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## NEWS RELEASE

### KENYA OPERATIONS UPDATE

**February 7, 2018 (AOI-TSX, AOI-Nasdaq Stockholm) Africa Oil Corp.** (“Africa Oil”, “AOC” or the “Company”) is pleased to provide the following update on activities in the South Lokichar basin (Blocks 10BB and 13T in Kenya). AOC has a 25% working interest in Blocks 10BB and 13T with Tullow Oil plc (50% and Operator) and Maersk Olie og Gas A/S (25%) holding the remaining interests (collectively, the “Joint Venture Partners”).

The Joint Venture Partners have proposed to the Government of Kenya that the Amosing and Ngamia fields be developed as the initial stage of the South Lokichar development. This phase of the development is planned to include a 60,000 to 80,000 barrels of oil per day (bopd) Central Processing Facility (CPF) and an export pipeline to Lamu, some 750 kilometers from the South Lokichar basin on the Kenyan coast. This approach is expected to bring significant benefits as it enables an early Final Investment Decision (FID) of the Amosing and Ngamia fields taking full advantage of the current low-cost environment for both the field and infrastructure development, as well as providing the best opportunity to deliver first oil in a timeline that meets the Government of Kenya expectations. The installed infrastructure can then be utilized for the optimization of the remaining and yet to be discovered South Lokichar oil fields, allowing the incremental development of these fields to be completed in an efficient and low cost manner post first oil.

The initial stage is planned to include 210 wells through 18 well pads at Ngamia and 70 wells through seven well pads at Amosing, with a planned plateau rate of 60,000 to 80,000 bopd. Additional stages of development are expected to increase plateau production to 100,000 bopd or greater. It is anticipated that Front End Engineering and Design (FEED) for the initial stage will commence in 2018, with FID targeted for 2019 and first oil in 2021/22.

A total of six appraisal wells have been drilled at the Amosing field, ten at Ngamia, three at Etom and two at Ekales. Additionally, extended well tests, water injection tests, well interference tests and water-flood trials have been undertaken, all of which have proved invaluable for planning the development of the oil fields. Tullow Oil plc has released (February 7, 2018) their updated assessment of resources in the South Lokichar basin. Details of Africa Oil’s most recent independent assessment of contingent resources in the South Lokichar basin are contained in the Company’s press release dated May 10, 2016. The Company intends to have an updated independent resource evaluation in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”) completed following the completion of the water injectivity and associated production testing planned for the first half of 2018.

#### Early Oil Pilot Scheme (EOPS)

An agreement between the Joint Venture Partners and the Government of Kenya was signed on March 14, 2017 allowing all EOPS upstream contracts to be awarded. Initial injectivity testing has started at Ngamia-11 and oil production and water injection facilities are being constructed in the field, which are expected to be ready to commence production/injection in the first quarter of 2018. Oil produced is being initially stored until all necessary consents and approvals are granted and work is completed for the transfer of crude oil to Mombasa by road.

Africa Oil CEO Keith Hill commented, “We are pleased that the Joint Venture has now agreed on an optimized plan to move forward with the South Lokichar Basin development, which will allow acceleration of a crude export pipeline through Northern Kenya. This development will set the stage for additional exploration, appraisal and development, unlocking the vast resources contained within the basin.”

### **About Africa Oil Corp.**

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

### **Additional Information**

The information in this release is subject to the disclosure requirements of Africa Oil Corp. under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, by the person(s) below, on February 7, 2018 at 2:00 a.m. Toronto Time.

### **Forward Looking Statements**

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, the proposed development plans of the Joint Venture Partners, the timing of any FID, expected plateau rates, timing of first oil, estimated full cycle costs for development, timing for the completion of an updated resource evaluation by the Company, timing for completion of oil projection and water injection facilities, 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, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. 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.

## **Oil and Gas Disclaimer**

### Risks Associated with Recovery

It is reasonably expected that the product type associated with the Amosing and Ngamia fields will be light/medium crude oil. The key risks associated with recovery are as follows:

### **Regulatory Contingencies**

All of the Kenyan discoveries are located within Exploration Contracts; the Government of Kenya has extended these Exploration Contracts, per the terms of the Block 10BB and Block 13T Production Sharing Agreements, to allow further exploration and appraisal. Conversion of these permits to production permits has yet to be agreed.

Regulatory support and approval will be required for the commercialization of the Company's Kenyan resources to proceed. In accordance with the Company's Production Sharing Contracts and joint venture agreements, field development plans must be agreed by the Company and its Joint Venture Partners before submission for approval by the government. Oil production from the South Lokichar Basin development will be the first commercial production in Kenya. A draft Field Development Plan was submitted to the regulatory authorities in Kenya in December 2015 and an update to this draft was submitted in 2017, primarily to facilitate discussion between the Joint Venture Partners and the government as the development moves towards sanction.

### **Market Access Contingencies**

Kenya has limited oil infrastructure and no export facilities currently in place. The discoveries in Blocks 10BB and 13T are remote and cannot be delivered to market without significant infrastructure investment. The Lokichar Basin is in a remote part of Kenya, approximately 750 km from the planned point of export at Lamu. New build pipeline infrastructure and road upgrades will be required to permit field development and production export for these resources. Although technical work has been completed by the Joint Venture Partners on crude oil export route options, there are presently no commercial agreements in place to facilitate the pipeline's construction or operation.

ON BEHALF OF THE BOARD

"Keith C. Hill"  
President and CEO

For further information, please contact: Sophia Shane, Corporate Development (604) 689-7842.