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Press release

Africa Energy Reports Second Quarter 2019 Results

August 14, 2019 – 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 three and six months ended June 30, 2019.

Garrett Soden, the Company’s President and CEO, commented, “We continue to analyze the coring and sampling results from the recent Brulpadda oil and gas discovery on Block 11B/12B in South Africa. We look forward to interpreting the 3D seismic data shortly and advancing to the next phase of drilling expected to start in Q1-2020. The joint venture partners on Block 11B/12B are pleased to have secured the Deepsea Stavanger rig again to drill up to three exploration wells in 2020 for the follow-on prospects that have been significantly de-risked by Brulpadda.”

HIGHLIGHTS AND OUTLOOK

In the first quarter of 2019, the Brulpadda well was drilled in approximately 1,400 meters of water by the Odfjell Deepsea Stavanger semi-submersible rig. The well targeted two objectives in a deep marine fan sandstone system within combined stratigraphic/structural closure. Following the success of the main objective, the well was deepened to a final depth of 3,633 meters and was successful in the Brulpadda-deep prospect. The well encountered a total of 57 meters of net gas condensate pay over two Lower Cretaceous high-quality reservoirs. The well also encountered oil pay in the upper reservoir. Core samples were taken in the upper reservoir, and a comprehensive logging and sampling program was performed over both reservoirs. The success at both the Brulpadda primary and secondary targets significantly de-risks other similar prospects on Block 11B/12B.

In the second quarter of 2019, the joint venture partnership for Block 11B/12B completed the first phase of the 3D seismic acquisition program with the Polarcus Asima vessel. The joint venture partnership continues to assess the Brulpadda well results and will focus its efforts on integrating these results with the recently acquired 3D seismic in advance of the upcoming drilling program. Drilling is expected to commence in the first quarter of 2020 with the spud of the Luiperd Prospect and will include up to three exploration wells.

The Company exited the quarter with \$2.9 million in cash. In addition, Main Street 1549, an entity owned 49% by Africa Energy, held \$2.6 million (gross) in cash and \$17.1 million (gross) in escrow at June 30, 2019 in order to cover Main Street 1549’s portion of future cash calls and exploration expenditures on Block 11B/12B.

FINANCIAL INFORMATION

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

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Operating expenses	1,109	1,913	3,377	2,962
Net loss	(1,064)	(1,882)	(3,303)	(2,936)
Net loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of shares outstanding (basic and diluted)	683,788	550,170	683,611	435,318
Number of shares outstanding	683,889	681,586	683,889	681,586
Cash flows provided by (used in) operations	(706)	(1,173)	(2,148)	(2,769)
Cash flows provided by (used in) investing	(79)	(90)	1,958	(119)
Cash flows provided by (used in) financing	45	43,896	60	43,897
Total change in cash and cash equivalents	(712)	42,574	(102)	40,937
Change in share capital	78	43,896	104	43,899
Change in contributed surplus	300	616	1,056	652
Change in deficit	1,064	1,882	3,303	2,936
Total change in equity	(686)	42,630	(2,143)	41,615
	June 30, 2019		December 31, 2018	
Cash and cash equivalents	2,907	(1)	3,009	
Total assets	42,174		44,300	
Total liabilities	95		78	
Total equity attributable to common shareholders	42,079		44,222	
Net working capital	2,924		3,197	

(1) At June 30, 2019, Main Street 1549, an entity accounted for as an Investment in Associates and owned 49% by Africa Energy, held \$2.6 million (gross) in cash and \$17.1 million (gross) in escrow to cover Main Street 1549's portion of future cash calls and exploration expenditures on Block 11B/12B.

The financial information in this table was selected from the Company's unaudited consolidated financial statements for the three and six months ended June 30, 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

(Unaudited; US dollars)

Operating expenses decreased by \$0.8 million for the three months ended June 30, 2019 compared to the same period in 2018. Stock-based compensation decreased by \$0.3 million due to 17.6 million stock options being granted during the three months ended June 30, 2018 compared to nil stock options being granted during the three months ended June 30, 2019. Stock exchange and filing fees decreased \$0.2 million due to one-time fees in the second quarter of 2018 related to the secondary listing on the Nasdaq First North Stockholm. Consulting fees decreased \$0.1 million due mainly to a long-term consulting contract that expired June 30, 2018.

Operating expenses increased \$0.4 million for the six months ended June 30, 2019 compared to the same period in 2018. Salaries and benefits increased by \$0.5 million primarily due to annual bonuses being paid during the first quarter of 2019. Stock-based compensation increased by \$0.4 million due

mainly to the increase in stock options vested during the period. Consulting fees decreased \$0.2 million due mainly to a long-term consulting contract that expired June 30, 2018. Stock exchange and filing fees decreased \$0.1 million due to one-time fees in the second quarter of 2018 related to the secondary listing on the Nasdaq First North Stockholm.

As at June 30, 2019, the Company had cash of \$2.9 million and working capital of \$2.9 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, held \$2.6 million (gross) cash and working capital of \$3.5 million (gross) at June 30, 2019. Working capital in Main Street 1549 included \$17.1 million (gross) in escrow (other current assets) in favor of Total and CNRI to cover Main Street 1549's portion of future cash calls and exploration expenditures for Block 11B/12B, and current liabilities included a \$5.0 million (gross) obligation 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 or appraisal well.

NEXT EARNINGS REPORT RELEASE

The Company plans to report results for the three and nine months ended September 30, 2019 on November 8, 2019.

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 on TSX Venture Exchange (ticker "AFE") and Nasdaq First North Stockholm (ticker "AEC"). Africa Energy Corp. 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 August 14, 2019 at 1:00 a.m. Eastern Time.

The Company's certified advisor on Nasdaq First North Stockholm 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” 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 the results and costs of future exploratory drilling activity in Block 11B/12B, including other identified prospects and proposed exploration wells, the results of future 3D seismic acquisitions, and the results and costs of exploration activity and farmout efforts in Block 2B and PEL 37. In addition, there are ongoing risks and uncertainties relating to, among other things, changes in oil prices, results of other exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the drilling activity, 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.