Africa Oil Corp

Africa Oil Receives Its Sixth Prime Dividend and CEO's Message to the Shareholders

VANCOUVER, BC, Dec. 17, 2020 /CNW/ - (TSX: AOI) (Nasdaq-Stockholm: AOI) – Africa Oil Corp. ("AOI", "Africa Oil" or "the Company") is pleased to announce that it has received its sixth dividend from Prime Oil and Gas B.V. ("Prime"). View PDF version.

Prime has distributed a US$75.0 million dividend with a net payment to Africa Oil ofUS$37.5 million related to its 50% shareholding. The Company intends to apply US$23.8 million of this dividend to reduce the outstanding balance of the BTG term loan to US$141 million. The Company has received a total dividend amount ofUS$200 million since the closing of the Prime acquisition on 14 January 2020.

Keith Hill, Africa Oil's President and CEO, in a message to the Company's shareholders commented:

"Prime has performed very well during what has been one of the most challenging years for our industry. As well as its dividend distributions, I am also pleased to see Prime deleveraging its balance sheet. It has reduced its RBL debt by $522 million or 29% of the principal amount at the start of the year. I am also happy to report that Africa Oil will reduce its corporate term loan by US$109 million or 44% of the original amount by the end of this year, once payment from this latest dividend is applied. We plan to fully repay this loan next year well before the January 2022 maturity date.

As we look forward to the new year there is increasing optimism for the global economy to emerge from the impact of COVID-19 pandemic, and for a sustained recovery in the energy markets. We have put the Company in a strong position to benefit in this recovery phase, with our high-quality producing assets supporting our growth opportunities. These include our indirect interest in Block 11B/12B, offshore South Africa. Luiperd discovery was a tremendous exploration success this year, and together with last year's Brulpadda discovery, the project is now transitioning from exploration to commercialisation. This success is a great endorsement of our focused regional exploration strategy. We are now looking forward to the drilling of Venus-1 well offshore Namibia in 2021, which will target one of the largest submarine fan plays ever tested by the industry.

We are also working closely with the Government ofKenya and our JV partners to progress the South Lokichar development project. Despite the delays, the Board and I are confident there is significant potential in this project and our objective for the next year is to deliver a robust field development plan for a very modest expenditure, which is possible considering the significant amount of work already carried out.

It has been a tremendously difficult year for everyone, and while we are quite hopeful for a full recovery in the New Year, we will continue our policy of hope for the best but plan for the worst with respect to the economy and resultant oil price. I would like to take this opportunity to thank our shareholders for their continuing support and to wish you all a happy festive period."

Africa Oil Corp. is a Canadian oil and gas company with producing and development assets in deepwaterNigeria; development assets in Kenya; and an exploration/appraisal portfolio inAfrica and Guyana. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

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 December 17, 2020 at 1:00 a.m. ET.

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. 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. 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. Actual results may differ materially from those expressed or implied by such forward-looking statements.

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