Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars)
(Unaudited)

AFRICA ENERGY CORP.

For the three and nine months ended September 30, 2025 and 2024

AFRICA ENERGY CORP.

Condensed Interim Consolidated Balance Sheets
(Expressed in thousands of United States dollars)
(Unaudited)

	Note	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		$ 3,799	$ 2,305
Accounts receivable		83	66
Prepaid expenses		61	55
		3,943	2,426
Long-term assets			
Investment in associate	3	1,487	1,548
Financial asset	3	38,831	38,603
		40,318	40,151
Total assets		$ 44,261	$ 42,577
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 237	$ 296
Promissory notes	4	-	10,359
		237	10,655
Total liabilities		237	10,655
Equity			
Share capital	5	378,284	360,613
Contributed surplus		9,532	13,395
Deficit		(343,792)	(342,086)
Total equity		44,024	31,922
Total liabilities and equity		$ 44,261	$ 42,577
Commitments and contingencies	11		

The notes are an integral part of the condensed interim consolidated financial statements.

Approved on behalf of the Board:

"LARRY TADDEI"

LARRY TADDEI,
DIRECTOR

"ROBERT NICOLELLA"

ROBERT NICOLELLA,
CHIEF EXECUTIVE OFFICER & DIRECTOR

AFRICA ENERGY CORP.

Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss
(Expressed in thousands of United States dollars)
(Unaudited)

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Operating expenses					
Salaries and benefits	8	$ 190	$ 35	$ 600	$ 244
Stock-based compensation	6	47	97	205	583
Travel		8	9	28	11
Consulting fees		21	46	77	148
Office and general	8	16	25	67	79
Depreciation		-	-	-	1
Professional fees		4	138	264	313
Stock exchange and filing fees		30	21	177	157
Loss on revaluation of financial asset	3	-	27,162	-	97,402
Share of loss from investment in associate	3	11	16	61	33
		327	27,549	1,479	98,971
Finance expense	7	97	323	388	872
Finance income	7	(43)	(36)	(161)	(73)
Net loss and comprehensive loss		(381)	(27,836)	(1,706)	(99,770)
Net loss per share	9				
Basic		$ (0.00)	$ (0.10)	$ (0.00)	$ (0.35)
Diluted		$ (0.00)	$ (0.10)	$ (0.00)	$ (0.35)
Weighted average number of shares outstanding for the purpose of calculating earnings per share	9				
Basic		479,162,450	281,562,450	414,743,402	281,562,450
Diluted		479,162,450	281,562,450	414,743,402	281,562,450

The notes are an integral part of the condensed interim consolidated financial statements.

AFRICA ENERGY CORP.

Condensed Interim Consolidated Statements of Equity
(Expressed in thousands of United States dollars)
(Unaudited)

	Note	September 30, 2025	September 30, 2024
Share capital:			
Balance, beginning of the period		$ 360,613	$ 360,613
Private placement, net of issue costs	4,5	8,179	-
Shares issued to repay promissory note	4,5	9,492	-
Balance, end of the period		378,284	360,613
Contributed surplus:			
Balance, beginning of the period		$ 13,395	$ 12,704
Settlement of promissory note debt	4,5	(4,068)	-
Stock-based compensation	6	205	583
Balance, end of the period		9,532	13,287
Deficit:			
Balance, beginning of the period		$ (342,086)	$ (241,471)
Net loss for the period		(1,706)	(99,770)
Balance, end of the period		(343,792)	(341,241)
Total Equity		$ 44,024	$ 32,659

The notes are an integral part of the condensed interim consolidated financial statements.

AFRICA ENERGY CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in thousands of United States dollars)
(Unaudited)

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash flows used in:					
Operations:					
Net loss for the period		$ (381)	$ (27,836)	$ (1,706)	$ (99,770)
Items not affecting cash:					
Stock-based compensation	6	47	97	205	583
Depreciation		-	-	-	1
Share of loss from investment in associate	3	11	16	61	33
Unrealized foreign exchange loss/(gain)	7	97	(13)	(59)	(16)
Loss on revaluation of financial asset	3	-	27,162	-	97,402
Non-cash finance expense	7	-	323	388	872
Changes in non-cash operating working capital	12	(153)	(205)	(82)	150
Net cash used in operating activities		(379)	(456)	(1,193)	(745)
Investing:					
Net investment in Main Street 1549	3	219	(75)	(228)	(333)
Changes in non-cash investing working capital	12	-	-	-	-
Net cash used in investing activities		219	(75)	(228)	(333)
Financing:					
Repayment promissory notes	4	-	783	(5,321)	1,672
Common shares issued on private placement	5	-	-	8,321	
Share issuance costs	5	-	-	(142)	-
Net cash provided by financing activities		-	783	2,858	1,672
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currency		(97)	13	57	16
Increase / (decrease) in cash and cash equivalents		(257)	265	1,494	610
Cash and cash equivalents, beginning of the period		$ 4,056	$ 2,053	$ 2,305	$ 1,708
Cash and cash equivalents, end of the period		$ 3,799	$ 2,318	$ 3,799	$ 2,318
Supplementary information:					
Interest paid	4	Nil	Nil	1,211	Nil
Taxes paid		Nil	Nil	Nil	Nil

The notes are an integral part of the condensed interim consolidated financial statements.

1) Incorporation and nature of business:

Africa Energy Corp. (collectively with its subsidiaries, "Africa Energy" or the "Company") was incorporated under the Business Corporations Act (Alberta) on April 27, 2010, and is an international oil and gas exploration company based in Canada. The Company was continued into the Province of British Columbia under the Business Corporations Act (British Columbia) in 2011 following the acquisition from Meren Energy Inc. ("Meren"), formerly Africa Oil Corp., of all the issued and outstanding shares of the subsidiaries holding Meren's interests in certain oil and gas projects. The Company's registered address is 2500 Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8.

Africa Energy, an exploration-stage enterprise that currently has no proved reserves and owns 49% of the common shares and 100% of the Class B shares in Main Street 1549 Proprietary Limited ("Main Street 1549"), which has a 10% participating interest in the Exploration Right for Block 11B/12B offshore the Republic of South Africa ("Block 11B/12B").

Oil and gas exploration, development and production activities in emerging markets are subject to significant uncertainties that may adversely affect the Company's operations. Uncertainties include, but are not limited to, the risk of war, terrorism, civil unrest, expropriation, nationalization or other title dispute challenges, renegotiation or nullification of existing or future concessions and contracts, the imposition of international sanctions, a change in crude oil or natural gas pricing policies, a change to laws and regulations, a change in taxation policies, the imposition of currency controls, and health pandemics, in addition to the risks associated with exploration activities and dependence on partners and shared ownership. These uncertainties, all of which are beyond the Company's control, could have a material adverse effect on Africa Energy's business, prospects and results of operations. In addition, if legal disputes arise related to oil and gas concessions acquired by the Company, Africa Energy could be subject to the jurisdiction of courts other than those of Canada. The Company's recourse may be very limited in the event of a breach by a government or government authority of an agreement governing a concession in which Africa Energy has or may acquire an interest in. The Company may require licenses or permits from various governmental authorities to carry out future exploration, development and production activities. There can be no assurance that Africa Energy will be able to obtain all necessary licenses and permits when required.

2) Basis of preparation:

a) Statement of compliance:

The Company prepares these condensed interim consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting. They are condensed as they do not include all the information required for full annual financial statements, and they should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024. These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 12, 2025.

b) Basis of measurement:

The condensed interim consolidated financial statements have been prepared on the historical cost basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in the Company's consolidated financial statements for the year ended December 31, 2024. Those accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

(Expressed in thousands of United States dollars unless otherwise indicated)

c) Functional and presentation currency:

These condensed interim consolidated financial statements are presented in United States (US) dollars. The functional currency of all the Company's individual entities is US dollars, the currency of the primary economic environment in which the entities operate.

d) Use of estimates and judgments:

The preparation of the condensed interim consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are noted in the consolidated financial statements for the year ended December 31, 2024, with further details of the assumptions contained in the relevant note.

All other significant estimates and judgment used in the preparation of these condensed interim consolidated financial statements are described in the Company's consolidated financial statements for the year ended December 31, 2024.

3) Investment in Associate (Main Street 1549):

Financial Asset:

	September 30, 2025	December 31, 2024
Balance, beginning of the period	$ 38,603	$ 135,423
Funds contributed to Main Street 1549 through subscription of Class B Shares	-	243
Funds contributed to Main Street 1549 through advances	228	339
Revaluation of financial asset	-	(97,402)
Balance, end of the period	$ 38,831	$ 38,603

Investment in associate:

	September 30, 2025	December 31, 2024
Balance, beginning of the period	$ 1,548	$ 1,577
Share of loss from investment in associates	(61)	(29)
Balance, end of the period	$ 1,487	$ 1,548

At September 30, 2025, Africa Energy holds 49% of the common shares and 100% of the Class B Shares of Main Street 1549, a private South African entity. The remaining 51% of the common shares of Main Street 1549 are held by Arostyle Investments (RF) (Proprietary) Limited ("Arostyle"). Main Street 1549 holds a 10% participating interest in the Exploration Right for Block 11B/12B offshore the Republic of South Africa ("Block 11B/12B Participating Interest"). Africa Energy holds all of the Class B shares of Africa Energy UK Limited ("AEUK") and thereby 99.9% voting control, whose sole asset is a loan to Arostyle that provides for an indirect financial interest in Main Street 1549.

At September 30, 2025, the Company accounted for its investment in Main Street 1549 as follows: $38.8 million as a financial asset and $1.5 million as an equity investment.

In accordance with a definitive agreement entered into with Arostyle on August 20, 2020, amendments to the Main Street 1549 shareholders agreement ("Main Street 1549 SHA") provide that Africa Energy fund 100% of the funding requirements related to the Block 11B/12B Participating Interest by way of Class B share subscriptions, which provide a risk-adjusted return linked to the proceeds on any future sale of Main Street 1549 or the Block 11B/12B Participating Interest. In addition, the amendments to the Main Street 1549 SHA provide that either Africa Energy or Arostyle has the right to trigger the sale of the Block 11B/12B Participating Interest to a wholly-owned subsidiary of Africa Energy (the "Arostyle Option"). The Arostyle Option is exercisable by either party for an unlimited period of time and will be subject to receiving all required regulatory approvals and joint venture partner consents and waivers. Exercise of the Arostyle Option would result in Arostyle being issued 12,891,183 Africa Energy shares. The Arostyle Option remains unexercised.

On May 28, 2025, the Company signed definitive agreements with Arostyle to restructure their joint investment in Main Street 1549, which holds the participating interest in Block 11B/12B. The restructuring will result in the Company owning 100% of the common shares and 100% of the Class B shares of Main Street 1549. In addition, all loan claims between the Company and Arostyle will be settled in full. Finally, the 90% participating interest in Block 11B/12B to be assigned by the withdrawing parties will be assigned 65% to Main Street 1549 and 25% to Arostyle, resulting in the Company (through Main Street 1549) holding a 75% participating interest in Block 11B/12B with Arostyle holding the remaining 25%. The definitive agreements are subject to all relevant regulatory approvals being obtained and remain subject to the fulfilment of certain conditions, including the finalization of the assignment agreements between the Company, Arostyle and the withdrawing parties, which will require regulatory transfer approval under section 11 of the Mineral Petroleum Development Resources Act, 2002. Satisfaction of the conditions of the agreements is subject to a long stop date of September 30, 2026.

During the nine months ended September 30, 2025, the Company invested $0.2 million in Main Street 1549 (for the year ended December 31, 2024, $0.6 million).

The Main Street 1549 SHA provides priority dividend distribution entitlement by class of share. For accounting purposes, shares that have priority distribution entitlements do not meet the definition of Solely Payments of Principal and Interest ("SPPI"), and therefore the majority of the investment in Main Street 1549 was derecognized from the equity investment and recorded as a financial instrument at fair value through profit or loss ("FVTPL").

In order to value the financial asset recognized at FVTPL, the Company estimated the priority dividend distributions to be received by the Company as this represents fair value of future cash flows to be received by Africa Energy in accordance with the amended Main Street 1549 SHA. The total proceeds estimated to be received by Main Street 1549 to be distributed to its shareholders were based on a discounted future cash flow model of the Company's Block 11B/12B Participating Interest. At September 30, 2025, for accounting purposes, the Company used a discount rate of 22.9% (December 31, 2024, 22.9%), a base gas price of $8.45/mmbtu (December 31, 2024, $8.45/mmbtu) and a base Brent oil price of $70.00/bbl (December 31, 2024, $70.00/bbl) to determine the fair value of the financial asset, which was estimated to be $38.8 million at September 30, 2025 (December 31, 2024, $38.6 million).

For the nine months ended September 30, 2025, the Company recorded a nil non-cash loss on revaluation of the financial asset (for the nine months ended September 30, 2024, $97.4 million due to changes in the base assumptions, with the most significant being increases in discount rate and development costs and operating expenditures). Note, there is no guarantee that the estimated assumptions will be realized in the event the development proceeds.

As at September 30, 2025, a one percent increase in the effective discount rate would have resulted in a reduction in disposal proceeds of $10.5 million. A one percent decrease in the effective discount rate would have resulted in an increase in disposal proceeds of $12.4 million. An increase in the gas price of $1/mmbtu would result in an increase in disposal proceeds of $14.8 million and a decrease of $1/mmbtu would result in a decrease in disposal proceeds of $15.3 million. An increase in the Brent oil price of $5/bbl would result in a increase in disposal proceeds of $4.5 million and a decrease of $5/bbl would result in a decrease in disposal proceeds of $4.5 million. In terms of the actual disposal proceeds used in the model, a $10.0 million increase/decrease in the disposal proceeds would create an after-tax impact of $10.0 million to net loss, and an increase/decrease in the value of the financial asset of $10.0 million.

In accordance with the Block 11B/12B farmin agreements entered into by Main Street 1549 with each of Total E&P South Africa BV ("Total"), a wholly-owned subsidiary of TotalEnergies, and CNR International (South Africa) Limited ("CNRI"), a wholly-owned subsidiary of Canadian Natural Resources Limited, in the event of a commercial discovery and granting of a Production Right, Main Street 1549 will be obligated to fund a discovery bonus. If the proposed development is for exploitation of predominantly oil, Main Street 1549 will be obligated to pay Total and CNRI up to $90.0 million depending on the amount of reserves at that time. If the proposed development is for exploitation of gas, Main Street 1549 will be obligated to pay Total and CNRI up to $24.0 million depending on the amount of reserves at that time. On September 5, 2022, the joint venture partnership on Block 11B/12B applied for a Production Right. The Company may be required to provide suitable guarantees to support its discovery bonus obligation. As at September 30, 2025, no guarantees have been required and the Company has not provided a guarantee to support its discovery bonus obligation. As a September 30, 2025, Main Street 1549 has not accrued any obligations related to the commercial discovery bonus.

The Company recognized a loss of $0.01 million and $0.06 million for the three and nine months ended September 30, 2025, respectively, relating to its share of the loss from its equity investment in Main Street 1549 (the Company recognized a loss of $0.02 and $0.03 million for the three and nine months ended September 30, 2024, respectively).

The Company has determined there is no objective evidence that the equity investment in Main Street 1549 is impaired at September 30, 2025.

(Expressed in thousands of United States dollars unless otherwise indicated)

The following is a financial summary of Main Street 1549:

	September 30, 2025	December 31, 2024
Cash and cash equivalents included in current assets	$ 2,174	$ 7
Other current assets	31	2,778
Non-current assets	107,032	106,671
Other Financial Interests [1]	(105,172)	(105,083)
Current liabilities	(1,030)	(1,214)
Net assets of Main Street 1549	$ 3,035	$ 3,159
Percentage of ownership	49%	49%
Proportionate share of Main Street 1549's net assets	$ 1,487	$ 1,548

For the nine months ended	**September 30, 2025**	**September 30, 2024**
Operating expense	$ (65)	$ (51)
Finance expense	(59)	(17)
Net loss and comprehensive loss	$ (124)	$ (68)
Percentage of ownership	49%	49%
Proportionate share of Main Street 1549's net loss	$ (61)	$ (33)

(1) Included in the financial summary is an adjustment for preferential interest on dividend distributions.

At September 30, 2025, Main Street 1549 had cash of $2.2 million (gross) with working capital of $1.2 million (gross). Of the Main Street 1549's $1.0 million of current liabilities at September 30, 2025, $0.8 million are due to Africa Energy.

4) Promissory notes:

On December 23, 2022, the Company entered into a promissory note agreement with Meren for $2.0 million, Deepkloof Limited for $2.0 million and Lorito Holdings S.à.r.l. for $1.0 million. Deepkloof Limited is a shareholder of Impact Oil & Gas Limited ("Impact"). At March 31, 2025, Impact owned 36.2% of the common shares of Africa Energy. Meren, Deepkloof Limited and Impact are related parties of the Company. Lorito Holdings S.à.r.l. is a company owned by a trust whose settlor was the late Adolf H. Lundin.

On November 7, 2023, the Company amended its existing credit facility (the "Amended Promissory Note"), increasing the principal amount available under the promissory note from $5.0 million to $8.3 million and extending the maturity date to March 31, 2025 with Lorito Doraline S.à.r.l. (formerly Lorito Holdings S.à.r.l.), Lorito Floreal S.à.r.l., Lorito Arole S.à.r.l. and Lorito Orizons S.à.r.l. (together, the "Lundin Group"), Meren and Deepkloof Limited ("Deepkoof"), (together, the "Lenders"). At December 31, 2024, the Lenders had advanced the Company the full $8.3 million available under the Amended Promissory Note. The Amended Promissory Note was unsecured and the principal and accrued interest were due in full at maturity. The loan carried an annual interest rate of 15% from inception of the original facility.

The modification of the promissory note on November 7, 2023, constituted a substantial modification, resulting in changes to the contractual terms that were significant enough to be accounted for as an extinguishment of the original financial liability and recognition of a new financial liability.

(Expressed in thousands of United States dollars unless otherwise indicated)

On March 31, 2025, the Company fully repaid the $10.7 million due under the Amended Promissory Note, including $2.4 million of interest, with $5.3 million being settled in cash and the remaining $5.4 million being settled by issuing 389,847,000 common shares of the Company (post-consolidation basis (see Note 5), 77,969,400 common shares) to certain Lenders. In respect to the settlement of interest, $1.2 million was settled with cash while the remaining $1.2 million was settled by issuing 88,768,861 common shares (post-consolidation basis 17,753,772 common shares). The Company has no further obligations under the Amended Promissory Note.

5) Share capital:

a) The Company is authorized to issue an unlimited number of common shares with no par value.

b) Issued:

	September 30, 2025			December 31, 2024		
	Shares		Amount	Shares		Amount
Balance, beginning of the period	281,562,450	$	360,613	281,562,450	$	360,613
Private placement, net of issue costs	119,630,600		8,179	-		-
Shares issued to repay promissory note	77,969,400		9,492	-		-
Balance, end of the period	479,162,450	$	378,284	281,562,450	$	360,613

On March 31, 2025, the Company closed a non-brokered private placement of common shares. The transaction consisted of a shares for debt transaction whereby the Company settled $5.4 million of existing indebtedness due under the Amended Promissory Note (Note 4) through the issuance of 389,847,000 common shares (post-consolidation basis, 77,969,400 common shares) of the Company to existing debtholders (the "Shares for Debt Transaction"), and a non- brokered private placement of 598,153,000 common shares (post-consolidation basis, 119,630,600 common shares) of the Company for aggregate gross proceeds of $8.4 million (the "Private Placement"). There were no finder's fees paid in connection with the Private Placement. Common shares issued under the Private Placement and Shares for Debt Transaction were at a deemed issue price of Canadian $0.02 per share (post-consolidation basis, Canadian $0.10 per share). On March 31, 2025, the value of the shares issued to settle debt was $9.5 million, based on a share price of Canadian $0.035 per share (post-consolidation, $0.175 per share). The Lenders that accepted the receipt of shares in order to settle the promissory note debt were determined to be acting in their capacity as shareholders, and therefore the difference between the value of the shares issued and the value of debt settled by issuing shares was recorded as an adjustment to contributed surplus.

Shares issued pursuant to the Private Placement and Shares for Debt Transaction were subject to resale restrictions under Canadian securities laws expiring August 1, 2025. The proceeds from the Private Placement were used to repay existing debt under the Promissory Note held by Meren (approximately $4.5 million), to repay the remaining debt held by the Lorito Group following the Shares for Debt Transaction ($0.8 million), and the balance is being used for general working capital purposes and to advance the development of the Company's interest in Block 11B/12B offshore South Africa.

On May 30, 2025, the Company consolidated its issued and outstanding common shares on a 5:1 basis, resulting in the number of common shares being 479,162,450 on that day. Prior period share information has been adjusted on a 5:1 basis for comparative reasons.

(Expressed in thousands of United States dollars unless otherwise indicated)

6) Share purchase options:

At the Annual General and Special Meeting ("AGSM") held on June 20, 2025, the Company's shareholders ratified and approved the Company's stock option plan (the "Plan"). The Plan provides that the aggregate number of incentive stock options issued shall not exceed 10% of the total common shares outstanding, and that the option exercise price will not be below the market trading value of the Company's shares at the time of grant. The term of any option granted under the Plan will be fixed by the Board of Directors and may not exceed five years from the date of grant. Vesting periods are determined by the Board of Directors and no optionee shall receive a grant of more than 5% of the Company's total common shares outstanding.

Share purchase options outstanding are as follows and have been adjusted to reflect the 5:1 share consolidation (Note 5):

	September 30, 2025		December 31, 2024	
	Number of options	Weighted average exercise price (CAD$)	Number of options	Weighted average exercise price (CAD$)
Outstanding, beginning of the period	22,006,666	0.81	17,283,666	1.10
Granted	2,700,000	0.25	7,620,000	0.25
Expired	(4,628,000)	1.08	(2,897,000)	1.20
Balance, end of the period	20,078,666	0.67	22,006,666	0.81

The fair value of each option granted is estimated on the date of grant using the Black-Scholes options pricing model. The fair value of each option granted during the nine months ended September 30, 2025 and the year ended December 31, 2024 were estimated on the date of grant using the following assumptions:

	2025	2024
Number of options granted during the period	2,700,000	7,620,000
Fair value of options granted (CAD$)	0.13	0.05
Risk-free interest rate (%)	2.60	3.10
Expected life (years)	3.25	3.25
Expected volatility (%)	117	111
Expected dividend yield	-	-

The following table summarizes information regarding stock options outstanding at September 30, 2025:

Weighted average exercise price (CAD$/share)	Options outstanding	Weighted average remaining contractual life in years
1.375	2,968,333	1.11
1.250	2,704,333	1.48
0.850	3,596,000	2.50
0.575	520,000	2.73
0.250	7,590,000	2.63
0.250	2,000,000	3.09
0.250	700,000	3.13
0.667	20,078,666	2.29

(Expressed in thousands of United States dollars unless otherwise indicated)

All options except those with a CAD $0.25 weighted average exercise price vest over a two-year period, with one-third vesting immediately, and expire five years after the grant date. One-third of the options with a CAD $0.25 weighted average exercise vest in two years, one-third vest in three years and the final one-third vests in four years; all of these expire six months after they vest.

The following table summarizes information regarding stock options exercisable at September 30, 2025:

Weighted average exercise price (CAD$/share)	**Options exercisable**	**Weighted average remaining contractual life in years**
1.375	2,968,333	1.11
1.250	2,704,333	1.48
0.850	3,596,000	2.50
0.575	520,000	2.73
1.105	9,788,666	1.81

The Company recognized $0.05 million and $0.2 million in stock-based compensation expense for the three and nine months ended September 30, 2025 ($0.1 and $0.6 million for the three and nine months ended September 30, 2024).

7) Finance income and expense:

Finance income and expense is comprised of the following:

	Three months ended September 30, 2025	**Three months ended September 30, 2024**	**Nine months ended September 30, 2025**	**Nine months ended September 30, 2024**
Interest and other income	$ (43)	$ (23)	$ (102)	$ (57)
Interest expense	-	323	388	872
Foreign exchange loss/(gain)	97	(13)	(59)	(16)
Finance expense	$ 97	$ 323	$ 388	$ 872
Finance income	(43)	(36)	(161)	(73)

8) Related party transactions:

a) Transactions with Meren:

At September 30, 2025, Meren owned 11.6% of the common shares of Africa Energy.

Under the terms of the General Technical and Administrative Service Agreement, which was terminated effective January 31, 2025, with Africa Oil SA Corp. ("AOSAC"), a wholly-owned subsidiary of Meren, the Company invoiced AOSAC nil and $0.02 million during the three and nine months ended September 30, 2025 ($0.1 million and $0.4 million during the three and nine months ended September 30, 2024). At September 30, 2025, the outstanding balance receivable from AOSAC was $ nil (at December 31, 2024, $ nil). The fee charged to AOSAC by the Company was intended to cover the costs of the Company's employees that were providing AOSAC with technical and administrative services related to Meren's interest in Block 3B/4B offshore South Africa. The fee was recognized as a reduction in salaries and benefits expense, and office and general costs.

(Expressed in thousands of United States dollars unless otherwise indicated)

b) Promissory Notes:

Refer to Note 4 for details on promissory notes.

9) Net loss per share:

For the three months ended	September 30, 2025			September 30, 2024		
		Weighted Average			Weighted Average	
	Net loss	Number of shares	Per share amounts	Net loss	Number of shares	Per share amounts
Basic loss per share						
Net loss attributable to common shareholders	$ (381)	479,162,450	$ (0.00)	$ (27,836)	281,562,450	$ (0.10)
Effect of dilutive securities	-	-	-	-	-	-
Dilutive loss per share	$ (381)	479,162,450	$ (0.00)	$ (27,836)	281,562,450	$ (0.10)

For the nine months ended	September 30, 2025			September 30, 2024		
		Weighted Average			Weighted Average	
	Net loss	Number of shares	Per share amounts	Net loss	Number of shares	Per share amounts
Basic loss per share						
Net loss attributable to common shareholders	$ (1,706)	414,743,402	$ (0.00)	$ (99,770)	281,562,450	$ (0.35)
Effect of dilutive securities	-	-	-	-	-	-
Dilutive loss per share	$ (1,706)	414,743,402	$ (0.00)	$ (99,770)	281,562,450	$ (0.35)

For the nine months ended September 30, 2025, 20,078,666 options were anti-dilutive and were not included in the calculation of dilutive loss per share (nine months ended September 30, 2024, 14,386,667).

10) Financial instruments:

Assets and liabilities at September 30, 2025 that are measured at fair value are classified into levels reflecting the method used to make the measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

The carrying value of the Company's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their value due to the short-term nature of these instruments. The Company's promissory notes are classified as Level 2. The Company's investments in associates and joint ventures, and financial assets are classified as Level 3. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level. The fair value approximates the carrying value due to the short maturity. There were no transfers between levels in the fair value hierarchy in the period.

(Expressed in thousands of United States dollars unless otherwise indicated)

11) Commitments and contingencies:

Refer to Note 3 for details on commitments in respect to Main Street 1549.

12) Supplementary information:

The following table reconciles the changes in non-cash working capital as disclosed in the consolidated statements of cash flows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Changes in non-cash working capital				
Accounts receivable	$ (42)	$ (9)	$ (17)	$ 21
Prepaid expenses	(49)	(49)	(6)	5
Accounts payable and accrued liabilities	(62)	(147)	(59)	124
	$ (153)	$ (205)	$ (82)	$ 150
Relating to:				
Operating activities	$ (153)	$ (205)	$ (82)	$ 150
Investing activities	-	-	-	-
Changes in non-cash working capital	$ (153)	$ (205)	$ (82)	$ 150