

## Impact Oil & Gas Limited

### ***Impact Closes Previously Announced Transaction to Consolidate its Interest in Block 11B/12B Offshore South Africa, and become a Major Shareholder of Africa Energy Corp.***

London: 13 November 2020, Impact Oil & Gas Limited ("**Impact**" or the "**Company**"), a privately-owned, African-focused, exploration company, is pleased to announce that it has successfully completed the previously announced transaction with Africa Energy Corp, (TSXV: AFE) (Nasdaq First North: AEC) ("**Africa Energy**") for the consolidation of its indirect interest in the Block 11B/12B exploration right, offshore South Africa (Exploration Right reference 12/3/067).

At completion, Africa Energy issued 509,092,771 common shares (the "**Common Shares**") to Impact pursuant to the terms of a subscription agreement (the "**Subscription Agreement**") between the Company and Africa Energy, as previously announced in its news release dated 24 August 2020. Following completion, Impact holds 36.5% of the Common Shares in Africa Energy.

Impact has the right, for so long as it holds not less than 10% of the Common Shares, to appoint one nominee to the board of directors of Africa Energy. Johnny Copelyn, Chairman of Impact, was accordingly appointed to the board of Africa Energy on 22 October 2020.

**Johnny Copelyn, Chairman of Impact Oil & Gas, commented:** *"We are delighted to conclude this transaction with Africa Energy, consolidating our respective interests into one vehicle holding 10% (subject to certain consents and approvals) of the Block 11B/12B exploration right. This transaction provides Impact with a significant shareholding in Africa Energy and I look forward to working closely with the Africa Energy Board."*

### **Significant Discovery Offshore South Africa**

On 28 October 2020, Africa Energy announced a second significant gas condensate discovery on the Luiperd prospect located on Block 11B/12B, offshore South Africa. This discovery follows the adjacent play-opening Brulpadda discovery in 2019, which proved a significant new petroleum province in the region.

**Garrett Soden, Africa Energy's President and CEO, commented:** *"We are thrilled to announce the second consecutive discovery on Block 11B/12B, offshore South Africa. We congratulate Total as operator for drilling the Luiperd-1X deep-water well safely and efficiently during the coronavirus pandemic and austral winter season. The Luiperd discovery reconfirms this world-class exploration play with substantial follow-on potential. The net pay encountered in the Luiperd target objective is significantly larger than the main reservoir at last year's Brulpadda discovery. The Block 11B/12B partners are conducting a drill stem test to measure flow rates over the next few weeks. Due to the success at Luiperd, the joint venture has decided to proceed with development studies and engage with authorities on the commercialization of gas instead of drilling another exploration well in this program."*

The Luiperd-1X exploration well was drilled in approximately 1,800 meters of water by the Odfjell Deepsea Stavanger semi-submersible rig to a total depth of about 3,400 meters. The well targeted the

hydrocarbons potential in a mid-Cretaceous aged deep marine sequence where fan sandstone systems are developed within combined stratigraphic/structural closure.

The well encountered 73 meters of net gas condensate pay over a mid-Cretaceous high-quality reservoir interval and did not encounter the water contact. Following a comprehensive coring and logging program, the Block 11B/12B joint venture is now testing the well to assess dynamic reservoir characteristics and deliverability.

### **Impact capital raising**

On 7 February 2020, Impact announced that it had secured a US\$40m capital raise from existing shareholders. The proceeds were to be received in a series of tranches between February and November this year. The use of proceeds was intended, in part, to fund Impact's share of the costs of the Block 11B/12B 2020 exploration programme. The transaction with Africa Energy means that this requirement is no longer necessary and has enabled the Company to retain cash that was ear-marked for this exploration programme. Accordingly, the Company chose not to draw down the final US\$8.5 million tranche due from Deepkloof Limited (Impact's largest shareholder) this month (and Deepkloof Limited has not taken up the corresponding ordinary shares in the Company), as the Company now has sufficient funding to meet its anticipated requirements for the foreseeable future.

**Siraj Ahmed, CEO of Impact Oil & Gas, commented:** *"We are pleased to have concluded this milestone transaction. Impact retains a significant indirect interest in the very exciting Brulpadda and Luiperd discoveries and we look forward to continuing to work with the Africa Energy team. In addition, this transaction strengthens Impact's balance sheet and reduces our anticipated funding needs over the next year."*

### **Enquiries:**

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### **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 Southern and West Africa. It is partnered with Shell in South Africa, CNOOC in AGC (between Senegal and Guinea Bissau) and Total in Namibia and South Africa. The company's current portfolio covers a combined area of over 200,000 km<sup>2</sup> (gross) (including the indirect interest in Block 11B/12B and an interest in Area 2, both in South Africa. The acquisition of the latter remains subject to Government approval).

Impact is an exploration company with a strategic focus on large scale, mid to deep water plays of sufficient materiality to be of interest to major companies. Its management is committed to maturing the prospects across its attractive portfolio, ready for drilling, and further expanding this 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 of drillable prospects, 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.

### **About Africa Energy**

Africa Energy Corp. is a Canadian oil and gas company with exploration assets offshore South Africa and Namibia. The Company is listed in Toronto on TSX Venture Exchange (ticker "AFE") and in Stockholm on Nasdaq First North Growth Market (ticker "AEC"). Africa Energy is part of the Lundin Group of Companies.

### **Forward-Looking Statements**

*This press release may contain certain statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements can be identified by the use of forward-looking terminology, including, for example, the words "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" and similar expressions and statements relating to matters that are not historical facts, and may include statements regarding the Company's current intentions, beliefs or expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and circumstances and are based on certain assumptions and factors, which are based on information currently available to the Company, and which may prove to be incorrect. Undue reliance should not be placed on forward looking statements. The Company is not under any obligation to update or revise any forward-looking statements contained in this announcement.*