



Impact Oil & Gas secures US\$55 million investment;

Update on new Ventures

London, 12 August 2014 – Impact Oil & Gas ('Impact') has raised a total of US\$55 million through a private placing of new shares to both new and existing investors. The bulk of the placing, a total of US\$50 million, has been raised from two key new investors; one investor is a fund managed by Helios Investment Partners LLP, an Africa focused Private Equity Group while the other is a subsidiary of Hoskins Consolidated Investments (HCI) of South Africa. HCI is a Black Economic Empowerment (BEE) investment holding company listed on the Johannesburg Securities Exchange.

Impact has issued a total of 106,808,477 new shares to the placees representing 32.4% of the enlarged capital of the company. The two main investors have each nominated a non-executive director to join the company's board, with Andrew Bartlett and John Copelyn nominated by Helios and HCI respectively.

In a further development Impact has signed three new licence agreements with the Government of Gabon covering Blocks B7, D13 and D14 offshore. These blocks were awarded following a competitive and transparent bidding process in the 10th licensing round. Impact was the only small private company to be invited by the Government to participate in the round and to be subsequently awarded acreage – all the other companies involved were large independents and majors.

In Namibia the Government has approved Impact's application to increase its interest in Block 2913B, offshore Namibia, from 80% to 85%. Impact's partners in Namibia are now NAMCOR (the State Oil Company, with 10%) and Grisham (5%) – an indigenous Namibian company. Impact is currently interpreting 2D seismic data over this Block, which was acquired earlier this year.

Executive Chairman, Mike Doherty said: *"All of these developments put the company in a very strong position. We are pleased to have secured financing to enable us to continue to expand our exploration activities offshore Africa and to have now built a world class deep-water portfolio. The successful equity raise will be applied primarily, to our new venture areas – Gabon, Guinea-Bissau and Namibia. Our exploration activities in South Africa continue to progress and are largely financed through arrangements with our partner, ExxonMobil."*

The award of our new acreage in Gabon is particularly significant given the highly competitive nature of the environment in which it was secured. Impact was able to demonstrate to the Gabonese Authorities that it had the necessary technical, financial and environmental management resources to carry out advanced exploration in one of the most prospective regions on the West African coastline.



Another major benefit is that our Board has been strengthened by the additional appointees and we welcome Andy and Johnny. We look forward to having their considerable experience and expertise in the management team."

Notes to Editors

Biography: Andrew Bartlett

Andy has over 30+ years' experience in the upstream Oil & Gas industry with most of that time spent in Emerging Markets. In his current role Andy advises an African Private Equity group Helios and sits on the Boards of several public and private companies in addition to running his own Advisory Business. Andy was the former global Head of Oil & Gas M&A and Project Finance for Standard Chartered Bank between 2004 and 2011. Prior to that Andy joined the trading and derivatives desk of Standard Bank of South Africa. Andy was a founding Vice President of Shell Capital which provided equity and mezzanine capital to small independent producers in Emerging Markets.

Andy started his career in the North Sea as a Petroleum Reservoir Engineer with Shell and spent 18 years in various Exploration & Production postings in the Netherlands, Somalia, New Zealand and Syria. He holds an MSc in Petroleum Engineering from Imperial College London. He is also a visiting lecturer at Said and Hult Business Schools and is an Advisory Board member of EUCERS, a strategic think tank run by the EU through Kings College London.

Biography: John Copelyn

John Copelyn (64) is a lawyer by profession and has been the Chief Executive Officer of HCI for the last 17 years. In that capacity he serves as chair of several of its subsidiaries such as Tsogo Sun, Seardel, Niveus, Montauk Energy and eTV.

Prior to that he was an ANC Member of Parliament in the first Democratically elected Parliament in SA from 1994.

For some 20 years before that he worked in the trade union movement in South Africa serving as General Secretary of the South African Clothing and Textile Workers Union (SACTWU) and as a member of the executive committee the trade union federation, COSATU, from its formation.

About Impact Oil and Gas

Impact Oil and Gas was founded in 2009 by experienced geoscientists who targeted a number of areas offshore South Africa which had very large hydrocarbon potential. Following licence awards and a successful 2D seismic acquisition campaign, a series of play concepts were identified and the company entered into a partnership with ExxonMobil. Together the two companies are currently working on a substantial exploration programme offshore South Africa.

With a clear strategic focus as an Africa only, pure exploration company, management is committed to building an attractive group of exploration assets and securing large independent and major oil



companies as partners. The company's objective is to build a world class portfolio, in a number of different geological and political locations on the African continental margins. Management believes that by doing so, and by having oil industry partners validate its exploration concepts and ideas, it can deliver substantial shareholder value in the medium to longer term. The company's current portfolio covers 93,533 km² (23,117,296 acres), gross.

NOTES ON GABON

Impact was invited to bid during the 10th licensing round in Gabon. Impact was the only small private company to be invited by the Government to fully participate in the negotiation process. Impact bid for, and was awarded, 3 blocks, D13, D14 and B7 giving Impact a world-class acreage opportunity in an exciting play, which was highly contested by the majors and large independents. The bid/negotiation process was challenging but transparent and was broken down into four clear stages.

In mid-2013 the Minister of Energy and Hydrocarbons wrote to all companies expressing interest in exploring for hydrocarbons in Gabon, to invite them to attend a formal bid round in Libreville, Gabon. The bid round was officially declared open in November 2013 and was attended by approximately 20 oil and gas companies including many majors.

Each company that had been awarded the rights to negotiate a block was invited separately to present the company, its capabilities and financial standing to the Director General of Hydrocarbons and his experienced team. If the company fulfilled all of the government's criteria they were then called in turn to negotiate commercial terms with a panel of Gabonese experts from the Ministry of Energy, the Ministry of Finance and the Ministry of Justice, following which each company was invited to negotiate a final Production Sharing Contract ('PSC'). As a result of extensive negotiations with all of the interested parties/companies the PSC terms were largely standardised across all 13 awarded blocks and the final PSC document now substantially reflects the negotiated position of the industry.

Impact and several other companies all signed their respective versions of the negotiated PSC on 8th August 2014.

The funding was secured with the assistance of Standard Bank, GMP Securities Europe and First Energy Capital.

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