

Impact Oil & Gas Limited

Farm-out of Transkei & Algoa blocks, offshore South Africa to Shell

London: 4 November 2020, Impact Oil & Gas Limited ("**Impact**" or the "**Company**"), a privately-owned, African-focused, exploration company, is pleased to announce that its wholly-owned subsidiary, Impact Africa Ltd has entered into an agreement with BG International Limited, a wholly owned subsidiary of Royal Dutch Shell plc ("**Shell**") for the farm-out of a 50% working interest and operatorship in the Transkei & Algoa exploration right, offshore South Africa (Exploration Right reference 12/3/252).

Under the terms of the farm-out agreement, Shell will acquire a 50% working interest in the Transkei & Algoa blocks and operatorship. Shell has also been granted the option to acquire an additional 5% working interest should the joint venture elect to move into the Third Renewal Period, which is expected to be approximately 2024.

Siraj Ahmed, CEO of Impact Oil & Gas, commented: *"We are delighted to have secured a farm-out partner of Shell's calibre, highlighting the significant value potential of our exceptional South African exploration portfolio. Shell joins the Transkei & Algoa licence at a very exciting time for exploration drilling in South Africa. They bring substantial exploration expertise, with particular understanding of the potential of offshore South Africa, and an agreed strategy to accelerate the work programme to build upon the considerable work already undertaken by Impact and the previous JV partnership."*

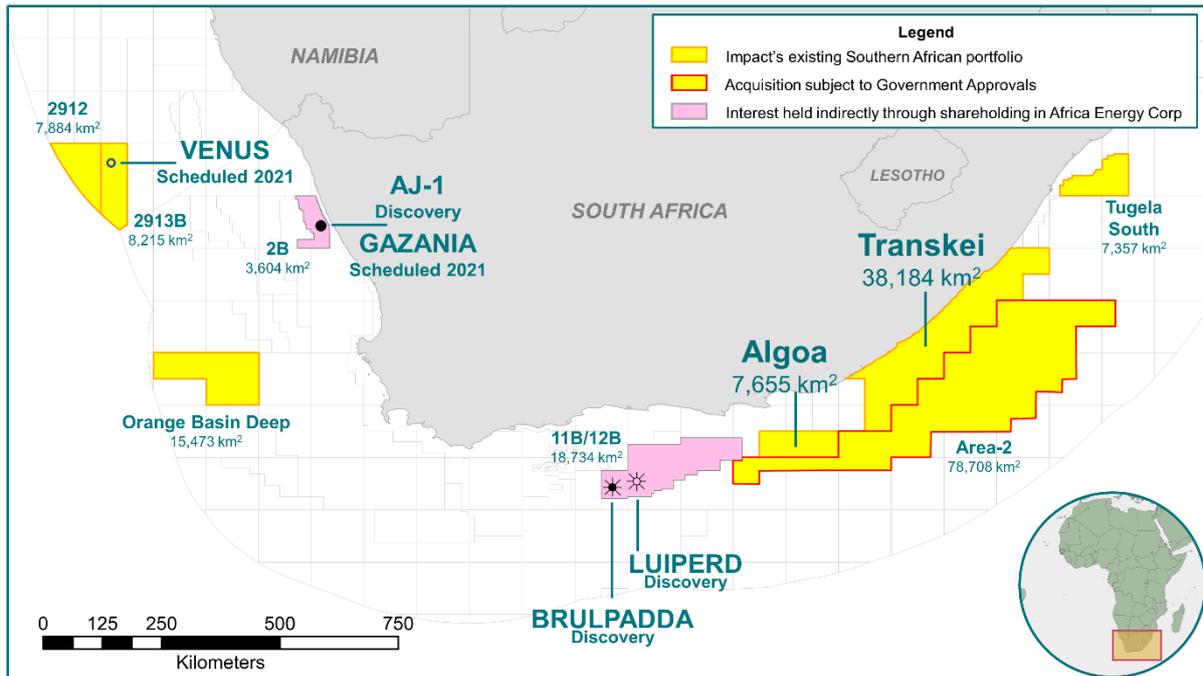
Whilst part of the same licence, the Transkei & Algoa blocks have different geological settings. The Algoa block is situated in the South Outeniqua Basin, a short distance east of Block 11B/12B, containing the Brulpadda gas condensate discovery and where Total has recently announced a further significant gas condensate discovery, following the successful drilling of the Luiperd-1X exploration well, which it is currently testing. The Transkei block is situated north-east of Algoa in the Natal Trough Basin where Impact has identified highly material prospectivity associated with several large submarine fan bodies, which this joint venture will explore with focused 3D seismic data and then potential exploratory drilling. Impact and Shell plan to acquire over 6,000km² of 3D seismic data during the first available seismic window following completion of the transaction. This window is expected to be in the first quarter of 2022.

Closing of the transaction is subject to customary conditions, including the approval of the Government of South Africa.

The participating interests in the Transkei & Algoa blocks following completion of the farm-out by Impact will be as follows: Shell (Operator), 50% and Impact, 50%.

Transkei & Algoa, offshore South Africa

Exploration Right 12/3/252, Transkei & Algoa is located offshore eastern South Africa and covers approximately 45,838km² in water depths up to 3,000 metres. The licence was initially awarded to Impact as a Technical Cooperation Permit in 2012, followed by an application for an Exploration Right, which was granted in 2014.



Enquiries:

Impact Oil and Gas
Siraj Ahmed, CEO

+44 1483 750 588

PR & Media: Camarco
Georgia Edmonds, James Crothers, Hugo Liddy

+44 20 3757 4980

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 km² (gross) (including an indirect interest in Block 11b/12b, South Africa and Area 2, South Africa, the acquisition of which 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.

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.