



Cheap TFSA Picks: This Sustainable Value Stock Could Outperform the General Market

Description

Africa Oil (TSXV:AOI) is a Canadian [oil and gas exploration company](#) with production and development assets in deepwater offshore Nigeria and development assets in Kenya. The company also has a portfolio of exploration assets in Guyana, Kenya, Namibia, Nigeria, South Africa, and Senegal. The company holds interests through direct ownership interests in concessions and through shareholdings in investee companies.

Increasing shareholder value

The company's long-range plan is to increase shareholder value through the acquisition, exploration, development, and production associated with oil and gas assets. Africa Oil has delivered on the [stated objective](#) of acquiring high-quality and free cash flow producing assets.

The company has actively explored multiple onshore blocks in various under-explored geological settings in East Africa and has made numerous oil discoveries in the South Lokichar Basin in Kenya.

Africa Oil has five employees located in Canada, five employees located in Ethiopia, 11 employees located in Kenya, and six employees in the United Kingdom for a total of 27 employees.

In addition, Africa Oil has invested in equity interests in junior exploration companies that have active drilling programs in various offshore assets in Africa and South America. Africa Oil continues to consider acquisition and merger opportunities, focusing on Africa.

At times, the board of directors of Africa Oil approves asset or corporate acquisitions or investments that do not conform to strict guidelines based upon the board's consideration of the qualitative and quantitative aspects of the subject properties. The board considers several factors such as risk profile, anticipated return on investment, technical upside, resource potential, reserve life, and asset quality.

Robust governance strategy

Africa Oil ensures that the company's operational activities and those of joint venture partners, comply with the applicable standards through the implementation of a range of health, safety, environmental, and community engagement systems, plans, and procedures. The company places a significant focus on biodiversity, health and safety, and environmental and social action reviews and plans.

The objective of Africa Oil's environmental, social, and governance strategy is to address the challenge of sustainability while delivering value to the company's shareholders, providing sustainable economic and social benefits to communities, and concurrently minimizing Africa Oil's impact on the environment and local communities.

The company views the commitment to corporate responsibility as a strategic advantage that enables it to access and effectively manage new business opportunities.

Focus on sustainability

On all operated projects, Africa Oil enters into dialogue and engagement with key stakeholders at all stages of company activities. The company ensures that Africa Oil's operations meet the International Finance Company Performance Standards in terms of community engagement and the assessment and mitigation of social impacts.

Further, Africa Oil also ensures that, where it is a non-operating shareholder, activities are undertaken in alignment with the company's policies and standards. The company also has contractual obligations to support community development initiatives under purchase and sale agreements.

Through ongoing stakeholder engagement, initiatives reflecting local priorities are identified and supported across three key areas. These areas include community infrastructure, sustainable livelihoods, and economic development. This focus on sustainability should serve long-term shareholders well.

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Author

nikhilwaterloo

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