Suite 2000
885 West Georgia Street
Vancouver, B.C. Canada V6C 3E8
Ph. 604-689-7842 Fx. 604-689-4250
africaoilcorp@namdo.com
africaoilcorp.com

NEWS RELEASE

AFRICA OIL ANNOUNCES THE CLOSING OF THE ACQUISITION OF PRODUCING ASSETS IN DEEPWATER NIGERIA

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

January 14, 2020 (AOI–TSX, AOI–Nasdaq-Stockholm) – Africa Oil Corp. ("AOI", "Africa Oil" or "the Company") is pleased to announce the closing of the acquisition (the "Acquisition") of a 50% ownership interest in Petrobras Oil and Gas B.V. ("POGBV"). BTG Pactual E&P B.V. will continue to own the remaining 50% of POGBV. The total cash payment by AOI to close the Acquisition, including the Nigerian Government's consent fee, amounts to $519.5 million. This includes a deferred payment of $24.8 million which is due by end of June 2020.

The primary assets of POGBV are an indirect 8% interest in Oil Mining Lease ("OML") 127 and an indirect 16% interest in OML 130. OML 127 is operated by affiliates of Chevron Corporation ("Chevron") and contains the producing Agbami Field. OML 130 is operated by affiliates of TOTAL S.A. ("TOTAL") and contains the producing Akpo and Egina Fields.

Aggregate gross field production from these assets averaged approximately 442,000 barrels of oil per day ("bopd")[1] for the period January 1st to December 29th, 2019. Average daily entitlement production[2] net to AOI's 50% shareholding in POGBV for the same period, was approximately 33,630 bopd. This compares to a January 2019 average net entitlement production of 22,460 bopd, with growth over the course of 2019 being mostly due to the production ramp-up on the Egina field, which came onstream in late December 2018.

Africa Oil CEO Keith Hill commented, "We are very pleased to have acquired 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 is transforming into a significant, Africa-focused independent E&P company. Combining these assets with our Kenya development project and exploration portfolio, we believe that Africa Oil has tremendous growth potential in a range of oil price scenarios".

Key highlights [3, 4, 5]:

- A transformational transaction as Africa Oil becomes a full-cycle E&P company with material reserves and production, strong operating netbacks, and free cash flow generation that is supported by an active oil price hedging program at the POGBV level;

- Year-end 2018 net entitlement proved reserves ("1P") of 62.7 million barrels of oil equivalent ("MMboe") and proved plus probable reserves ("2P") of 94.7 MMboe, net to AOI's 50% shareholding in POGBV, with more than 90% comprised of light and medium oil;

- Based on the year-end 2018 entitlement reserves and LR's 2019 production estimates, pro-forma (as of December 31st, 2019) entitlement 1P reserves of 49.2 MMboe (95% liquids) and 2P reserves of 80.6 MMboe (93% liquids) net to AOI's 50% interest in POGBV;

- These reserves are for the three producing fields only and don't account for undeveloped discoveries in the licenses;

- 2019 average operating cost estimate[6] of $7.0 /boe;

- 2019 average operating netback estimate[7] of $50.1 /boe;

- Total cash payment of $519.5 million is funded from cash on hand and a loan for $250 million ("Loan") provided by Banco BTG Pactual S.A.;

- A deferred payment of $123 million, subject to update, may be due to the seller depending on the date and ultimate OML 127 tract participation in the Agbami field[5]; and

- POGBV has an existing reserve-based lending facility, with a syndicate of international banks with a drawn amount of $1.825 billion.

Asset Highlights

The three fields in these two licenses are all giant deep-water fields, located over 100 km offshore Nigeria, and are some of the largest and highest quality in Africa. All three fields have high quality reservoirs and produce light, sweet crude oil.

Two of these fields, Agbami and Akpo, have been on production since 2009. The TOTAL-operated Egina FPSO, started production in December 2018 and ramped up to plateau production of approximately 200,000 barrels of oil per day during the first half of 2019.

In addition to the current producing reservoirs there are additional growth opportunities in undeveloped horizons within existing fields; adjacent undeveloped discoveries; and identified exploration targets within the licenses that are under consideration for development and exploration drilling. One advanced opportunity is the Preowei oil discovery, which is being considered as a satellite tie-back to the Egina FPSO. In the first half of 2019 the Field Development Plan for the Preowei field within OML 130 was approved by the Government of Nigeria. Preowei is not currently included in the Company's reserves estimates.

Reserves and 2020 Guidance

The company will file its Material Change Report and NI 51-101 F1 report effective 31st December 2018 on SEDAR (sedar.com) within 10 days from the date of the Acquisition closing. The company also plans to release its NI 51-101 F1 reserves report effective 31st December 2019 by end of the first quarter, 2020.

Africa Oil expects to announce its 2020 production and capital investment guidance with the release of its full year results on or around February 25th, 2020.

Advisors

Standard Bank acted as financial advisor to Africa Oil in connection with the Acquisition. PillarFour Capital has provided the board of Africa Oil with a fairness opinion that, subject to the various factors, assumptions, qualifications and limitations upon which the opinion is based, the consideration to be paid by Africa Oil pursuant to the Acquisition is fair, from a financial point of view, to Africa Oil.

Vinson & Elkins and Torys LLP acted as legal counsel to Africa Oil in relation to the Acquisition and the Loan.

Notes

1 Production relates to aggregate full field production and in case of Agbami, it is in respect of OML 127 and OML 128. The Agbami Field spans OML 127 and OML 128 and is subject to a unitization agreement, with 62.4619% of field production currently allocated to OML 127. Please refer to Note 5 for more details on the Agbami tract participation.

2 Net entitlement production for the Company is calculated using the economic interest methodology and include cost recovery oil, tax oil and profit oil. These are different from working interest production that are calculated based on project volumes multiplied by the Company's effective indirect working interest.

3 Net reserves are based on an independent reserves evaluation, effective 31st December 2018, prepared by Lloyd's Register ("LR") for Africa Oil in accordance with Canadian National Instrument 51-101 – Standards for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") for POGBV's net interest in OML 127 and OML 130 (the "LR Report").

4 Pro forma (effective 31st December 2019) net entitlement reserves are based on LR's 2018 year-end reserves estimates less LR's forecasts of 2019 net entitlement production. These have been reviewed by LR, a Qualified Reserves Evaluator as defined in NI 51-101. These estimates do not represent audited reserves and the company expects to provide its NI 51-101 effective 31st December 2019 by the end of the first quarter in 2020.

5 The reserves estimates are based on the original OML 127 tract participation of 62.4619% in the Agbami field with OML 128 having a tract participation of 37.5381%. This field is subject a tract participation redetermination that could see a higher interest (expected to increase to 72.064%) in favour of the OML 127 partners including POGBV; this is subject to Nigerian government's approval. Also, the reserves estimates don't account for the OML 130 discoveries, Preowei and Egina South, that are candidates for subsea tie-back developments to the Egina FPSO. The Company expects to provide its NI 51-101 F1 reserves report (effective 31st December 2019) by end of the first quarter in 2020 to account for: potential progress on the Agbami redetermination process; 2019 actual production for OML 127 and OML 130; a potential technical revision of Agbami's reserves; and a potential reserves addition for the Preowei project, which benefits from a government approved field development plan.

6 Based on LR's 2019 production and cost forecasts using the 2P profile.

7 Based on the LR Report. Operating netbacks calculated as oil sales net of operating expenses. Operating netback is a non-IFRS measure and does not have a standardized meaning under generally accepted accounting principles. Investors are cautioned that this measure should not be construed as an alternative to net income or other measures of financial performance as determined in accordance with IFRS. The Company's method of calculating this measure may be different to similar measures used by other companies. The company's management believes that operating netback is a useful supplemental measure for management and investors to analyse operating performance and provide an

indication of the results generated by our principal business activities prior to the consideration of other income and expenses.

About Africa Oil

Africa Oil Corp. is a Canadian oil and gas company with producing and development assets in deep-water offshore 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".

Advisory Regarding Oil and Gas Information

The terms boe (barrel of oil equivalent) and MMboe (millions of barrels of oil equivalent) are used throughout this press release. Such terms may be misleading, particularly if used in isolation. The conversion ratio of six thousand cubic feet per barrel (6 Mcf:1 Bbl) of natural gas to barrels of oil equivalent and the conversion ratio of 1 barrel per six thousand cubic feet (1 Bbl:6 Mcf) of barrels of oil to natural gas equivalent 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.

The reserves estimates presented in this press release with respect to the Acquisition have been evaluated by Lloyd’s Register in accordance with NI 51-101 and the COGE Handbook, are effective December 31, 2018. The reserves presented herein have been categorized accordance with the reserves and resource definitions as set out in the COGE Handbook. The estimates of reserves in this press release may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Reserves are estimated remaining quantities of petroleum anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be sub-classified based on development and production status. Proved Reserves are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs and under existing economic conditions, operating methods and government regulations. Probable Reserves are those additional quantities of petroleum that are less certain to be recovered than Proved Reserves, but which, together with Proved Reserves, are as likely as not to be recovered. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

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 on January 14, 2020 at 5:30 p.m. ET.

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 results and costs of exploratory drilling activity, 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 oil prices, results of exploration and development activities, uninsured risks, regulatory and fiscal 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:

Shahin Amini
IR and Commercial Manager
shahin.amini@africaoilcorp.com
T: +44 (0)203 982 6800

Sophia Shane
Corporate Development
sophias@namdo.com
T: +1 (604) 806-3575