

Impact Oil & Gas Limited

("Impact" or "the Company")

Capital Raising of USD 40,000,000

London 7 February 2020, Impact Oil & Gas Limited ("Impact"), the privately-owned, African-focused exploration company, is pleased to announce that it has secured funds, with gross proceeds of approximately USD 40 million, by way of an underwritten Open Offer through the issue of Ordinary Shares at an issue price of 20 pence per Ordinary Share (the "Issue Price") (the "Open Offer").

Deepkloof Limited ("Deepkloof"), Africa Oil Corp ("AOC") and CAZ Investments Limited ("CAZ"), who are existing shareholders in the Company, have agreed pursuant to a subscription and underwriting agreement entered into with the Company dated 19 December 2019 to commit to their pro-rata share of the Open Offer at the Issue Price. In addition, Deepkloof and CAZ (together, the "Underwriting Shareholders") have further agreed to underwrite the Open Offer and take up such number of additional shares as necessary to ensure that the aggregate amount raised in the Open Offer equals USD 40 million. Such underwriting element and additional shares will be issued at an underwriting issue price of 18 pence per Ordinary Share.

This ensures that, in any event, the Company will receive the amount of USD 40 million pursuant to the terms of the Open Offer. The terms provide for a two-stage completion. The first stage, to complete on 14 February 2020, comprises USD 24.037 million through receipt of AOC's commitment; plus USD 12 million from the Underwriting Shareholders; plus all monies received from other shareholders under the Open Offer. The second stage, to complete on 1 May 2020 and totalling USD 15.963 million, comprises the balance of the funding, including the underwriting and any additional shares required to be issued, due from the Underwriting Shareholders. This second stage is subject to there being no material adverse change to the business before completion.

Use of Proceeds

Impact expects to use the net proceeds to fund its activities in 2020 which include;

- capital expenditure in Namibia; the majority of which relates to the Company's share of costs for drilling the Venus-1 exploration well on the offshore Block 2913B, which is partially carried by the operator, Total. The well is expected to spud during the first half of 2020. The capital expenditure also includes some geological and geophysical work on the neighbouring Block 2912.
- the funding of Arostyle Investment's share of costs, under Impact's loan agreement, for the drilling of the Luiperd-1 exploration well and other geological and geophysical work on Block 11B/12B for the continued exploration and appraisal during 2020 on the Paddavissie Fairway offshore South Africa, following the Brulpadda discovery in 2019 (Total is also operator on this licence); and
- general corporate overhead including in-house geological and geophysical costs.

At the Company's General Meeting held on 30 January 2020, all resolutions put to Shareholders in relation to the Open Offer of shares were duly passed. The resolutions passed included authority to allot shares in the Company or grant rights to subscribe for, or to convert, any security into shares equivalent to USD 17 million to provide the Company with enhanced flexibility to raise additional capital at short notice should the need arise for further capital later this year.

A total of 155.2 million new Ordinary Shares will be issued as a result of this Open Offer. This comprises 18.1% of the issued share capital of Impact immediately following completion of the Open Offer.

Siraj Ahmed, CEO of Impact Oil & Gas, said:

“I am thrilled that we are now entering what we hope is a game changing year, as the drilling of Venus-1 in Namibia and further exploration and appraisal following the Brulpadda-1 discovery on Block 11B/12B in South Africa represent the culmination of all the hard work and investment over the last few years. This financing injection strengthens the balance sheet and enables us to get to this point; thanks to the continued support of our valued shareholders. I am particularly grateful for the surety of funding provided by the Underwriting Shareholders.”

Enquires:

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Owen Roberts, Jane Glover, James Crothers

About Impact Oil & Gas

Impact is currently privately owned. The company acquired its first asset offshore South Africa in 2011 and has subsequently expanded its asset base across the offshore margins of South and West Africa. It has since partnered with ExxonMobil and Equinor (South Africa), CNOOC (AGC – between Senegal and Guinea Bissau) and Total (Namibia and South Africa). The company’s current portfolio covers a combined area of over 90,000 km² (gross).

Impact is an exploration company with a strategic focus on large scale, mid to deep water plays of sufficient size to be of interest to major companies. Its management is committed to further expanding this attractive portfolio of exploration assets and securing large independents and major oil companies as partners. The company’s objective is to build a world class portfolio, in a number of different geologic and geographic locations to minimise risk and with a large enough portfolio to ultimately enhance the chance of drilling success. By doing so, and by having high-calibre oil industry partners validate its exploration concepts and ideas, management believes that the Company is best placed to potentially deliver substantial shareholder value in the medium to longer term.

Third party information

Deepkloof Limited (“Deepkloof”), a subsidiary of Hosken Consolidated Investments (“HCI”) of South Africa, a company incorporated in Jersey whose registered office is at No. 2, the Forum, Grenville Street, St Helier, Jersey, JE1 4HH (“Deepkloof”); AFRICA OIL CORP, a company incorporated in Canada whose registered office is at Suite 2000-885 Georgia Street, Vancouver, BC, Canada, V6C 3E8 (“AOC”); CAZ INVESTMENTS LTD, a company incorporated in Mauritius whose registered office is at Level 8C, Cyber Tower II, Cybercity, Ebene, 77201, Mauritius (“CAZ”),