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 2020 FIRST QUARTER FINANCIAL AND OPERATING RESULTS

May 7, 2020 (AOI–TSX, AOI–Nasdaq-Stockholm) – Africa Oil Corp. ("Africa Oil", "AOC" or the "Company") is pleased to announce its financial and operating results for the three months ended March 31, 2020. All dollar amounts are in United States dollars unless otherwise indicated.

2020 FIRST QUARTER HIGHLIGHTS*

- Africa Oil closed the acquisition of a 50% ownership in Prime Oil and Gas B.V. ("Prime")[1] for a cash consideration of $519.5 million. Prime holds interest in deepwater Nigeria assets, including three oil fields, that in aggregate produced ~530,000 barrels of oil equivalent per day[2] ("boepd") during the period.
- Average daily working interest ("W.I.") of ~33,500 boepd (88% oil) and economic entitlement production[3] of ~43,000 boepd (88% oil), net to Africa Oil's shareholding in Prime at an average operating cost of $5.8 per boe.
- Africa Oil received two dividend payments for a total amount of $87.5 million[4] and recognized operating income of $85.6 million related to its investment in Prime, contributing to its total operating income of $87.1 million. Africa Oil's operating income was offset by $218.0 million in operating expenses, which is mostly accounted for by a $215.6 million non-cash impairment of intangible exploration assets in Kenya.
- The Company drew $250.0 million under an acquisition term loan facility with BTG Pactual E&P B.V. ("BTG") in order to complete the acquisition of its interest in Prime. The Company utilized dividends received from Prime to pay down the loan by $45.2 million during the quarter. Africa Oil ended the period with $72.5 million in cash and net debt of $132.3 million.
- Prime sales revenue of $179.5 million[5], EBITDA[6] of $198.3 million and cash flow from operations of $196.0 million[5], in each case net to Africa Oil's 50% shareholding.
- The Company released its year-end 2019 statement of reserves with entitlement Proved Reserves ("1P") of 52.3 million barrels of oil equivalent ("MMboe") and entitlement Proved plus Probable Reserves ("2P") of 85.1 MMboe, net to its shareholding in Prime.
- The Company completed the acquisition of a 20% participating interest in Block 3B/4B Exploration Right in South Africa from Azinam Limited for a consideration of approximately $3.0 million; participated in a private placement to invest approximately $12.0 million in Impact Oil & Gas Ltd.; and participated in a private placement to invest approximately $5.0 million in Africa Energy.
- Operational performance at the Nigerian assets has not been impacted by the COVID-19 pandemic. In Kenya, activities that can be completed safely in home/office environments have continued and all non-essential field activities have been suspended.

Africa Oil President and CEO Keith Hill commented: "I am delighted that today we are reporting on a positive quarterly period for the Company. The highlight is the closing of the Prime acquisition, giving us economic interests in three high quality producing assets. Excellent operations at these fields have resulted in Prime's strong financial performance for the period. Unfortunately, our transformational Prime acquisition has been followed by the COVID-19 pandemic that has impacted the international community to an extent

---

* 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 notes 1-6 on Pages 4 and 5 for important information on the information presented on this page.

that was unforeseen at start of the year. Our top priority is the safety of our employees, contractors and partners. We will continue to actively monitor the pandemic situation and take the necessary measures to mitigate its impact on our health and business performance. I believe that we should hope for the best and plan for the worst. I take great comfort in Prime's industry leading oil hedging position that provide for stable cash flows. More than 90% of Prime's production is hedged at an average price of $66 per barrel and most of its production for first quarter 2021 is hedged at an average price of $60 per barrel. Also, we have taken immediate steps to cut costs and defer discretionary capital expenditures. I am confident that we are in a robust position to ride out these turbulent markets and to emerge in a strong position to benefit from future business development opportunities."

2020 First Quarter Financial Results

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

	March 31, 2020	December 31, 2019
Cash and cash equivalents	72,525	329,464
Total assets	917,116	812,305
Long-term debt	204,792	-
Total liabilities	280,021	45,602
Total equity attributable to common shareholders	637,095	766,703
Working capital	1,584	290,749

	Three months ended March 31, 2020	Three months ended March 31, 2019
Income from equity investments	87,055	-
Net operating expense	(130,987)	(2,875)
Net loss	(137,882)	(511)
Net loss per share - basic and diluted	(0.29)	0.00
Weighted average number of shares outstanding - basic and diluted ('000s)	471,311	470,654
Number of shares outstanding ('000s)	471,950	471,214
Cash flows provide by (used in) operations	771	827
Cash flows used in investing	(454,005)	(15,232)
Cash flows provide by (used in) financing	196,352	(695)
Total change in cash and cash equivalents	(256,939)	(15,107)
Total change in equity	(129,608)	(187)

The financial information in this table was selected from the Company's unaudited consolidated financial statements for the three months ended March 31, 2020. The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the three months ended March 31, 2020 and 2019, and the 2019 Annual Information have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.africaoilcorp.com).

FINANCIAL POSITION AND EARNINGS

The Company ended 2020 first quarter with cash of $72.5 million and working capital of $1.6 million in comparison to cash of $329.5 million and working capital of $290.7 million at the end of 2019. The reduction in the Company's cash position of $256.9 million is primarily attributed to its acquisition of a 50% shareholding in Prime, as described below.

In January 2020, the Company announced the closing of the acquisition of a 50% interest in Prime. The total payment by Africa Oil to close the acquisition, including the Nigerian Government's consent fee, amounted to $519.5 million. This includes a deferred payment of $24.8 million which is due by end of June 2020. The payment of $519.5 million was funded through a loan facility of $250.0 million with BTG Pactual ("Term Loan") and a cash payment of $269.5 million. A deferred payment of $118.0 million, subject to update, may be due to the seller depending on the date and ultimate OML 127 tract participation in the Agbami field.

The Company recognized a loss of $137.9 million during the first quarter of 2020. The operating income primarily relates to the Company's share of profit from its investment in Prime amounting to $85.6 million. Additionally, the Company recorded a net share of profit from its investments in Eco Atlantic, Impact Oil & Gas and Africa Energy amounting to $1.5 million. The operating income was offset by $218.0 million in operating expenses which primarily relates to the recognition of a $215.6 million impairment of intangible exploration assets relating to the valuation of the Kenyan development project and Block 10BA.

During the three months ended March 31, 2020, Prime paid two dividends for a total of $175.0 million with aggregate net payment to Africa Oil of $87.5 million related to its 50% shareholding interest. The Company applied $45.2 million of the amount received to reduce its BTG loan facility, which at the period end stood at $204.8 million. Africa Oil will apply any future dividends in priority towards the repayment of its BTG loan facility to accelerate the repayment of the loan principal amount, although the BTG loan is not due for repayment until January 2022.

Other than the Prime acquisition, during the three months ended March 31, 2020, the Company:

- Acquired a 20% participating interest in Block 3B/4B Exploration Right in South Africa from Azinam Limited for a consideration of approximately $3.0 million with Africa Oil assuming operatorship for the joint venture partners.
- Participated in a private placement for Impact Oil and Gas ("Impact"), investing approximately $12.0 million to acquire ~45 million shares, increasing the Company's ownership interest in Impact from ~29.9% at end of 2019 to ~32.2%.
- Participated in a private placement for Africa Energy, investing $5.0 million to acquire 20,930,000 million shares from a total of 104,652,174 shares, decreasing the Company's ownership interest in Africa Energy from ~34.5% to ~32.6%.

To finance its future acquisition, exploration, development and operating costs, including the Kenya development project, Africa Oil may require financing from external sources, including issuance of new shares, issuance of debt or executing working interest farmout or disposition arrangements. There can be no assurance that such financing arrangements will be available to the Company or, if available, that it will be offered on terms acceptable to Africa Oil.

SUBSEQUENT EVENTS

The Company's Kenyan Branch, of its wholly owned subsidiary, Africa Oil Kenya B.V., has been assessed for corporate income tax and value added tax by the Kenya Revenue Authority ("KRA") relating to farmout transactions completed during the period 2012 to 2017.

Subsequent to the period end, the Kenyan Tax Appeals Tribunal ("TAT") ruled in favour of the Company with regards to the corporate income tax assessments. However, the TAT ruled in favour of the KRA with regards to the VAT assessments which amount to $22.0 million. The Company maintains its position that the VAT assessment is without merit and has duly filed an appeal with Kenya's High Court to challenge the position. This will be heard in Q2 2020. A ruling against the Company would negatively impact the value of the South Lokichar project.

Prime's Reserve Based Lending Facility ("RBL") semi-annual redetermination was completed with a reduction in the anticipated 2020 principal repayments. Africa Oil had previously guided to a 2020 repayment of $315 million net to its shareholding in Prime. This is now estimated to be $255 million subject to the next redetermination scheduled for third quarter 2020.

COVID-19

Given the extraordinary market situation that the oil and gas business is facing in response to the global Covid-19 outbreak and the resulting reduction in world oil demand, we have witnessed an unprecedented level of volatility and commodity price weakness. We have seen encouraging steps taken by OPEC+, G20 nations and oil producers that we are confident should remove significant supply, helping to deal with the demand destruction we have witnessed and the resultant inventory build. We anticipate that these actions should flatten the curve of inventory builds and set a course to rebalance markets as COVID-19 related restrictions begin to reduce and demand recovers. However, there is no certainty as to the time it will take for oil demand to recover. In these uncertain times, the Company will continue to prioritize repayment of our long term debt, utilizing dividends received from Prime, as we have done in the first quarter. Operational performance at Prime's Nigerian assets has not been materially impacted after significant mitigation strategies were implemented. Prime's robust hedging program has mitigated the commodity price risk to date. In the Company's Kenya business, activities that can be completed safely in home/office environments have continued and all non-essential field activities have been suspended. Uncertainty related to market conditions caused by COVID-19 has resulted in additional non-cash impairment charges associated with the Company's Kenyan business.

2020 MANAGEMENT GUIDANCE

The Company's 2020 Management Guidance for its 50% interest in Prime was announced on February 25, 2020. As of the date of this press release, the Company does not contemplate a change to the guidance provided. This is summarised below. The Company also announced a 2020 corporate budget of $50.0 million including G&A, exploration costs, Kenya capital investments and equity investments in Africa Energy and Impact Oil and Gas.

AOC's net 50% in Prime Metrics [1,3]	**2020E [7]**
Working Interest (W.I.) Production (boe/d)[3]	30,000-33,000
Economic Entitlement Production (boe/d)[3]	35,000-38,000
Cashflow from Operations ($ million)	630-680
Capital Investments ($ million)	55-60

NOTES

1. The 50% shareholding in Prime is accounted for using the equity method and presented as an investment in joint venture in the Consolidated Balance Sheet. Africa Oil's 50% share of Prime's net profit or loss will be shown in the Consolidated Statements of Net Loss and Comprehensive Loss. Any dividends received by Africa Oil from Prime are recorded as Cash flow from Investing Activities. The guidance presented here is for information only.
2. Production relates to aggregate full field production for Agbami, Akpo and Egina. For Agbami, it is in respect of Oil Mining Lease ("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, where Prime has its interest. This production rate only includes sold gas volumes and not those volumes used for fuel, reinjected or flared.
3. 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.
4. Prime does not pay dividends to its shareholders, including Africa Oil, 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 Africa Oil. Any dividends received by Africa Oil from Prime's operating cash flows will be subject to Prime's capital investment and financing cashflows, including payments of Prime's Reserve Based Lending ("RBL") principal amortization, which are subject to semi-annual RBL redeterminations.
5. Sales revenue is based on five successful cargo lifts during the period with a total Prime sales volume of approximately 4.8 mmbbl or 2.4 mmbbl net to Africa Oil's 50% shareholding. One cargo scheduled for end of March was slightly delayed and was successfully lifted in the first week of April. Cash flow from operations accounts for a working capital adjustment of $38.6 million net to Africa Oil's 50% shareholding in Prime.

6. Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") is not a generally accepted accounting measures under International Financial Reporting Standards ("IFRS") and does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with definitions of EBITDA that may be used by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.
7. Africa Oil management guidance as announced on February 25, 2020. This does not take into consideration impacts that could arise from COVID-19 or OPEC+ production quotas, if any.

About Africa Oil

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".

For further information, please contact:

Shahin Amini	Sophia Shane
IR and Commercial Manager	Corporate Development
shahin.amini@africaoilcorp.com	sophias@namdo.com
T: +44 (0)203 982 6800	T: +1 (604) 806-3575

Additional Information

This information is information that Africa Oil is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 p.m. ET on May 7, 2020.

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. Year-end 2019 reserves estimates are based on a conversion ratio of five thousand and eight hundred cubic feet per barrel (5.85 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 5.85:1, utilizing a conversion on a 5.85:1 basis may be misleading as an indication of value.

The reserves estimates presented in this press release, evaluated by Lloyd's Register ("LR") in accordance with NI 51-101 and the COGE Handbook, are effective December 31, 2019. The reserves presented herein have been categorized in 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. Africa Oil's Supplementary Form NI 51-101 F1 (Post Prime Acquisition) Report on Reserves Data and Other Oil and Gas Information is presented as Schedule B to the Company's Annual Information Form ("AIF"), which is available on SEDAR website (www.sedar.com).

LR's report was prepared prior to the recent drop in oil prices, using Brent oil price forecast of ($/bbl): 2020 - 63.5; 2021 – 65.0; 2022 – 67.0; 2023 – 69.0; 2024 – 70.4; 2025 – 72.9; 2026 – 74.3; and 2027 – 75.9. There is no assurance that the forecast prices will be attained and variances could be material. The recovery and reserves estimates of crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

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.

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 2020 Management Guidance including production, cashflow from operation and capital investment estimates, performance of commodity hedges, 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 macro-economic conditions and their impact on operations, changes in oil prices, reservoir and production facility performance, hedging counterparty contractual performance, OPEC+ quota impact on production, availability of oil tankers, results of exploration and development activities, cost overruns, uninsured risks, regulatory and fiscal changes, 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.