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## Press Release

### **Africa Energy Increases Exposure to Block 11B/12B**

**August 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, is pleased to announce the signing of definitive agreements to increase its effective interest in Block 11B/12B offshore South Africa from 4.9% to 10%.

Garrett Soden, the Company’s President and CEO, commented: “Block 11B/12B offshore South Africa contains one of the most exciting oil and gas exploration plays in the world today. In anticipation of the Luiperd-1X well results expected later this year, we have agreed with Impact and Arostyle to simplify and consolidate Main Street’s 10% interest in Block 11B/12B under Africa Energy.”

Africa Energy currently holds 49% of the shares in Main Street 1549 (Proprietary) Limited (“Main Street”), which has a 10% participating interest in Block 11B/12B (the “Participating Interest”). Total E&P South Africa B.V. is operator and has a 45% participating interest in Block 11B/12B, while Qatar Petroleum International Upstream LLC and CNR International (South Africa) Limited have 25% and 20% participating interests, respectively, in Block 11B/12B.

The Company is pursuing two transactions by which Africa Energy will first secure the indirect financial interest held by Impact Oil & Gas Limited (“Impact”) (the “Impact Transaction”) and then obtain an option from Arostyle Investments (RF) (Proprietary) Limited (“Arostyle”), which holds 51% of the shares in Main Street, to acquire the entire Participating Interest after drilling the Luiperd-1X well (the “Arostyle Option”). Following the Impact Transaction and exercise of the Arostyle Option, subject to various consents and approvals, Africa Energy will directly hold the Participating Interest, and both Impact and Arostyle will be significant shareholders of Africa Energy.

#### Impact Transaction

Africa Energy has entered into an investment agreement (the “Investment Agreement”) with Impact and Impact Oil & Gas SA Blocks 11B-12B Limited (“Impact 11B/12B”) whereby Africa Energy will subscribe for new shares (the “Investment”) and thereby obtain control of Impact 11B/12B, a wholly-owned subsidiary of Impact, whose sole asset is the Arostyle Loan Agreement that provides for an indirect financial interest in Main Street. Impact has also entered into a subscription agreement with Africa Energy (the “Subscription Agreement”) to subscribe for 509,092,771 common shares of Africa Energy (the “Subscription Shares”) that is subject to completion of the Investment. The Subscription Shares will be issued shortly after closing of the Investment.

The Investment Agreement provides Impact with the right, for so long as it holds not less than 10% of the common shares of Africa Energy (“Common Shares”), to appoint one (1) nominee to the board of directors of Africa Energy. The Investment Agreement also provides for certain orderly market covenants in respect of any dispositions by Impact of the Subscription Shares, customary standstill provisions for a period of 12 months and certain restrictions on the issuance of Common Shares (or securities convertible into Common Shares) by Africa Energy prior to closing of the Impact Transaction.

The Impact Transaction is independent of the Arostyle Transaction and is subject to Africa Energy disinterested shareholder approval and TSX Venture Exchange approval. Closing of the Impact Transaction is expected to occur in October 2020.

## Arostyle Transaction

In parallel with the Impact Transaction, Africa Energy and Arostyle have entered into an implementation agreement (the “Implementation Agreement”) that provides for certain amendments to the existing Main Street shareholders’ agreement (the “Main Street SHA”) and the Arostyle Loan Agreement (together, the “Arostyle Transaction”), which among other things, provides for the Arostyle Option.

The Implementation Agreement and the amendments to the Main Street SHA provide that Africa Energy has agreed effective immediately to fund 100% of the obligations of Main Street for a risk-adjusted return linked to the proceeds on any future sale of Main Street or the Participating Interest. In addition, the Main Street SHA provides for the Arostyle Option whereby either party has the right to trigger the sale of the Participating Interest to a wholly-owned subsidiary of Africa Energy. The Arostyle Option will become exercisable by either party after completion of the Luiperd-1X well and is 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 64,455,916 Common Shares. In addition, the amendments to the Main Street SHA provide for a restriction on the issuance of Common Shares (or securities convertible into Common Shares), except for the Subscription Shares and for other corporate matters, prior to completion of the Luiperd-1X well.

Closing of the Arostyle Transaction is dependent on closing the Impact Transaction and is subject to TSX Venture Exchange approval.

Upon completion of the Impact Transaction and the transactions contemplated by the Arostyle Option, Africa Energy will have acquired the entire Participating Interest, and Impact and Arostyle, in aggregate, will have subscribed for 573,548,687 Common Shares. Africa Energy currently has 798,984,935 Common Shares outstanding.

### **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

*Africa Energy is obliged to make this information 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 24, 2020 at 1:00 a.m. EDT.*

*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, including timing for completion of the Impact Transaction and Arostyle Transaction, completion of the transactions contemplated by the Subscription Agreement, obtaining disinterested shareholder approval in respect of the Impact Transaction, obtaining TSX Venture Exchange approval in respect of the Impact Transaction and Arostyle Transaction, a potential exercise of the Arostyle Option and the completion of such transaction. 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.*