

ReconAfrica Announces An Operations Update, Filing Of Quarterly Financial Reports And First Sustainability Report

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CALGARY, Aug. 29, 2024 - [Reconnaissance Energy Africa Ltd.](#) (the "Company" or "ReconAfrica") (TSXV: RECO) (OTC: RECAF) (Frankfurt: OXD) announces an operational update, the filing of its financial results for the quarter ended June 30, 2024 and the release of the Company's first Sustainability Report.

HIGHLIGHTS

- Spud the Naingopo exploration well, which is currently drilling at a depth past 2,400 metres or 7,875 feet. All primary objectives are below the current drilling depth.
- Entered into a definitive farm down agreement with BW Energy Limited ("BW Energy") (OSE:BWE), for the sale of a 50% working interest in Petroleum Exploration Licence 73 ("PEL 73"), in northeast Namibia. Under the terms of the agreement, BW Energy made a \$22 million strategic equity investment in the Company to support a multi-well exploration program and additional contingent payments of \$171 million, based on meeting certain development, production and cash flow targets.
- Raised gross proceeds of \$38.8 million via an underwritten public offering in July 2024.
- Raised gross proceeds of \$17.5 million via bought deal public offering in April 2024.
- Reduced General and Administration costs to \$3.2 million from \$4.2 million for the three months ended June 30, 2024, compared to June 30, 2023.
- Increased governance structure at the Board of Directors level, adding the Honourable Diana McQueen ECA, ICD.D to the Board of Directors, and the appointment of D. Jeffrey Harder, FCPA, FCA, FCBV, ICD.D as a new independent Director and Chair of the Audit Committee.
- The Company is pleased to announce the Company's first Sustainability Report has been completed and will be published on the Company's website next week.

Brian Reinsborough, President and CEO of the Company stated: "Over the past few months we have improved the Company's balance sheet which enables us to execute our planned multi-well exploration drilling campaign through the completion of equity financings and our strategic joint venture partnership with BW Energy. Through these transactions, the Company has maximized capital upfront which allows flexibility to execute our program, and positions us with significant capital available for appraisal, evaluation and development activities. We continue to deliver on our strategic objectives, including reducing our operating structure, where we are seeing the benefits of the strategic repositioning of the Company over the past year with nearly \$10 million savings on G&A costs in Q1 2024 compared to the prior year. Operationally, things remain on track, with the Naingopo well drilling, on time and on budget. The seismic velocities are running faster than modeled, hence reservoirs are coming in faster than predicted, with all primary reservoir targets below the current drilling depth. We continue to progress the road construction work ahead of getting the well pad ready for the Kambundu (Prospect P) exploration well which is targeting to start drilling in the fourth quarter. Finally, I am proud to announce that we have completed our first Sustainability Report, which will be published on our website next week. This report reflects our commitment and efforts as a Company to ensure that our exploration activities are balanced with sustainable management practices and stakeholder engagement under our environmental, social and governance programs."

EXPLORATION ACTIVITIES

The Naingopo exploration well is drilling beyond a depth of 2,400 metres or 7,875 feet, with surface casing set at 350 metres and first casing string set at 1,200 metres. We will soon be undertaking our next set of logging and coring activities and setting a second casing string targeted at approximately 2,600 metres or 8,530 feet. The well has been tracking to drilling depth and cost estimates, on schedule and plan with the primary objectives beneath our current drilling depth.

The Naingopo well is targeting 181 million barrels of unrisks prospective light/medium oil resources⁽¹⁾ or 937 billion cubic feet of prospective natural gas resources⁽¹⁾, on a 100% working interest basis, based on the most recent prospective resources report prepared by Netherland, Sewell & Associates, Inc. ("NSAI"). The well is targeting to drill to a depth of approximately 3,800 metres or 12,500 feet and is expected to encounter four primary reservoir intervals targeting both oil and natural gas. If successful, the well would be a major play opening discovery providing access to multiple drill ready prospects.

Elsewhere on PEL 73, the Company continues to make progress in the construction of the access road for the second Fold Belt exploration well, Prospect P, which is expected to start drilling in the fourth quarter of 2024. Prospect P is targeting 1.6 billion barrels of unrisks prospective light/medium oil resources⁽¹⁾ or 1.6 trillion cubic feet of prospective natural gas resources⁽¹⁾, on a 100% working interest basis, based on the most recent prospective resources report prepared by NSAI.

(1) There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. Prospective resources are those quantities of oil estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are the arithmetic sum of multiple probability distributions. Unrisks prospective resources are estimates are the volumes that could reasonably be expected to be recovered in the event of the discovery and development of these prospects.

We recently conducted a Vibroseis seismic parameter test to establish the best vibrator sweep parameters and number in a fleet, and to investigate field data processed results for future seismic projects on PEL 73. The project commenced in 2024, and was completed on August 6, 2024. Six runs of a 6 km line with different vibrator and sweep configurations were completed first, to reshoot a 23 km line previously shot with an Accelerated Weight Drop ("AWD") source. The initial field processing results from the 6 km line identified the best vibrator and sweep configuration to use on the 23 km test line. After shooting the 23 km line, the results were processed to a brute stack and compared to the previous AWD processed data. The results showed a marked improvement in data quality. Individual shot records from the Vibroseis and AWD were also analyzed and showed similar improvements.

FILING UPDATE

The Company has filed its quarterly financial statements and management's discussion and analysis for the three months ended June 30, 2024, on SEDAR+ at www.sedarplus.ca. Additionally, the Company has prepared its first Sustainability Report which will be available on the Company's website next week at www.reconafrika.com.

About ReconAfrica

ReconAfrica is a Canadian oil and gas company engaged in the exploration of the Damara Fold Belt and Kavango Rift in the Kalahari Desert of northeastern Namibia and northwestern Botswana, where the Company holds petroleum licenses covering 100 million contiguous acres. In all aspects of its operations ReconAfrica is committed to minimal disturbance of habitat in line with best international standards and will implement environmental and social best practices in all of its project areas.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements:

Certain statements contained in this press release constitute forward-looking information under applicable Canadian, U.S. and other applicable securities laws, rules and regulations, including, without limitation, statements with respect to the Company's primary objectives, contingent payments of \$171 million, the completion of a multi-well exploration drilling campaign, the funding of additional appraisal, evaluation and development activities, the drilling of the Kambundu (Prospect P) well, the depth to which a second casing string will be set, the undertaking of future seismic acquisition, the Company's commitment to minimal disturbance of habitat, in line with best international standards and its implementation of environmental and social best practices in all of its project areas. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not facts are intended to identify forward-looking information and are based on ReconAfrica's current belief or assumptions as to the outcome and timing of such future events. There can be no assurance that such statements will prove to be accurate, and the Company's actual results and future events could differ materially from those anticipated in these forward-looking statements as a result of the factors discussed in the "Risk Factors" section in the Company's annual information form dated July 29, 2023.

available under the Company's profile at www.sedarplus.ca. Actual future results may differ materially. Various assumptions and factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to ReconAfrica. The forward-looking information contained in this release is made as of the date hereof and ReconAfrica undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

Disclosure of Oil and Gas Information:

The report of Netherland, Sewell & Associates, Inc. ("NSAI") entitled "Estimates of Prospective Resources to the ReconAfrica Energy Africa Ltd. Interests in Certain Prospects and Leads located in PEL 73, Kavango Basin, Namibia as of March 31, 2024" ("NSAI Report") and the prospective resource estimates contained therein and in this press release were prepared by Netherland, Sewell & Associates, Inc., an independent qualified reserves evaluator, with an effective date of March 31, 2024. The NSAI Report was prepared in accordance with the definitions and guidelines of the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Engineers (Calgary Chapter) (the "COGE Handbook") and the Canadian Institute of Mining, Metallurgy & Petroleum Engineers (the "CIM") National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). For additional information regarding the risks and the level of uncertainty associated with recovery of the prospective resources detailed herein and in the NSAI Report, the significant positive and negative factors relevant to the prospective resources estimates detailed herein and in the NSAI Report and a description of the project to which the prospective resources estimates detailed herein and in the NSAI Report are contained within the NSAI Report, a copy of which has been filed with the Canadian Securities Administrators and is available under the Company's issued profile on SEDAR+ at www.sedarplus.ca.

The prospective resources shown in the NSAI Report have been estimated using probabilistic methods and are dependent on petroleum discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisks estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate and 10 percent for the high estimate. Low estimate and high estimate prospective resources have not been included in the NSAI Report. For the purposes of the NSAI Report, the volumes and parameters associated with the best estimate scenario of prospective resources are referred to as 2U. The 2U prospective resources have been aggregated beyond the prospect level by arithmetic summation; therefore, these totals do not include the portfolio effect that might result from statistical principles. Statistical principles indicate that the arithmetic sums of multiple estimates may be misleading as to the volumes that may be recovered.

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