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## NEWS RELEASE

# AFRICA OIL 2019 SECOND QUARTER FINANCIAL AND OPERATING RESULTS

**August 14, 2019 (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 six months ended June 30, 2019.

### HIGHLIGHTS:

- The Company ended the quarter with cash of \$341.3 million and working capital of \$312.4 million;
- The Joint Venture Partners (Blocks 10BB and 13T – Kenya) and the Government of Kenya have concluded negotiations around key fiscal and commercial principles for Project Oil Kenya with agreements between the parties documented in various Heads of Terms which were signed by the Joint Venture Partners and the Government of Kenya in Nairobi on June 25th;
- On August 12, 2019, the Company announced a significant oil discovery on the Orinduik Block, offshore Guyana. Africa Oil holds an approximately 18.8% equity interest in Eco, and Eco holds a 15% working interest in the Orinduik Block;
- During the second quarter of 2019, the Company acquired 4,752,850 common shares of Eco (Atlantic) Oil and Gas Ltd. (“Eco”) for total consideration of \$5.0 million (Africa Oil currently owns approximately 18.8% of Eco);
- During the first quarter of 2019, the Company completed the acquisition of an additional 19,890,560 shares of Impact Oil and Gas Limited (“Impact”) for an aggregate subscription price of \$6.3 million. Africa Oil currently owns approximately 30.1% of Impact;
- On February 6, 2019, a significant discovery was announced at the Brulpadda-1AX well on Block 11B/12B offshore South Africa. Africa Oil holds an indirect interest in the project as a result of its equity interests in Africa Energy Corp. (34.5% ownership interest) and Impact Oil and Gas Limited (30.1% ownership interest);
- Upstream and midstream Front End Engineering and Design (“FEED”) studies (Blocks 10BB and 13T – Kenya) have been completed and the Environmental and Social Impact Assessments (“ESIA”) remain on track for submission to the National Environmental Agency during the third quarter of 2019;
- Following the receipt of the Regulatory Authority approval the Early Oil Production System (“EOPS”) became fully operational at the Amosing temporary production facility in June 2019. EOPS production levels have reached 2000 barrels of oil per day (“bopd”) with all the crude oil being trucked from Turkana to Mombasa by road. To date, approximately 230,000 barrels of oil have been transported to Mombasa. The first lifting of sweet Kenyan crude oil stored in Mombasa is expected in the second half of 2019;
- In October 2018, 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). Completion of the transaction is subject to customary conditions precedent, including Nigerian Government consent;
- In July 2019, the Company announced that its wholly-owned subsidiary, Africa Oil SA Corp., had entered into a definitive farmout agreement to acquire a 20% participating interest and operatorship in the Exploration Right for Block 3B/4B, offshore South Africa. Completion of the farmout agreement is subject to standard conditions for a transaction of this type, including approval of the South African government.

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.

## 2019 Second Quarter Financial Results

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

|   | June 30, 2019                    |                                  | December 31, 2018              |                                |
|---|----------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Cash and cash equivalents   | 341,331                          |                                  | 370,337                        |                                |
| Total assets  | 944,298                          |                                  | 953,911                        |                                |
| Total liabilities   | 31,496                           |                                  | 31,831                         |                                |
| Total equity attributable to common shareholders                          | 912,802                          |                                  | 922,080                        |                                |
| Working capital   | 312,422                          |                                  | 340,745                        |                                |
|   | Three months ended June 30, 2019 | Three months ended June 30, 2018 | Six months ended June 30, 2019 | Six months ended June 30, 2018 |
| Operating expenses  | 11,755                           | 48,417                           | 14,630                         | 50,992                         |
| Net loss  | 9,463                            | 46,844                           | 9,974                          | 48,170                         |
| Net loss per share (basic and diluted)                                    | 0.02                             | 0.10                             | 0.02                           | 0.10                           |
| Weighted average number of shares outstanding (basic and diluted) ('000s) | 471,214                          | 470,568                          | 470,936                        | 465,482                        |
| Number of shares outstanding ('000s)                                      | 471,214                          | 470,568                          | 471,214                        | 470,568                        |
| Cash flows provide by (used in) operations                                | 240                              | (168)                            | 1,067                          | (526)                          |
| Cash flows provide by (used in) investing                                 | (14,107)                         | (9,146)                          | (29,339)                       | (21,603)                       |
| Cash flows provide by (used in) financing                                 | (39)                             | -                                | (734)                          | (568)                          |
| Total change in cash and cash equivalents                                 | (13,899)                         | (9,329)                          | (29,006)                       | (22,713)                       |
| Change in share capital   | -                                | -                                | 824                            | 14,333                         |
| Change in contributed surplus   | 372                              | 281                              | (128)                          | 482                            |
| Change in deficit   | (9,463)                          | (46,844)                         | (9,974)                        | (48,170)                       |
| Total change in equity  | (9,091)                          | (46,563)                         | (9,278)                        | (33,355)                       |

The financial information in this table was selected from the Company's unaudited consolidated financial statements for the three and six months ended June 30, 2019. The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the three and six months ended June 30, 2019 and 2018, and the 2018 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 the second quarter of 2019 with cash of \$341.3 million and working capital of \$312.4 million in comparison to cash of \$370.3 million and working capital of \$340.7 million at the end of 2018. Africa Oil is debt free. Investments in intangible exploration expenditures of \$4.8 million and \$17.9 million were incurred during the three and six months ended June 30, 2019 respectively (\$10.3 million and \$21.3 million during the three and six months ended June 30, 2018 respectively). These expenditures relate primarily to the Company's share of appraisal stage projects (Blocks 10BB and 13T – Kenya) and include expenditures related to the following activities: geological and geophysical studies, development studies (including upstream and midstream FEEDs, land acquisition, ESIA's, water acquisition and subsurface reservoir studies) and general and administrative costs incurred in relation the Company's Production

Sharing Agreements. An additional \$6.3 million investment was made in Impact during the first quarter of 2019 and an additional \$5.0 million investment was made in Eco during the second quarter of 2019.

Operating expenses decreased \$36.7 million during the second quarter of 2019 compared to the same period in 2018 and \$36.4 million during the six months ended June 30, 2019 in comparison to the first half of 2018. The Company recognized a \$44.7 million impairment of intangible exploration assets during the three months ended June 30, 2018 relating to the relinquishment of Block 9 in Kenya. The share of loss from equity investments increased \$8.3 million during the three months ended June 30, 2019 compared to the same period in 2018. This was driven by a \$7.4 million loss recorded during the quarter on the Impact investment, where a provision was made for certain Gabon property impairments. Impact continues to hold a broad portfolio of high impact exploration and appraisal opportunities.

## CORPORATE UPDATE

Mr. Bryan Benitz is stepping down from the Board of Directors after 10 years of service. The Company is grateful for Mr. Benitz's service and contribution to the Board. He has been an excellent advisor to the Board and will act as a consultant to the Company for the balance of the year.

The Company is pleased to announce the appointment of Erin Johnston to the Board of Directors. Ms. Johnston serves as Managing Director of Lundin Foundation, a Canadian not-for profit organization that develops market-based programs to maximize benefits to communities surrounding resource operations. In her role as Managing Director, she advises on Environmental and Social Governance (ESG) issues to reduce non-technical risks of resource development projects, and engages with stakeholders on ESG issues, including host governments and local communities.

Ms. Johnston brings over 15 years of experience in the private sector leading capacity building and resource governance projects in Latin America, Asia and Africa. She was the former Director of Training Investment responsible for British Columbia's annual investment in education and skills training. She has a Masters of Arts in International Leadership from Simon Fraser University and an Executive Leadership Certificate from the UBC Sauder School of Business.

## About Africa oil

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and has signed an agreement to acquire an interest in a producing asset in deepwater Nigeria. 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 and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the contact person set out below on August 14, 2019 at 2:30 p.m. Pacific Time.

## 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, ongoing uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the drilling on the Jethro-Lobe prospect and anticipated drilling on the Joe prospect, anticipated date, results and costs of the lifting of the sweet Kenyan crude oil stored in Mombasa; estimated production levels at the Amosing temporary production facility; the completion of the Company's Environmental and Social Impact Assessments and submission of same to the National Environmental Agency; the Company's negotiations with its Joint Venture Partners and the Government of Kenya, and the completion of the Company's transaction(s) in Nigeria. 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.