

Impact Oil & Gas Limited

Private Placing to raise up to USD 35 million

London 7 February 2018, Impact Oil & Gas (“Impact”), the African-focused pure exploration company, is pleased to announce that it has entered into a subscription agreement (the “Subscription Agreement”) with its existing shareholder, Deepkloof Limited (“Deepkloof”), a subsidiary of Hosken Consolidated Investments (“HCI”) of South Africa, and Africa Oil Corp (“AOC”) that will provide Impact with up to USD 35 million, subject to various conditions (the “Placing”).

The first tranche of the Placing will comprise an investment of USD 25,000,000 into Impact (the “Initial Placing”);

- (i) Deepkloof will invest USD 10,000,000 to subscribe for 39,787,692 ordinary shares (“Ordinary Shares”) at 18p per share and will be issued with 19,893,846 warrants to subscribe for Ordinary Shares at 25p per Share (“Warrants”).
- (ii) Africa Oil will invest USD 15,000,000 to subscribe on the same terms for 59,681,539 Ordinary Shares and be issued with 29,840,769 Warrants.

The new Ordinary Shares comprised in the Initial Placing will comprise 19.3 % of the issued share capital of Impact immediately following completion of the Initial Placing.

The Company has also granted options, exercisable for a period of 9 months from the initial subscription, for:

- (i) Deepkloof to subscribe up to an additional USD 7,500,000 through the issue at 18p per share of up to 29,840,769 new Ordinary Shares and of up to 14,920,384 Warrants; and
- (ii) Africa Oil to subscribe an additional USD 2,500,000 through the issue at 18p per share of 9,946,923 new Ordinary Shares and of 4,973,461 Warrants.

Each of Deepkloof and Africa Oil has also granted the Company the option, exercisable for a period of 9 months from completion of the Initial Placing, subject to certain conditions, to require both Deepkloof and Africa Oil to subscribe for the Ordinary Shares that are subject to the abovementioned options (to the extent that Deepkloof or Africa Oil has not already

subscribed for such shares).

AOC has also announced today that it has agreed to acquire the Ordinary Shares and warrants to subscribe for Ordinary Shares currently held by Helios Natural Resources 2 Ltd. ("Helios").

Assuming that both the above acquisition and all the transactions contemplated by the Subscription Agreement occur, Deepkloof and AOC will hold 47.7% and 25.2% respectively of the enlarged issued share capital of Impact (46.9% and 27.2% respectively on a fully diluted basis).

As part of the Placing, Keith Hill, President and CEO of Africa Oil Corp, and Johnny Copelyn, CEO of Hosken Consolidated Investments will be appointed to the Board of Impact as non-executive Directors.

The Company expect to use net proceeds of the Placing to:

- fund the drilling of the Company's share of its first exploration well anticipated in 2019 in Block 2913B, Namibia, where it is partially carried by its partner; Total E&P Namibia B.V.;
- fund on-going activities in Gabon following initial farm-out discussions
- fund operational requirements, including subsurface technical work across the Company's asset portfolio; and
- strengthen the Company's balance sheet as it continues to pursue new ventures.

In conjunction with the Placing, the Company has entered into a new agreement, conditional upon completion of the Initial Placing, with Deepkloof, AOC and Helios (the "Investors' Agreement"). The Investors' Agreement provides Deepkloof, AOC and Helios with the right to nominate members of the board of directors of Impact (which may consist of a maximum of nine (9) members) based on certain share ownership thresholds and consent rights with respect to certain fundamental matters in respect of Impact, including the future issue of Ordinary Shares.

The Placing is conditional, among other things, upon the passing of certain resolutions. A General Meeting is being convened for the purpose of considering the relevant resolutions at 11.30 am on 26 February 2018.

GMP FirstEnergy is acting as financial advisor to Impact in connection with the transactions described herein.

Robert Wilde, Interim CEO of Impact Oil and Gas, commented:

"Impact is uniquely positioned with a highly attractive, growing portfolio of exploration acreage and an experienced team with a strong track record of realising value from its assets and securing partnerships with some of the largest independent and major oil companies."

Today's placing provides us with the necessary financing to fund our share of our first exploration well in Namibia in 2019 where we enjoy a partial carry and ongoing subsurface technical work across our portfolio.

We would like to thank our existing shareholders for their continued support and welcome our new shareholder. Adding Africa Oil as a major shareholder to our register, alongside our partnerships with ExxonMobil, Statoil, CNOOC-Nexen and Total, signals industry's endorsement of our assets and provides us with great confidence for the future."

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About Impact Oil & Gas

Impact is currently privately owned. The company acquired its first asset, the Tugela South Exploration Right, 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 Statoil (South Africa), CNOOC (AGC – between Senegal and Guinea Bissau) and Total (Namibia and South Africa). It is currently in discussions with potential partners for a farm-in to its Gabonese assets. The company's current portfolio covers a combined area of over 90,000 km² (gross).

Impact is a pure 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. Management believes that by doing so, and by having oil industry partners validate its exploration concepts and ideas, it aims to deliver substantial shareholder value in the medium to longer term.

About HCI

HCI is a Black Economic Empowerment (BEE) investment holding company listed on the Johannesburg Securities Exchange under the symbol "HCI". HCI's major shareholder is the South African Clothing and Textile Workers Union. HCI is involved in a diverse group of investments including hotel and leisure; interactive gaming; media and broadcasting; transport; mining; clothing and properties.

About Africa Oil Corp.

Africa Oil Corp. is a Canadian oil and gas company with assets in Kenya and Ethiopia, including the South Lokichar Basin (25% working interest in Blocks 10BB and 13T), where the Company and its Joint Venture Partners are undertaking activities aimed at sanctioning development. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".