

Africa Oil Announces Heads of Terms Signed for First Ever Oil Development in Kenya

VANCOUVER, June 26, 2019 /CNW/ - (AOI-TSX, AOI-Nasdaq-Stockholm) ... **Africa Oil Corp.** ("Africa Oil" or the "Company") is pleased to announce that Heads of Terms agreements with the Government of Kenya and joint venture partners, Africa Oil, Tullow Oil plc and TOTAL S.A. have been signed for the development of the oil fields in the South Lokichar Basin. [View PDF Version](#).

The Joint Venture Partners and the Government of Kenya have concluded negotiations around key fiscal and commercial principles for Project Oil Kenya with agreements between the parties documented in various Heads of Terms which were signed by the Joint Venture Partners and the Government of Kenya in Nairobi yesterday. This is a material and encouraging step forward which gives all parties confidence that the development project will be robust at low oil prices. In addition, the completion of the Front End Engineering and Design studies for both the upstream and midstream, together with recent market soundings provide increased confidence in the project's capital expenditure estimate and construction timetable that is expected to see first oil three years after the Final Investment Decision (FID).

Keith Hill, President and CEO of Africa Oil, commented, "We are very pleased with the signing of the Heads of Terms agreements as it marks an exciting step forward for the project. The conclusion of the negotiations around key fiscal and commercial principles is an important and major milestone towards a Final Investment Decision, providing a solid development framework and confidence to all parties that the project is robust at low oil prices."

The Government of Kenya continues to make good progress, both in acquiring the land for the upstream and pipeline and securing water rights for the upstream. While these activities are progressing well, they are taking longer than originally forecast. The National Environment Management Agency has requested that additional community consultation take place for the Environmental and Social Impact Assessments which will now be submitted in the second half of 2019.

All parties continue to work well together across all development workstreams and significant progress has been made so far this year. The joint venture partners and the Government of Kenya are reviewing the most likely timeline to FID which is now expected in 2020.

The partners also report significant progress has been made on the Early Oil Production Scheme (EOPS). In May 2019, EOPS production was increased from 600 bopd to 2,000 bopd and the reservoirs, wells and associated facilities have been performing well. Over 150,000 bbls of oil have been safely delivered to Mombasa so far and Tullow Oil plc expects the first export cargo to be sold and lifted in the third quarter of 2019.

Africa Oil Corp. has a 25% working interest in Project Oil Kenya with Tullow Oil plc (50% and Operator) and Total S.A. (25%) holding the remaining interests.

About Africa oil

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and has recently signed an agreement to acquire an interest in a producing asset in deepwater Nigeria. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

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 June 26, 2019 at 2:00 a.m. EDT.

FORWARD LOOKING INFORMATION

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, statements with respect to estimates of reserves and or resources, 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, ongoing uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the results of future exploratory activity in the Brulpadda-1AX well, anticipated dates, results and costs of the lifting of the sweet Kenyan crude oil stored in Mombasa, the completion of the Company's upstream and midstream Front End Engineering and Design studies, the completion of the Company's Environmental and Social Impact Assessments and submission of same to the National Environmental Management Agency, the Company's negotiations with its Joint Venture Partners and the Government of Kenya, the Company's capital expenditure estimates on its projects and construction timetables, and the completion of the Company's transaction(s) in Nigeria. 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.

ON BEHALF OF THE BOARD

"Keith C. Hill"
President and CEO

SOURCE Africa Oil Corp.

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