

ReconNamibia: A Year in Review

Exploring the Potential of New, Sustainable Resource Development Opportunities in Namibia

Reconnaissance Energy Namibia Pty Ltd – ReconNamibia/REN – the Namibian subsidiary of ReconAfrica, is working with the Namibian government to explore oil and gas potential in the Kavango Sedimentary Basin.

ReconNamibia received permission from the Government of Namibia to drill stratigraphic test wells to provide a more detailed picture of the geological formations in the area. To date, we have drilled three stratigraphic test wells in Namibia. The first three wells, two of which were drilled in 2021 and the third in 2022, proved there is a conventional working petroleum system in the Kavango Sedimentary Basin. We started work toward our fourth well site in late 2022 and plan for additional drilling programs in 2023.

The licence granted to REN (and the licence granted to Reconnaissance Energy Botswana) excludes the Okavango Delta, the Tsodilo Hills and National Parks. REN also self-imposes additional buffer zones to protect the environment and wildlife. The REN project is a conventional oil and gas exploration project and hence no hydraulic fracturing ('fracing') is involved.

ReconNamibia is using proven, safe, and effective technologies and applying rigorous safety and environmental protection standards in all aspects of our operations, protecting wildlife, aquifers and watercourses by implementing best practices in drilling, well casing, drilling fluid systems, safety and water management.

ReconNamibia has been working in close collaboration with – and by the invitation of – the government of Namibia. The company is committed to remaining compliant with all laws regulating all petroleum activities in the Republic of Namibia.

TIMELINE

- 2015– ReconNamibia receives Petroleum Exploration License No. 73
- January 2021 – ReconNamibia spuds first stratigraphic test well
- May 2021 – ReconNamibia spuds second stratigraphic test well
- July 2021 – ReconNamibia commences first phase 2D seismic campaign
- February 2022 – ReconNamibia commences second phase 2D seismic campaign
- June 2022 – ReconNamibia spuds third stratigraphic test well
- October 2022 – ReconNamibia commences 2D seismic extension

EXPLORATORY DRILLING

ReconNamibia has drilled three stratigraphic test wells in Petroleum Exploration License No. 73, with the purpose of gathering geological data, and is preparing to drill the fourth.

PROTECTING THE WATER

ReconAfrica's water-management plan includes groundwater assessments, hydro census, monitoring, and mitigation. When drilling, ReconAfrica uses multiple layers of cement and steel casing, providing a barrier that protects the aquifers.

Its three key objectives are aquifer protection, surface water and drainage management, and sustained protection of the project no-go zones.

SEISMIC

Seismic data is used globally for many applications that require a clear picture of the geology under the Earth's surface, including oil and gas exploration.

ReconNamibia is currently in the second of two phases of a technically advanced and environmentally responsible 2D low-impact seismic programme using the Explorer 860 system, developed by Polaris, Canada's highly experienced seismic company and a world-leader in low-impact seismic surveys.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

ReconAfrica's environmental, social and governance (ESG) approach to business is designed to align business activities responsibly, in collaboration with local, regional and national governments, Traditional Authorities, communities and other key stakeholders.

ReconAfrica has committed N\$112 million towards development initiatives in the Kavango East and Kavango West regions.

To date, ReconNamibia has drilled, installed, and handed over to the government 26 solar-powered water wells in the Kavango East and Kavango West regions, and is in the process of drilling and installing an additional 10.

The company also supported the Ministry of Health and Social Service's combating of the COVID-19 pandemic with a donation of N\$15 million. The support went towards vaccination campaign support as well as medical equipment that will benefit public health delivery in the two regions.

ReconNamibia is funding ten students from the Kavango East and Kavango West regions through four-year degree programmes in the STEAM fields and is funding seven nursing students from the San community.

The company has supported the nationwide shoes-for-schools-project, Never Walk Alone, aimed at providing a pair of shoes to learners from disadvantaged households to the tune of N\$564 000.

ReconNamibia also raised N\$120 000 towards agriculture and youth employment efforts as part of the 'We Race Together' project, along with other corporate companies in the country.

The company is also working on and has supported several other programmes aimed at improving the livelihood of the people of Kavango. We look forward to sharing more in the new year.

LOCAL CONTENT

ReconNamibia is committed to contributing towards local content throughout all project activities.

Since spudding the first well in 2021, ReconNamibia has hired 1,351 nationals as permanent employees, consultants, and contractors. The company's executive is 100% Namibian.

With a Kavango-first approach, ReconNamibia is determined to acquire services and hire locally wherever possible, maximising the participation of local suppliers along the value chain, as set out in the draft National Upstream Petroleum Local Content Policy.

In ensuring the transfer of technology, knowledge and skills, the company has adopted a skills transfer programme that includes the areas of geology, petroleum engineering, IT and environmental management.

COMMUNITY ENGAGEMENT

We have conducted various consultation and community engagement initiatives with national, regional and traditional authorities, community headmen and headwomen, interested stakeholders and stakeholder organisations, with communications being translated into local languages.

We have worked closely with Traditional Authorities and communities for more than two years to address issues of concern and earn support for our planned exploration program. To date, ReconNamibia has held more than 700 community and stakeholder engagement sessions to carefully track concerns and address them in follow-up sessions.

We encourage open and transparent engagement with interested and impacted stakeholders.

PROTECTING THE ENVIRONMENT AND WILDLIFE

Amongst several other regulatory obligations, ReconNamibia operates in line with an Environmental Management Plan (EMP) as part of an Environmental Impact Assessment (EIA), approved by the Office of the Environmental Commissioner after an Environmental Clearance Certificate was granted.

ReconNamibia is not drilling near migratory routes, and our seismic program has been designed specifically considering wildlife communication patterns, incorporating measures to avoid migratory routes during seasonal migration periods. The entire project was designed to protect the environment and wildlife.

The company works in collaboration with and supports efforts by the Ministry of Agriculture, Water and Land Reform and the Ministry of Environment, Forestry and Tourism to protect the environment.

A MESSAGE FROM OUR CEO

On behalf of ReconAfrica and REN, we would like to extend our heartfelt thanks to the Namibian people, communities in Kavango East and Kavango West, the national government and local and traditional authorities for another successful and productive year.

2022 has seen considerable progress in seismic operations and exploratory drilling, both of which have provided valuable information and geological data as we prepare for continued exploration in 2023.

We continue to optimise and improve our operations due in large part to the strengthening of the REN team, including an increase in the number of talented individuals working with us in a variety of roles and on our Namibian leadership team.

We're also proud to have been able to assist a number of Namibian agriculture, education, and health programmes through our ESG initiatives.

I wish you a very Merry Christmas and a healthy, safe, and prosperous New Year.

**Scot Evans, CEO
ReconAfrica**