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Press release

Africa Energy Reports 2019 Year End Results

March 24, 2020 – Africa Energy Corp. (TSX Venture: AFE) (Nasdaq First North: AEC) (“Africa Energy” or the “Company”), an oil and gas company with exploration assets offshore South Africa and Namibia, announces financial and operating results for the year ended December 31, 2019.

Garrett Soden, the Company’s President and CEO, commented: “Despite the current market volatility triggered by the coronavirus pandemic, 2019 was a transformational year for Africa Energy with the Brulpadda discovery on Block 11B/12B offshore South Africa. After the discovery, the Block 11B/12B joint venture partners initiated two phases of 3D seismic over the Paddavissie Fairway and an extended 2D seismic survey across the remainder of the block, the results of which are very encouraging. The multi-well 2020 exploration campaign is expected to kick-off with the Luiperd well in June and will target several de-risked submarine fan prospects with substantial prospective resources. As the global coronavirus situation is fluid, we will update investors if there are material changes to the drilling schedule. With the recent collapse in oil prices, we will continue to focus on cost control. However, we are well-positioned to weather the current environment given our lean overhead, our recent equity financing and the farmout of Block 2B.”

HIGHLIGHTS

- In February 2019, the Block 11B/12B joint venture partners drilled the Brulpadda well with the Odfjell Deepsea Stavanger semi-submersible rig and discovered light oil and a total of 57 meters of net gas condensate pay over two Lower Cretaceous high-quality reservoirs. The Company holds an effective 4.9% participating interest in Block 11B/12B.
- In March and April 2019, Polarcus Limited acquired 570 square kilometers of 3D seismic on Block 11B/12B to cover the Brulpadda discovery and the Luiperd Prospect. The fully-processed Polarcus 3D dataset confirms the large resource potential of the Paddavissie Fairway.
- In July 2019, the operator of Block 11B/12B, Total SA (“Total”), executed a multi-well drilling contract with Odfjell Drilling for the Deepsea Stavanger semi-submersible rig to return to South Africa and drill up to three exploration wells on Block 11B/12B. The rig is expected to mobilize from the North Sea to South Africa in April 2020 and spud the Luiperd well in June 2020.
- In December 2019, Shearwater GeoServices Holding AS (“Shearwater”) commenced a 3,370 linear kilometer 2D seismic program on Block 11B/12B using the Multi-Purpose Vessel SW Cook. The scope of the survey was increased to focus on the new Kloofpadda lead to the east following encouraging seismic indicators identified with the onboard fast-track processing. The expanded survey totaling 7,589 linear kilometers was completed in March 2020.
- In December 2019, Petroleum Geo-Services ASA (“PGS”) commenced a 2,200 square kilometer 3D seismic program on Block 11B/12B using the PGS Apollo seismic vessel. The scope of the survey was increased to cover a newly identified northern extension to the Luiperd Prospect. PGS has covered approximately 1,652 square kilometers to date, and the expanded survey is expected to be completed in the second quarter of 2020.
- Subsequent to year end, Africa Energy completed a private placement issuing an aggregate of 104,652,174 common shares at a price of SEK 2.30 (CAD 0.32) per share for gross proceeds of \$25.0 million.
- Subsequent to year end, Africa Energy executed two farmout agreements whereby the Company will transfer operatorship and an aggregate 62.5% participating interest in Block 2B in consideration for \$0.5 million in cash and a carry through the next exploration well. Africa Energy will retain a 27.5% participating interest in Block 2B.

OUTLOOK

2020 is expected to be an extremely active and potentially transformational period for the Company. The recent \$25 million financing and the farmout of Block 2B will allow the Company to participate in up to four high-impact exploration wells offshore South Africa. The planned wells are all targeting material prospects with relatively high chances of success.

The Block 11B/12B joint venture operated by Total has embarked on an ambitious exploration program offshore South Africa to follow-up on the large Brulpadda light oil and gas condensate discovery in February 2019. The fully-processed Polarcus 3D dataset confirms the large resource potential of the Paddavissie Fairway. The expanded Shearwater 2D seismic survey is complete, and the onboard fast-track processing has identified significant prospectivity with encouraging seismic indicators across the new Kloofpadda lead to the east. The scope of the PGS 3D seismic survey has been increased to cover a newly identified northern extension to the Luiperd Prospect. The multi-well 2020 exploration program on Block 11B/12B is expected to commence with the Luiperd well in June and will target several de-risked submarine fan prospects with substantial prospective resources. As the global coronavirus situation is fluid, we will update investors if there are material changes to the drilling schedule.

Management is focused on closing the Block 2B farmouts whereby the Company will be carried through the next exploration well, Gazania-1, expected to spud by the end of 2020. Block 2B has significant contingent and prospective resources in shallow water close to shore, including the A-J1 discovery from 1988 that flowed light sweet crude oil to surface. The Gazania-1 well will target two prospects in a relatively low-risk rift basin oil play up-dip from the discovery.

FINANCIAL INFORMATION

(Audited; thousands of US dollars, except per share amounts)

	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating expenses	4,622	13,605
Net loss	(4,518)	(13,085)
Net loss per share (basic and diluted)	(0.01)	(0.02)
Weighted average number of shares outstanding (basic and diluted)	683,878	560,006
Number of shares outstanding	684,217	683,356
Cash flows provided by (used in) operations	(2,753)	(4,288)
Cash flows provided by (used in) investing	2,044	(39,889)
Cash flows provided by (used in) financing	83	44,092
Total change in cash and cash equivalents	(601)	(123)
Change in share capital	168	44,235
Change in contributed surplus	1,572	950
Change in deficit	4,518	13,085
Total change in equity	(2,778)	32,100
	December 31, 2019	December 31, 2018
Cash and cash equivalents	2,408 (1)	3,009
Total assets	41,908	44,300
Total liabilities	464	78
Total equity attributable to common shareholders	41,444	44,222
Net working capital	2,111	3,197

(1) Subsequent to year end, the Company completed a private placement issuing an aggregate of 104,652,174 common shares at a price of SEK 2.30 (CAD 0.32) per share for gross proceeds of \$25.0 million.

The financial information in this table was selected from the Company's audited consolidated financial statements for the year ended December 31, 2019 (the "Financial Statements"), which are available on SEDAR at www.sedar.com and the Company's website www.africaenergycorp.com.

EARNINGS TREND AND FINANCIAL POSITION

(Audited; US dollars)

Operating expenses decreased by \$9.0 million for the year ended December 31, 2019 compared to the same period in 2018, mainly as a result of an \$8.2 million impairment of the investment in Pancontinental Namibia Pty Ltd recognized in 2018. The remainder of the decrease can be attributed mainly to reduced staffing levels and management's focus on cost efficiency.

As at December 31, 2019, the Company had cash of \$2.4 million and working capital of \$2.1 million compared to cash of \$3.0 million and working capital of \$3.2 million at December 31, 2018. In addition, Main Street 1549, an entity owned 49% by Africa Energy and not consolidated into the Company's financial results, held \$17.8 million (gross) cash with negative working capital of \$1.6 million (gross) at December 31, 2019. Working capital in Main Street 1549 included current liabilities of \$5.0 million (gross) to fund Total's and CNRI's portion of the 3D seismic costs and \$5.0 million (gross) of Total's and CNRI's portion of the drilling costs for the next exploration well. Subsequent to year end, the Company completed a private placement issuing an aggregate of 104,652,174 common shares at a price of SEK 2.30 (CAD 0.32) per share for gross proceeds of \$25.0 million.

CORPORATE UPDATE

Ashley Heppenstall will be stepping down from the Board of Directors at the Company's Annual General Meeting ("AGM") on June 11, 2020, in order to conform with industry corporate governance recommendations regarding the maximum number of non-executive director appointments per individual. The Board of Directors has appointed Adam Lundin as Chairman of the Board effective upon Mr. Heppenstall's departure.

Garrett Soden commented, "We thank Ashley for his dedication to Africa Energy over the last five years. He remains our third largest shareholder and will continue to advise the Company. We look forward to working with Adam as our new Chairman following the AGM. Adam brings a wealth of capital markets and natural resources experience to the role, and his commitment demonstrates the continued support of the Lundin family."

In February 2020, the Board of Directors approved the annual grant of incentive stock options to certain directors, officers and other eligible persons of the Company. The options were not issued in February due to the Company's blackout period during the Block 2B farmout and the year-end audit process. As a result, 14,700,000 options will be granted at the market closing price on March 25, 2020, the first open date following the board's approval last month. The options will be exercisable, subject to vesting provisions, over a period of five years.

NEXT EARNINGS REPORT RELEASE

The Company plans to report results for the three months ended March 31, 2020 on May 6, 2020.

About Africa Energy Corp.

Africa Energy Corp. is a Canadian oil and gas company with exploration assets offshore South Africa and Namibia. The Company is listed in Toronto on TSX Venture Exchange (ticker "AFE") and in Stockholm on Nasdaq First North Growth Market (ticker "AEC"). Africa Energy is part of the Lundin Group of Companies.

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Important information

This information is information that Africa Energy is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on March 24, 2020 at 6:30 p.m. ET.

The Company's certified advisor on Nasdaq First North Growth Market is Pareto Securities AB, +46 8 402 5000, certifiedadviser.se@paretosec.com.

Forward looking statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or the Company's future performance, business prospects and opportunities, which are based on assumptions of management.

The use of any of the words "will", "expected", "planned" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of certain future events. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, including results, timing and costs of seismic and drilling activity in the Company's area of operations and, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the exploration activities, or of financing on reasonable terms, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual future results may differ materially. Various assumptions or 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 the Company. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated 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.

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