Suite 2500
666 Burrard Street,
Vancouver, B.C. Canada V6C 2X8
info@africaoilcorp.com
africaoilcorp.com

NEWS RELEASE

AFRICA OIL ANNOUNCES FOURTH QUARTER AND FULL YEAR 2023 RESULTS

February 26, 2024 (AOI–TSX, AOI–Nasdaq-Stockholm) – Africa Oil Corp. ("Africa Oil", "AOC" or the "Company") is pleased to announce its operating and consolidated financial results for the three months and the year ended December 31, 2023, together with its 2024 Management Guidance.

Highlights

- Successfully met 2023 Management Guidance on production and cash flow from operations[2,5].
- The Company received three dividends totaling $175.0 million in 2023 from its shareholding in Prime, including one dividend of $50.0 million in Q4 2023. AOC's cash and cash equivalents at December 31, 2023, of $232.0 million.
- 2023 Full year net income of $87.1 million (2022: net loss of $60.3 million) or $0.19 per share (2022: net loss of $0.13 per share).
- The Company launched a new NCIB share buyback program on December 6, 2023, and post year-end, on January 10, 2024, started share buybacks under the new NCIB. The Company will pay a dividend of $0.025 per share on March 28, 2024.
- OML 130 renewed for 20 years securing AOC's long term production base and enabling the refinancing of Prime's debt. Prime's OML 130 and OML 127 were converted to operate under Nigeria's new Petroleum Industry Act ("PIA") and are now subject to a 30% Corporate Income Tax regime compared to the previous 50% Petroleum Profit Tax ("PPT") regime.
- Commenced the appraisal campaign for the Venus light oil and associated gas discovery, with the positive results supporting the commercial development of the field.
- Subsequent to the year-end, the Company announced a strategic farmout agreement between its investee company Impact Oil and Gas Limited ("Impact"), and TotalEnergies, that allows the Company to continue its participation in the world class Venus oil development project, and the follow-on exploration and appraisal campaign on Blocks 2913B and 2912 with no upfront costs.
- Selected Prime's results net to Africa Oil's 50% shareholding*:
    - Recorded full-year average daily WI production of approximately 19,800 barrels of oil equivalent per day ("boepd") and average daily net entitlement production of approximately 22,400 boepd. These compare with mid-range 2023 Management Guidance figures of 20,000 boepd and 22,000 boepd for WI and net entitlement production, respectively.
    - Recorded cashflow from operations[2,5] of $298.8 million, which compares with the guidance mid-point of $290.0 million.
    - Prime's cash position of $76.1 million and debt balance of $375.0 million resulting in a Prime net debt position of $298.9 million at December 31, 2023.

Africa Oil President and CEO, Roger Tucker commented: "2023 was a very good year for Africa Oil. Two highlights are the renewal of Prime's OML 130 license for a further 20-year period and the successful appraisal of the Venus discovery, which supports the case for its commercial development. The OML 130 renewal not only secured the long-term future of our core producing assets, it also facilitated the refinancing of Prime's debt on competitive terms and allowed a dividend distribution of

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* Important information: Africa Oil's interest in Prime is accounted for as an investment in joint venture. Refer to Note 1 on page 5 for further details. Please also refer to other notes on page 4 for important information on the material presented.

$175 million to Africa Oil for the year. The renewal also supports further investments including in the Preowei development project.

The appraisal of the Venus field during 2023 was very encouraging and we note the operator's positive public statements regarding the development of this world-class discovery. We are also excited by the wider prospectivity in the area, as evidenced by the recent Mangetti discovery. Post period end we announced the farmout agreement between Impact and TotalEnergies. Under this transformational agreement Africa Oil will retain exposure to the Venus field and associated exploration upside at no upfront cost, and with no further demand on our balance sheet."

Our focus for 2024 is to enhance the value of our core assets, including our operated exploration assets through strategic farm down transactions, and pursuing opportunities to consolidate and streamline our asset ownerships."

2023 Full Year and Fourth Quarter Results Summary

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

		Three months ended		Year ended	
	Unit	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
AOC highlights					
Net income/ (loss)	$'m	(88.8)	(182.1)	87.1	(60.3)
Net income/ (loss) per share - basic	*$/ share*	(0.19)	(0.39)	0.19	(0.13)
Cash position	$'m	232.0	199.7	232.0	199.7
Prime highlights, net to AOC's 50% shareholding[1]					
WI production[3]	boepd	18,500	21,300	19,800	23,500
Economic entitlement production[4]	boepd	21,700	23,500	22,400	25,600
Cash flow from operations[2,5]	$'m	62.5	65.6	298.8	279.4
EBITDAX[2]	$'m	110.7	140.7	458.7	617.4
Free Cash Flow[2]	$'m	16.7	(16.9)	149.1	299.8
Net debt	$'m	298.9	225.3	298.9	225.3

The financial information in this table was selected from the Company's audited consolidated financial statements for the year ended December 31, 2023. The Company's consolidated financial statements, notes to the financial statements, management's discussion and analysis for the year ended December 31, 2023 and 2022 have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.africaoilcorp.com).

In 2023, the Company recorded a net income attributable to common shareholders of $87.1 million. This is primarily made up of income from the Company's investment in Prime of $228.0 million offset against losses from the Company's investment in associates of $47.0 million and impairment recognized to its Kenyan intangible exploration assets of $62.2 million writing these assets down to nil. The net income attributable to common shareholders in 2023 of $87.1 million has increased from a loss of $60.3 million in 2022 as the income from Prime has increased by $81.4 million and the impairment recognized in relation to the Company's intangible exploration assets in Kenya has decreased by $108.4 million. This is offset by an increase in the share of loss from investments in associates of $38.8 million.

The share of profit from the Company's 50% investment in Prime in Q4 2023 was impacted by a non-cash impairment of $131.7 million recorded by Prime, mainly due to Prime applying a higher discount rate in its valuation, and from changes in the technical assumptions in OML 130..

The figures used in the explanations for movements period on period below are based on Prime's gross balances per the financial statements.

Prime revenues decreased by $284.1 million in 2023 compared to 2022, mainly driven by lower liftings. Prime also recorded an increase in cost of sales of $41.7 million, primarily driven by an increase in DD&A of $99.0 million as Prime has changed the method of depletion on its facilities including FPSO from straight line to unit of production, to better reflect the consumption of the reserves' economic benefits. This resulted in gross profit in 2023 to be $325.8 million lower than 2022. In addition, there was a decrease of $88.1 million in other operating income, primarily consisting of investment tax credits which can be offset against PPT, an increase of $181.0 million in impairment charges, and a tax income in 2023 of $248.6 million compared to a tax charge of $519.4 million in 2022. Prime renewed OML 130 resulting in OML 130 operating under the terms of the new PIA as from June 1, 2023, and Prime voluntary converted OML 127 to operate under the new Petroleum Industry Act from March 1, 2023, with all key conditions precedent fulfilled during 2023. Under these terms, OML 127 and OML 130 are subject to a 30% Corporate Income Tax regime compared to the previous 50% PPT regime which resulted in the release of $62.0 million and $346.0 million of deferred income tax liabilities during the year for OML 127 and OML 130 respectively. This has resulted in Prime's profit for 2023 increasing by $156.6 million compared to 2022.

Outlook

2024 Priorities and Business Plan

The Company's focus for 2024 is to advance its main opportunity set comprised of its core assets in deepwater Nigeria, Orange Basin offshore Namibia and South Africa, and Equatorial Guinea. Management will also evaluate the options for consolidating the ownership of its core assets and streamlining of the Company's business structure.

Africa Oil has made a strong start in the delivery of its 2024 business plan with the strategic farm-out agreement between its investee company, Impact, and TotalEnergies for the interests in Blocks 2912 (PEL 91) and 2913B (PEL 56), offshore Namibia, which was announced on January 10, 2024. This transaction gives the Company the opportunity to continue its participation in the world-class Venus light oil development project, and the follow-on exploration and appraisal program on the Blocks at no upfront cost. This frees up the Company's balance sheet for the pursuit of other growth opportunities and shareholder capital returns.

Namibia Orange Basin Appraisal and Exploration Campaign

The successful Venus-1X drill stem test and Venus-1A appraisal well, both completed in 2023, support the commercial development case for the Venus oilfield. The appraisal program and the development studies to be carried out during 2024 are expected to define the Venus development concept. The Mangetti-1X exploration well, located approximately 35km to the North West of the Venus-1X well, intersected hydrocarbon bearing intervals in the Mangetti fan prospect, a separate fan system to the Venus oil discovery. Mangetti-1X also achieved its secondary objective of successfully intersecting and appraising the northern area of the Venus discovery. Drilling continues at the Venus-2A appraisal well, approximately 17 km to the northwest of the Venus-1X location. The results from these wells will be incorporated in the development studies.

In addition to the Venus opportunity, the Company has retained upside exposure to the exploration opportunities that in case of success, could significantly increase the existing discovered resource base. Furthermore, the processing of the 3D seismic data that is currently being acquired could better define the prospectivity on Block 2193B to the south of the Venus discovery. It is possible that the JV could drill further high-impact exploration wells on separate fan structures on this Block during 2024 or 2025.

At the date of this report, AOC has an interest in this program through its 31.1% shareholding in Impact, which in turn has a 20.0% WI in Block 2913B (PEL 56) and 18.9% in Block 2912 (PEL 91). On closing of the farm-out transaction with TotalEnergies, Impact will retain a carried 9.5% WI in each of the two Blocks.

Nigeria

The OML 130 drilling campaign that commenced on February 22, 2023, has completed a total of five wells. One production well and two water injection wells have been brought online at Egina. Two production wells have been completed at Akpo West and brought onstream over the Akpo FPSO during Q1 2024. The multi-well program is planned for up to nine wells on the OML 130 asset during 2023 and finishing in 2024, with a further option to extend the rig contract to drill additional wells in the Block.

Acquisition of 4D monitor seismic surveys are planned for Akpo, Egina and Agbami during late 2023, through 2024. The acquisition plan also includes a baseline 4D seismic survey of the Preowei field. The surveys will support future drilling decisions across both OML 127 and OML 130.

Full year 2023 production was in line with the midpoint of the management guidance for both working interest and economic entitlement. Beyond the aforementioned drilling campaign on Egina and Akpo, which will offset production decline, there is a planned maintenance shutdown for the Akpo field which will occur in Q1 2024, this was previously planned for Q4 2023. A planned maintenance shutdown will also be executed on Agbami during H1 2024.

Following the 20-year renewal of OML 130 on May 28, 2023, FEED studies have recommenced which could facilitate the final investment decision for the Preowei oil discovery development project. The Preowei oil field is to the north of the Egina FPSO and is a development opportunity via a satellite subsea tie-back project to the Egina FPSO.

South Africa Orange Basin, Block 3B/4B

Following the approval from the Government of the Republic of South Africa of the transfer of a 6.25% interest in Block 3B/4B from Azinam to the Company on January 19, 2024, at the date of this MD&A, the Company holds an operated WI of 26.25% in the Block.

The Company and its JV parties are progressing plans to conduct a two-well campaign on Block 3B/4B and are in discussions with various potential parties to farm out a share of their working interest in the Block. The JV parties are also working with a leading South African environmental consulting firm to conduct a comprehensive Environmental and Social Impact Assessment (“ESIA”) process in preparation for permitting and drilling activity on the Block.

Equatorial Guinea

The Company continued its geological and geophysical works for Blocks EG-18 and EG-31 with subsurface studies conducted during 2023 defining multiple prospects on both Blocks. Seismic reprocessing and subsurface studies will continue over the coming months to further refine and rank the identified prospects, identify any further prospects and prioritize a potential drilling target on the shallow water EG-31 Block, for drilling in 2025. The Company’s objective is to farm-down part of Blocks EG-18 and EG-31 in 2024.

The Company holds an operated WI of 80.0% in each of Blocks EG-18 and EG-31.

2024 Management Guidance

The Company’s 2024 production will be contributed solely by its 50% shareholding in Prime. The 2024 Management Guidance includes WI production guidance range of 16,500 – 19,500 boepd and net entitlement production range of 18,000 – 21,000 boepd with approximately 78% expected to be light and medium crude oil and 22% conventional natural gas.

Prime is expected to sell 10-13 cargoes of approximately one million barrels each during 2024. Based on the above production and Prime’s current 2024 cargo lifting schedule, the Company’s management estimate Prime to generate cash flow from operations of approximately $230.0 - $320.0 million net to the Company’s 50% shareholding. These estimates are based on a 2024 average Brent price of $82.0/bbl.

Any dividends[6] received by the Company from Prime’s operating cash flows and cash on hand will be subject to Prime’s capital investment and financing cashflows, including Prime’s RBL interest payments and principal amortization. Net to the Company’s 50% shareholding, Prime’s 2024 capital investment is expected to be in the range of $100.0 - $130.0 million. Prime had a cash and cash equivalents balance of $76.1 million net to the Company’s 50% shareholding at December 31, 2023.

Prime, net to AOC’s 50% shareholding:	2024 Guidance	2023 Actuals
WI production (boepd)[7,8]	16,500 – 19,500	19,800
Economic entitlement production (boepd)[9]	18,000 – 21,000	22,400
Cash flow from operations[5] (million)	$230.0 – $320.0	$299.5
Capital investment (million)	$100.0 - $130.0	$62.2

Dividends and AGM

The Company is pleased to announce that its Board of Directors has declared the distribution of the Company’s semi-annual cash dividend of $0.025 per common share. This dividend will be payable on March 28, 2024, to shareholders of record at the close of business on March 8, 2024. This dividend qualifies as an ‘eligible dividend’ for Canadian income tax purposes.

Dividends for shares traded on the Toronto Stock Exchange ("TSX") will be paid in Canadian dollars on March 28, 2024; however, all US and foreign shareholders will receive USD funds. Dividends for shares traded on Nasdaq Stockholm will be paid in Swedish kronor in accordance with Euroclear principles on April 2, 2024.

To execute the payment of the dividend, a temporary administrative cross border transfer closure will be applied by Euroclear from March 6, 2024, up to and including March 8, 2024, during which period shares of the Company cannot be transferred between the TSX and Nasdaq Stockholm.

Payment to shareholders who are not residents of Canada will be net of any Canadian withholding taxes that may be applicable. For further details, please visit:

https://africaoilcorp.com/investors/dividend-information/

The Company's Annual General Meeting is planned to be held on May 23, 2024.

2023 Annual Filings

The Company's 2023 Annual Filings Document, MD&A, Annual Information Form and Financial Statements are available for download from the Company's website:

https://www.africaoilcorp.com/investors/meeting-materials-corporate-filings/

NOTES

1. The 50% shareholding in Prime is accounted for using the equity method and presented as an investment in joint venture in the Interim Condensed Consolidated Balance Sheet. Africa Oil's 50% share of Prime's net profit or loss will be shown in the Consolidated Statements of Net Income and Comprehensive Income. Any dividends received by Africa Oil from Prime are recorded as Cash flow from Investing Activities.
2. Includes non-GAAP measures. Definitions and reconciliations to these non-GAAP measures are provided in Fourth Quarter 2023 MD&A.
3. Aggregate oil equivalent production data comprised of light and medium crude oil and conventional natural gas production net to Prime's W.I. in Agbami, Akpo and Egina fields. These production rates only include sold gas volumes and not those volumes used for fuel, reinjected or flared.
4. 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.
5. Cash flow from operations before working capital adjustments and interest payments.
6. Prime does not pay dividends to its shareholders, including the Company, 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 the Company. Any dividends received by the Company from Prime's operating cash flows will be subject to Prime's capital investment and financing cashflows, including payments of Prime's RBL principal amortization, which are subject to semi-annual RBL redeterminations, and Prime's minimum cash on hand requirements.
7. The Company's 2024 production will be contributed solely by its 50% shareholding in Prime.
8. Approximately, 78% expected to be light and medium crude oil and 22% conventional natural gas.
9. Net entitlement production estimate is based on a 2024 average Brent price of $82.0/bbl being the average of the Brent forward curves between September 27, 2023, and November 23, 2023. Net entitlement production is calculated using the economic interest methodology and includes cost recovery oil, tax oil and profit oil and is different from WI production that is calculated based on project volumes multiplied by Prime's effective WI.

All dollar amounts are in United States dollars unless otherwise indicated.

Management Conference Call

Senior management will hold a conference call to discuss the results on Tuesday, February 27, 2024 at 09:00 (ET) / 14:00 (GMT) / 15:00 (CET). Participants should use the following link to register for the live webcast:

https://onlinexperiences.com/Launch/QReg/ShowUUID=D8CA19B8-00F2-4CF1-B444-DEC5E88D4620

Please note that for optimal viewing, it is best not to connect to a Virtual Private Network (VPN) but instead to connect directly to the Internet.

Please test your connection prior to joining to ensure a successful user experience. Connection Test: Click Here. For system requirements, visit the FAQ page.

Participants can also join via telephone with the instructions available on the following link:

https://register.vevent.com/register/BId987800ee0c745f88102c4aa729c1087

About Africa Oil

Africa Oil Corp. is a Canadian oil and gas company with producing and development assets in deepwater Nigeria and an exploration/appraisal portfolio in west and south of Africa, as well as 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
Head of Investor Relations
shahin.amini@africaoilcorp.com
T: +44 (0)20 8017 1511

Additional Information

This information is information that Africa Oil is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact persons set out above, at 6:30 p.m. ET on February 26, 2024.

Advisory Regarding Oil and Gas Information

The terms boe (barrel of oil equivalent) is used throughout this press release. Such terms may be misleading, particularly if used in isolation. Production data are based on a conversion ratio of six thousand cubic feet per barrel (6 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 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value. Petroleum references in this press release are to light and medium gravity crude oil and conventional natural gas in accordance with NI 51-101 and the COGE Handbook.

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 2023 Management Guidance including production, cashflow from operation and capital investment estimates, performance of commodity hedges, the results, schedules and costs of drilling activity including those offshore Namibia and Nigeria, the outcome of exploration and appraisal activities including those offshore Namibia, 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, results of exploration and development activities, cost overruns, uninsured risks, regulatory and fiscal changes including 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.