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## AFRICA OIL CHAIRMAN'S LETTER TO SHAREHOLDERS

**March 30, 2020 - Africa Oil Corp. (AOI – TSX, Nasdaq Stockholm)...** Chairman of the Board, John Craig publishes a letter to shareholders.

Dear Africa Oil shareholders,

I write to you during a period of immense stress and uncertainty. The COVID-19 pandemic threatens millions of lives worldwide and casts a dark cloud over all aspects of our daily lives. On behalf of the board of directors I extend our best wishes for good health to you and your families.

Our immediate focus at Africa Oil is the safety and well-being of our stakeholders and we have implemented strict measures to minimise the risk of contagion. Our employees and consultants have been instructed to work from home, as much as possible, and no business travel is authorised unless it is absolutely necessary for safety of our operations. We are also, on a regular basis, assessing the threat and potential impact of the pandemic on the local communities close to our operations. I am confident that the company has the necessary technology and communication resources to maintain effective and safe day-to-day operations.

With regards to our producing assets in Nigeria, I am very encouraged by the measures taken by the operators of OML 127 and OML 130 to ensure safety of offshore personnel and continuity of operations. New procedures include mandatory onshore quarantine for the crews, before they are transported offshore, regular health screening on the offshore facilities and a strict hygiene regime. There are also contingency plans in place to isolate suspected infection cases offshore if required.

I am hopeful that over the coming months the international community will have a much stronger grasp of this pandemic and that we will gradually return to our normal routines. Of course, one major uncertainty is the duration and extent of the economic fallout, which for the international oil and gas industry is exasperated by the apparent oil price war between Saudi Arabia and the Russian Federation. We are witnessing a perfect storm caused by a combination of ballooning supplies and collapse in demand.

The market's short-term outlook is negative but as we have seen many times before, the global energy markets do re-balance and prices do recover. I have no doubt this time is no exception and a recovery, once underway, will have strong momentum. I am cautiously optimistic that demand and supply dynamics can improve significantly during 2021. On this note, it is important to reiterate our company's robust position to weather this storm. I must also emphasise that your board continues to view the company's recent acquisition of a 50% shareholding in Prime Oil and Gas B.V. positively.

Through our shareholding in Prime, Africa Oil has exposure to some of the best producing assets offshore West Africa. These combine high quality reservoirs and sought after light and sweet crude properties with world class production facilities and highly experienced operators. There is modest capital expenditure for this year and significantly, 95% of Prime's 2020 production has been hedged at an average oil sales price of US\$66 per barrel. There is further downside protection next year with 28% of Prime's production hedged at an average sales price of US\$60 per barrel, with most of the hedged volumes scheduled for the first quarter of 2021. Considering these hedged positions are through physical forward sales and swaps with off-takers that are part of parent groups with investment grade credit ratings, I am confident that the company has sufficient financial strength to navigate through these difficult times until a possible recovery next year.

Also, over the course of this year, we can look forward to a number of potentially high impact exploration catalysts in South Africa and Namibia. Our 2019 Brulpadda discovery on Block 11B/12B offshore South Africa, has opened up an exciting petroleum basin with tremendous running room for follow-on exploration

activity. Through our shareholdings in Africa Energy and Impact Oil and Gas we have exposure to a multi-well exploration campaign on this block, that will target very large structures with substantial upside potential, in case of success. In Namibia, through our shareholding in Impact, we are nearing the spud of the Venus exploration well on Block 2913B, targeting a multi-billion barrels prospect. These exploration programs are firm with drilling on both blocks expected to commence in late June or early July 2020.

In these exceptional times there can be no 'business as usual', so the company's management with the support of the board are working hard to reduce discretionary capital expenditure and G&A costs as much as possible.

The last few months have been dramatic for Africa Oil, with the positive impact of our transformational Prime acquisition being tempered by the events of the last few weeks. Although this is very challenging time, I hope you agree with my view that the company has a quality portfolio and a capable management team, for it to successfully emerge from these dark days into a more favourable competitive landscape.

I would like to take the opportunity to thank you, my fellow shareholders, for your continuing support of the company. Your confidence in Africa Oil is greatly appreciated and rest assured, that your board of directors and management team are working tirelessly to build on our recent milestone of becoming a full-cycle E&P company and towards a recovery in our share price.

Yours faithfully,

John Craig, Chairman of the Board

March 30<sup>th</sup>, 2020

### **Additional Information**

This information is information that Africa Oil Corp. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below on March 30, 2020 at 1:00 a.m. ET.

### **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".

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### **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 exploration activities and volumes and upside potential, 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, 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.