

Africa Oil confirms closing of prime debt refinancing and dividend payment to prime shareholders

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VANCOUVER, June 20, 2023 - (TSX: AOI) (Nasdaq-Stockholm: AOI) - [Africa Oil Corp.](#) ("Africa Oil", "AOC" or the "Company") is pleased to announce that its investee company, Prime Oil & Gas Coöperatief U.A. ("Prime"), has confirmed the closing of its debt refinancing and thus significantly increasing its debt capacity and extending its debt maturity profile. This supports the distribution of dividends by Prime to its shareholders and, Prime will distribute the first dividend of 2023 for \$125.0 million or \$62.5 million net to Africa Oil's 50% shareholding in Prime on June 21, 2023. The closing of this refinancing follows the renewal of Oil Mining License ("OML") 130 for a period of 20 years, as announced in the Company's announcement of May 29, 2023. [View PDF version](#)

At the end of the first quarter 2023 Prime had an outstanding reserves-based lending ("RBL") facility and a pre-export finance facility ("PXF") with an aggregate outstanding debt amount of \$720.3 million (\$360.2 million net to AOC). Prime has refinanced these facilities with the closing of a new RBL facility and the PXF has been retired. This new facility is for a principal amount of \$1,050.0 million (\$525.0 million net to AOC) and has a 6-year tenor. Prime had a cash position of \$396.9 million (\$198.5 million net to AOC) at the end of the first quarter 2023.

Africa Oil closed the acquisition of a 50% shareholding in Prime in January 2020 for a cash consideration of \$519.5 million. The Company has received a total of \$712.5 million in dividend payments from Prime, including the \$62.5 million amount to be received on June 21, 2023, and achieved payback of its Prime investment in under three years.

Africa Oil is also pleased to announce that the lenders in its standby credit facility, which is currently undrawn, have confirmed an increase in the available facility amount to \$200.0 million from \$100.0 million previously. The Company's standby credit facility is available up to April 20, 2024, and has a maturity of October 20, 2025. At the end of the first quarter 2023, Africa Oil had a debt-free balance sheet and a cash position of \$158.2 million.

Africa Oil President and CEO Keith Hill commented: "the expansion and closing of Prime's debt refinancing, the payment of a \$125.0 million dividend by Prime and the renewal of OML 130 license are important achievements in the first half of 2023. As a result, Africa Oil and Prime have greater flexibility in their near-term capital allocation decision making, underpinned by strong balance sheets in both businesses. At Africa Oil, we are well positioned to pursue our ambitions for further growth and improved shareholder returns at the appropriate time. Our plans are complemented by the potentially transformational Orange Basin appraisal and exploration campaign, offshore Namibia, which is currently under way with the Venus appraisal and Nara exploration program."

Africa Oil CFO Pascal Nicodeme commented: "We are grateful for the continuing support of our relationship banks. The doubling of the available amount for our standby credit facility to \$200.0 million, is a testament to the quality of our assets and our disciplined financial management. Strong banking support is a key competitive advantage in the independent E&P sector. We look forward to further collaboration with our relationship banks as we execute our business plan."

About Africa Oil

[Africa Oil Corp.](#) is a Canadian oil and gas company with producing and development assets in deepwater Nigeria and an exploration/appraisal portfolio in west and south of Africa, as well as Guyana. The Company is listed on the Toronto Stock Exchange and on Nasdaq Stockholm under the symbol "AOI".

Additional Information

This information is information that Africa Oil is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact person set out above, at 5:00 p.m. ET on June 20, 2023.

Forward-Looking Information

Certain statements and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation). Such statements and information (together, "forward-looking statements") relate to future events or the Company's future performance, business prospects or opportunities.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, ongoing uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including statements pertaining production, schedules and costs of exploratory drilling activity including those offshore Namibia, uninsured risks, regulatory and fiscal changes, availability of materials and equipment, unanticipated environmental impacts on operations, duration of the drilling program, availability of third party service providers and defects in title. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in macro-economic conditions and their impact on operations, changes in oil prices, reservoir and production facility performance, hedging counterparty contractual performance, results of exploration and development activities, cost overruns, uninsured risks, regulatory and fiscal changes including uncertainties around applicable corporate income tax in Nigeria, defects in title, claims and legal proceedings, availability of materials and equipment, availability of skilled personnel, timeliness of government or other regulatory approvals, actual performance of facilities, joint venture partner underperformance, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental, health and safety impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. info@afriacoilcorp.com, T: +44 (0)20 8017 1511

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