2 following completion of Impact’s farm-in will be as follows: Impact (Operator), 90% and Silver Wave, 10%.

Keith Hill, Africa Oil’s President and CEO, commented, “We continue to be very pleased with our portfolio of equity investments, especially with the recent Luiperd discovery on Block 11B/12B, South Africa. The entry of Shell into Impact’s Transkei & Algoa licence is a confirmation of this strategy and with the addition of Area 2, we now have an industry

leading acreage position in this exciting new region. All of our portfolio companies, Impact, Africa Energy and Eco Atlantic are well financed, and we do not expect them to raise any additional equity in the foreseeable future. We are looking forward to the spud of Venus exploration well on Block 2913B, in Namibia's Orange Basin, in the first half of 2021, which will target one of the largest submarine fans ever tested by the industry."

### Exhibit – Africa Oil’s Portfolio Exposure in Southern Africa



**Notes:**

- <sup>1</sup> Africa Energy has signed definitive agreements that, subject to completion, will increase its effective interest in Block 11B/12B to 10% from 4.9%.
- <sup>2</sup> Africa Oil has a 31.1% shareholding in Impact and its shareholding in Africa Energy is expected to be 29.9% on completion of the definitive agreements referred to in the previous note.
- <sup>3</sup> Completion subject to government approval.

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

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 on November 4, 2020 at 5:30 a.m. ET.

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### 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. 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. 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. Actual results may differ materially from those expressed or implied by such forward-looking statements.