

Impact Oil & Gas Limited

Open Offer to raise up to US\$95 million

London: 27 March 2023, Impact Oil & Gas Limited (“**Impact**” or the “**Company**”), a privately-owned, Africa-focused, exploration company, is pleased to announce an Open Offer to existing shareholders to subscribe for new Ordinary shares in the Company, to raise up to US\$95 million (The “**Open Offer**”). The capital raised shall be used towards funding Impact’s participating share (held through its wholly owned subsidiary, Impact Oil and Gas Namibia (PTY) Ltd) of the multi-well drilling programme in Namibia to further evaluate and appraise the Venus discovery; a world class, light-oil and associated gas field announced in February 2022.

Highlights

- Proposed Open Offer to existing shareholders to raise up to US\$95 million
 - Each existing shareholder (as per the company register at 5.00pm on 22 March 2023) is entitled to 5 Open Offer Shares for every 39 Existing Ordinary Shares held.
 - Open Offer Closes 12.00pm (British Summer Time) on 12 April 2023
- Major Shareholders, representing 93.91% of the voting rights in the Company, have committed to take up or procure the entirety of their respective Basic Entitlements under the Open Offer
- The expected proceeds from the Open Offer, together with existing cash reserves, is intended to be used by Impact to fund its activities in 2023, which include:
 - The upcoming appraisal and development programme on Block 2913B, in Namibia, following the Venus discovery announced in February 2022, including the appraisal well (Venus-1A) which spud on 4 March 2023 and testing, and a re-entry and testing of the Venus-1X discovery well.
 - Exploration activity on the neighbouring Block 2912 to determine the extent of the Venus discovery, including an exploration well, Nara-1X, and testing on the anticipated westerly extension of Venus into the neighbouring block.
- If Nara-1X is successful, it will be followed by the Nara-1A appraisal well and extended 3D seismic survey on this block. This combined contingent expenditure, expected in late 2023, is not part of the current placing and additional funds are anticipated to be raised to cover the additional expenditure.
- Impact holds a 20% working interest in Block 2913B (PEL 56) and an 18.89% working interest in the adjacent Block 2912 (PEL 91).

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

“We are excited to have commenced the multi-well drilling programme in Namibia with our joint venture partners to appraise the world class, light oil and associated gas discovery in Venus-1X. The anticipated programme for 2023 has been significantly upgraded from a one-well appraisal and re-entry to test the original discovery, to potentially four wells and four DSTs, to include the possible westerly extension of Venus into neighbouring Block 2912.”

“Today’s news ensures the Company is adequately financed to continue to fund its share in this high quality asset, allowing shareholders to share in the accelerated drilling programme and its future success. We would like to thank our existing shareholders for their ongoing support at this exciting time.”

Background

In February 2022, Impact announced the discovery of light oil and associated gas, following the drilling of the Venus-1X well in Block 2913B, offshore Namibia. The discovery well was drilled by TotalEnergies on behalf of the joint venture group comprising TotalEnergies (Operator, 40%), QatarEnergy (30%),

Impact (20%) and state owned NAMCOR (10%, which is carried by the remaining joint venture partners in proportion to their equity shares). The Venus discovery sits in the Orange Basin, approximately 290 kilometres off the coast of Namibia, in the deep waters offshore. The well was drilled to a total depth of 6,296 metres, by the “Maersk Voyager” drillship, and encountered a sandstone reservoir with high quality, light oil of middle Cretaceous age, with 84 metres of net oil pay.

In August 2022, the Company closed a placing of new ordinary shares to existing shareholders, raising proceeds of US\$59.94 million for the purpose of appraising the Venus discovery. At the time, the planned appraisal programme comprised the drilling and testing of Venus-1A (an appraisal well 13 km north of Venus-1X), followed by the re-entry of the Venus-1X to flow test this original discovery well. The drill ship that was scheduled to undertake this programme, the “Tungsten Explorer” drillship, was delayed in arriving in Namibia by several months.

In the meantime, the Operator proceeded further with evaluating the discovery resulting in the Joint Venture amending the appraisal programme to include a further well and flow test on the neighbouring Block 2912 to the west, Nara-1X, plus extending the 3D seismic programme which is being acquired over both licences. If the Nara-1X well is successful, the Joint Venture intends to drill a fourth well, Nara-1A, including a flow test, to appraise this. In order to achieve this ambitious programme, the Joint Venture has contracted the “DeepSea Mira” to operate alongside the Tungsten Explorer, to undertake the testing of Venus-1A as well as the re-entry and test of Venus-1X.

Impact (through its wholly owned subsidiary, Impact Oil and Gas Namibia (Pty) Ltd) also holds an 18.89% working interest in the adjacent Block 2912 (PEL 91), where it is also partnered with TotalEnergies (Operator, with 37.78%), QatarEnergy (28.33%) and NAMCOR (15%).

As a result of the significantly increased appraisal programme, Impact intends to raise a further US\$95 million by way of an open offer to existing shareholders for the purpose of adding to the funds raised in 2022.

Open Offer

The Company proposes to undertake an open offer to existing shareholders to raise up to US\$95 million through the issue of Ordinary Shares (the “Open Offer”).

Each Qualifying Shareholder is being given the opportunity to subscribe for Open Offer Shares under the Open Offer, pro-rata to its existing shareholding of Ordinary Shares on the Record Date (22 April 2023) relative to the total issued Ordinary Shares on the Record Date, being a Qualifying Shareholder’s “Basic Entitlement” of 5 Open Offer Shares for every 39 Existing Ordinary Shares held.

Additional funding and reasons for the Open Offer

The expected proceeds of up to US\$95 million from the Open Offer, together with existing cash reserves, represent the Company’s currently anticipated funding requirement for the 2023 appraisal of its light oil and associated gas discovery on Block 2913B, Namibia, and drilling of an exploration well, Nara-1X, on the neighbouring Block 2912. These funds do not provide for the contingent drilling of an appraisal to Nara-1X (Nara-1A well) nor the acquisition of an expanded 3D seismic programme, in the event that Nara-1X is successful. Additional funding may be required to meet this commitment, at a future date.

Structure of the Open Offer

The Open Offer provides the Company with the opportunity to raise the funding that it needs in the short term in a manner that enables all Qualifying Shareholders to participate should they so wish. The Major Shareholders, representing in aggregate 93.91% of the voting rights in the Company, have committed to approve the Resolutions to implement the Open Offer and take up, or procure the take up of, their

respective Basic Entitlements under the Open Offer, which provides the Company with confidence as to a minimum amount of funds expected to be raised through the Open Offer.

About Block 2913B, offshore Namibia

Petroleum Exploration Licence 56, Block 2913B, is located offshore southern Namibia and covers approximately 8,215km² in water depths up to 3,000m. Impact entered the licence as Operator in 2014, acquiring 2D, then 3D seismic data which defined the Venus prospect. In 2017, Impact and NAMCOR were joined by TotalEnergies, bringing with it significant deep-water drilling expertise to the Joint Venture, and in 2019 QatarEnergy joined the Joint Venture.

About Block 2912, offshore Namibia

Petroleum Exploration Licence 91, Block 2912, is located offshore southern Namibia, adjacent to, but outboard of, PEL 56 and covers approximately 7,884km² in water depths between 3,000 and 3,900m. Impact joined TotalEnergies and NAMCOR on the licence in 2019, as did QatarEnergy.

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About Impact Oil & Gas Ltd

Impact is a UK-based, privately owned, independent exploration company with a focus on finding large scale, deep water plays offshore Western and Southern Africa. These plays must be of sufficient materiality to attract partnership by industry majors with the expertise to subsequently drill.

Since acquiring its first asset offshore South Africa over a decade ago, the Company has expanded its asset base across the offshore margins of Southern and West Africa. It is now partnered with Shell in South Africa, CNOOC in AGC (a joint development zone between Senegal and Guinea Bissau) and TotalEnergies and QatarEnergy in Namibia and South Africa. The Company's current portfolio covers a combined area of over 180,000 km² (gross) (including an indirect interest in Block 11B/12B, South Africa).

As a pure exploration company, Impact has matured a number of significant prospects across a portfolio that has, for the most part, been grown organically. Whilst Impact indirectly participated in the Brulpadda-1X and Luiperd-1X gas condensate discoveries on Block 11B/12B in South Africa in 2019 and 2020, respectively, the Venus discovery was made from Impact's home-grown portfolio. This deep-water Cretaceous play extends from southernmost Namibia, around South Africa as far as the Durban Basin and is the focus of Impact's exploration strategy. Impact holds a material acreage position across the entire play fairway; the results of the Venus and Graff wells have enhanced our confidence in the prospectivity seen across our southern African portfolio.