



Impact Oil & Gas Limited

Farmout and Carry of all Joint Venture costs through to first commercial production for Blocks 2912 and 2913B, Offshore Namibia

London: 10 January 2024, Impact Oil & Gas Limited (“**Impact**” or the “**Company**”), a privately-owned, Africa-focused, exploration company is pleased to announce the signing of a farmout transaction related to its interests in Blocks 2912 and 2913B offshore Namibia (“**Blocks**”) with TotalEnergies EP Namibia B.V. The transaction includes a full carry on Impact’s retained interest, for all joint venture costs, with no cap, through to receipt of the first sales proceeds from first oil production (“**First Oil Date**”).

Impact, through its wholly owned subsidiary, Impact Oil and Gas Namibia (Pty) Ltd, has signed a farmout agreement with TotalEnergies EP Namibia B.V., a wholly-owned subsidiary of TotalEnergies S.E., for the sale of a 9.39% undivided participating interest in Block 2912, Petroleum Exploration Licence 91, and a 10.5% undivided participating interest in Block 2913B, Petroleum Exploration Licence 56. On completion of this transaction, Impact will hold a 9.5% interest in each of Blocks 2912 and 2913B.

Impact will also be reimbursed in cash for its share of the past costs incurred on the Blocks, net to the farmout interests, which is estimated to be approximately USD 99 million.

This Agreement provides Impact with a carry loan for all of Impact’s remaining development, appraisal and exploration costs on the Blocks from January 1st, 2024 (“**Effective Date**”), until the First Oil Date.

The carry is repayable to TotalEnergies from Impact’s after-tax cash flow and net of all joint venture costs, including capital expenditures, from production on the Blocks post the First Oil Date. During the repayment of the carry, Impact will pool its entitlement barrels with those of TotalEnergies for more regular off-takes and a more stable cashflow profile, and will also benefit from TotalEnergies’ marketing and sales capabilities.

Completion of the transaction will be subject to customary third party approvals from the Namibian authorities and joint venture parties.

Jefferies International acted as financial advisor to Impact on this transaction.

Siraj Ahmed, Chief Executive Officer of Impact, commented:

“This is a pivotal transaction for Impact that paves the way for its transition from an exploration company to a hydrocarbon producing company, through its participation in the development of the world class Venus discovery. This transaction also enables Impact to participate in further significant exploration opportunities in the Blocks, offering the potential to significantly grow the existing discovered resource base. We are delighted to be able to continue in this exciting journey with TotalEnergies.”

We thank our Shareholders for their steadfast support that has enabled us to reach this position.”

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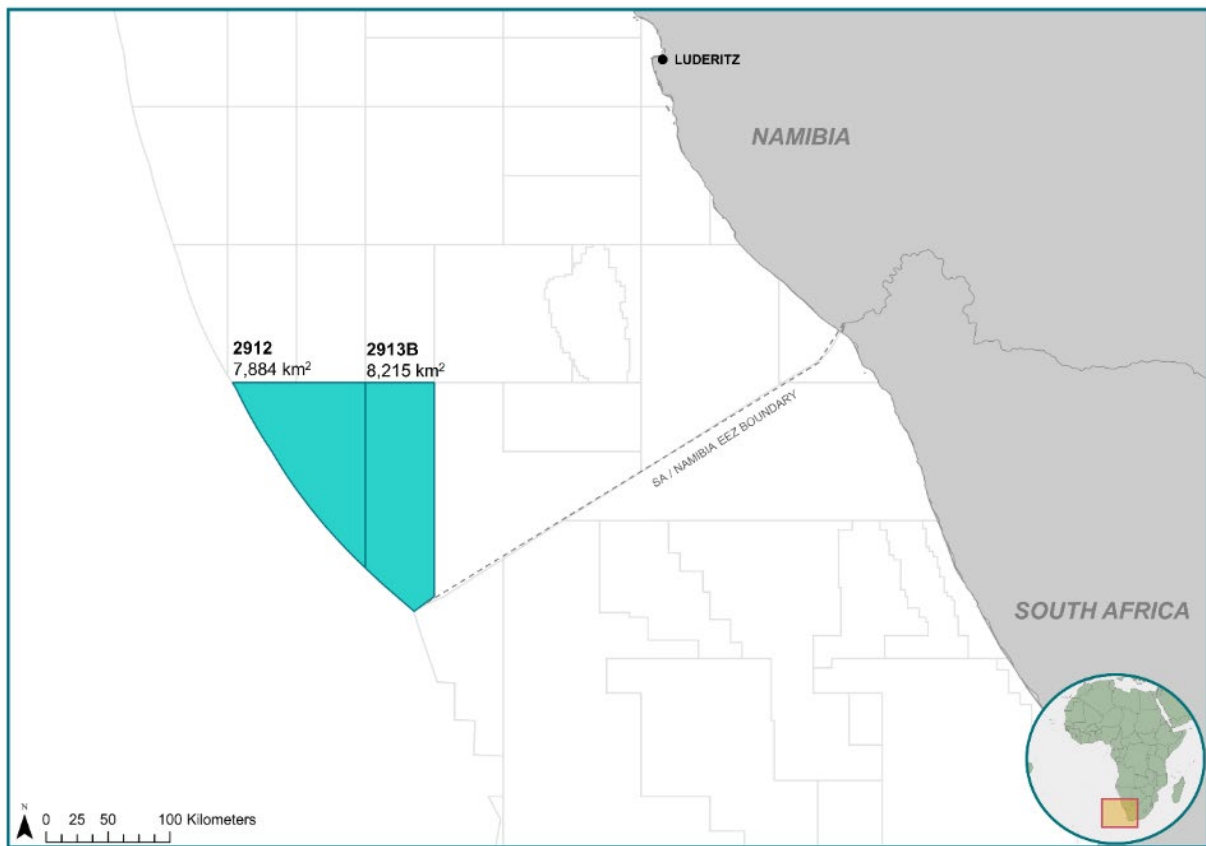
About Block 2913B, offshore Namibia

Petroleum Exploration Licence 56, Block 2913B, is located offshore southern Namibia and covers approximately 8,215km² in water depths between 2,450m and 3,250m. 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 3,950m. Impact joined TotalEnergies and NAMCOR on the licence in 2019, as did QatarEnergy.

Map of Impact’s Namibia portfolio



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About Impact Oil & Gas

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.

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.