



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

## NEWS RELEASE

### AFRICA OIL ANNOUNCES ITS YEAR-END 2021 STATEMENT OF RESERVES WITH A 102% 2P RESERVES REPLACEMENT RATIO

**February 28, 2022 (AOI-TSX, AOI-Nasdaq-Stockholm) – Africa Oil Corp.** (“Africa Oil”, “AOC” or the “Company”) is pleased to announce the posting of its 2021 statement of reserves on SEDAR ([www.sedar.com](http://www.sedar.com)) as part of its Annual Information Form. This disclosure is based on an independent reserves evaluation, effective 31 December 2021, prepared by RISC (UK) Limited (“RISC”) 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”). Africa Oil’s statement of reserves is based on the Company’s 50% ownership interest in Prime Oil & Gas Coöperatief U.A (“Prime”).

#### Highlights<sup>1</sup>

- YE’21 working interest (W.I.) and net entitlement<sup>2</sup> Proved (“1P”) reserves of 48.6 MMboe (YE’20: 45.5 MMboe) and 55.0 MMboe (YE’20: 54.5 MMboe), respectively.
- YE’21 (W.I.) and net entitlement Proved plus Probable reserves (“2P”) of 72.8 MMboe (YE’20: 72.6 MMboe) and 82.1 MMboe (YE’20: 85.8 MMboe), respectively.
- W.I. 2P reserves replacement ratio of 102% (YE’20: of 114%) is the result of strong reservoir performances with positive technical revisions, improvements in the oil price forecast and resource transfers of 4.1 MMboe from 2C to 2P, compared with a production of 10.0 MMboe net to the Company’s 50% shareholding..
- After-tax 1P NPV (10) valuation \$996 million (YE’20: \$1,004 million) and 2P NPV (10) valuation of \$1,444 million (YE’20: \$1,356 million)<sup>3</sup>.

**Africa Oil President and CEO, Keith Hill, commented on the statement of reserves:** “I am pleased to report another strong year of operational performance by Prime’s fields. We have yet again achieved a positive reserves replacement ratio, reiterating the quality of these reservoirs. There are number of compelling opportunities in Prime’s portfolio to extend the runway of value creation. These include low risk and high IRR infill drilling and satellite field tie-back opportunities, that benefit from the high-quality infrastructure already in place. These investment opportunities are supported by the positive outcome of Nigeria’s Petroleum Industry Act. There is now a strong case for early extension and conversion of Prime’s licenses to these new supportive fiscal terms. Once achieved, this would allow Prime to refinance its RBL debt facility and materially increase its near-term dividend payments to Africa Oil.”

#### Notes:

- 1 Please refer to the oil and gas advisory on page 4 for important information.
- 2 Net entitlement reserves are calculated using the economic interest methodology and include cost recovery oil, tax oil and profit oil and are different from working interest reserves that are calculated based on project volumes multiplied by Prime’s effective working interest.
- 3 Based on Brent oil price forecast of (\$/bbl): 2022 - \$77.1; 2023 - \$73.3; 2024 - \$63.0; 2025 - \$64.6; 2026 - \$66.2; 2027 and beyond escalation rate of 2.5%.
- 4 All dollar amounts in this press release are U.S. Dollars unless otherwise indicated.

Africa Oil's statement of reserves is based on the Company's 50% ownership interest in Prime Oil & Gas Coöperatief U.A ("Prime"). Prime's main assets are an indirect 8% interest in Oil Mining Lease ("OML") 127 and an indirect 16% interest in OML 130; both are deep-water Nigeria concessions. OML 127 is operated by the affiliates of Chevron Corporation and contains the producing Agbami field. OML 130 is operated by affiliates of TotalEnergies SE and contains the producing Akpo and Egina fields and the undeveloped Preowei field.

The YE'2021 reserves and reconciliation of changes in W.I. reserves summarized in the following tables pertain to 50% of Prime's W.I. and net entitlement reserves:

Summary of Oil and Gas Reserves (Forecast Prices and Costs)						
	Light and Medium Oil		Conventional Natural Gas		Natural Gas Liquids	
Reserve Category	Gross (MMstb)	Net (MMstb)	Gross (Bcf)	Net (Bcf)	Gross (MMstb)	Net (MMstb)
<b>Proved</b>						
Developed Producing	28.5	33.2	34.4	34.4	-	-
Developed Non-Producing	-	-	-	-	-	-
Undeveloped	12.1	13.9	13.5	13.5	-	-
<b>Total Proved</b>	<b>40.6</b>	<b>47.0</b>	<b>47.9</b>	<b>47.9</b>	<b>-</b>	<b>-</b>
<b>Probable</b>	<b>21.2</b>	<b>24.1</b>	<b>18.0</b>	<b>18.0</b>	<b>-</b>	<b>-</b>
<b>Total Proved plus Probable</b>	<b>61.8</b>	<b>71.1</b>	<b>65.9</b>	<b>65.9</b>	<b>-</b>	<b>-</b>
<b>Possible</b>	<b>20.6</b>	<b>21.4</b>	<b>17.3</b>	<b>17.3</b>	<b>-</b>	<b>-</b>
<b>Total Proved plus Probable plus Possible</b>	<b>82.4</b>	<b>92.5</b>	<b>83.1</b>	<b>83.1</b>	<b>-</b>	<b>-</b>
<i>Notes</i>						
<ol style="list-style-type: none"> <li>1. Figures in table may not add precisely due to rounding errors.</li> <li>2. Units are MMstb (million stock tank barrels) and Bcf (billion cubic feet).</li> <li>3. Gross Company reserves are the total project sales volumes multiplied by Company's working interest.</li> <li>4. Net oil reserves are Company's net entitlement calculated using economic limit testing.</li> <li>5. Gross and net reserves for sales gas are equal as the gas terms are set out in the Gas Sales and Purchase Agreement rather than the Production Sharing Agreement ("PSA"), and the net reserves are based on Company's working interest.</li> </ol>						

Gross	Light and Medium Oil (MMstb)			Conventional Natural Gas (Bscf)		
	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable
Effective date 31 December 2020	40.9	23.1	63.9	27.6	24.5	52.2
Extensions and Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0
Resource Transfers	1.3	2.7	4.0	0.3	0.4	0.8
Technical Revisions	6.5	-4.5	2.1	25.8	-5.3	20.5
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.2	-0.1	0.1	4.4	-1.7	2.8
Production (2021)	8.3	0.0	8.3	10.3	0.0	10.3
<b>Effective date 31 December 2021</b>	<b>40.6</b>	<b>21.2</b>	<b>61.8</b>	<b>47.9</b>	<b>18.0</b>	<b>65.9</b>

Notes:

1. Gross Company Reserves are the total project sales volumes multiplied by AOC's working interest.
2. RISC notes that the Proved + Probable Reserves reconciliation for oil and gas is lower than the Proved. This results in a negative Probable increment. The difference is due to a larger increase in Proved Reserves than the Proved + Probable, compared to last year. The reasons are explained in the text below.

**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 Amiri  
 IR and Commercial Manager  
[shahin.amiri@africaoilcorp.com](mailto:shahin.amiri@africaoilcorp.com)  
 T: +44 (0)203 982 6800

Sophia Shane  
 Corporate Development  
[sophias@namdo.com](mailto:sophias@namdo.com)  
 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 6:00 p.m. ET on February 28, 2022.

## **Advisory Regarding Oil and Gas Information**

The terms boe (barrel of oil equivalent) and MBoe (millions of barrels of oil equivalent) are used throughout this press release. Such terms may be misleading, particularly if used in isolation. Year-end 2021 reserves estimates are based on a conversion ratio of six thousand cubic feet per barrel of oil equivalent (6 Mcf: 1 boe), which 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.

RISC's report was prepared using Brent oil price forecast of (\$/bbl): 2022 - \$77.1; 2023 - \$73.3; 2024 - \$63.0; 2025 - \$64.6; 2026 - \$66.2; 2027 and beyond escalation rate of 2.5%. 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.

The reserves estimates presented in this press release have been evaluated by RISC in accordance with NI 51-101 and the COGE Handbook, are effective December 31, 2021. 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.

## **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 production, cashflow from operation and capital investment estimates, performance of commodity hedges, the results, schedules 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.

Although the Company believes that the expectations reflected by the forward-looking statements presented in this document are reasonable, the Company's forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources, including third party

consultants, suppliers and regulators, among others. Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to the Company.

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, 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.

The Company's Annual Information Form for the year ended December 31, 2021 and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedar.com](http://www.sedar.com)) describe risks, material assumptions and other factors that could influence actual results and are incorporated herein by reference.