

AFRICA OIL CORP.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Expressed in thousands of United States dollars unless otherwise indicated)

(Unaudited)

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level. There were no transfers between levels in the fair value hierarchy in the year.

15) Supplementary information:

The following table reconciles the changes in non-cash working capital as disclosed in the consolidated statement of cash flows:

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Changes in non-cash working capital				
Accounts receivable	\$ (26)	\$ 25	\$ 501	\$ 16
Prepaid expenses	(972)	42	(1,437)	(106)
Due to related party	(18)	-	-	-
Accounts payable and accrued liabilities	1,198	118	467	(3,839)
	182	185	(469)	(3,929)
Relating to:				
Operating activities	\$ (798)	\$ 35	\$ (1,355)	\$ (106)
Investing activities	980	150	886	(3,823)
Changes in non-cash working capital	\$ 182	\$ 185	\$ (469)	\$ (3,929)

16) Subsequent event:

On November 1, 2019, the Company announced that it has entered into an amendment to the share purchase agreement (the "Amended SPA") signed on October 31st, 2018, between Petrobras International Braspetro BV ("PIBBV") and Petrovida Holding B.V. ("Petrovida"), the company formed by the consortium of Africa Oil, Delonex Energy Ltd. ("Delonex") and Vitol Investment Partnership II Ltd. ("Vitol") to acquire an ownership interest in Petrobras Oil and Gas B.V. ("POGBV"). This follows Vitol and Delonex decisions to withdraw from the previously announced purchase of 50% of the share capital of POGBV. Consequently, Africa Oil will be the sole acquirer of the 50% interest in POGBV.

It remains the intention of the Company to complete the transaction on the previously announced terms, subject to all necessary regulatory and third-party approvals, including the Department of Petroleum Resources ("DPR") in Nigeria.

The Company also announced that it has agreed the terms of a credit committee approved term sheet with BTG Pactual ("BTG") for a guarantee and loan facility ("Bridge Loan") of up to \$250.0 million in order to fund the anticipated payments required at completion.