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Press release

Africa Energy Reports Second Quarter 2021 Results

August 11, 2021 – 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, 2021.

Garrett Soden, the Company’s President and CEO, commented: “We are encouraged by TotalEnergies’ progress on the potential fast-track development of Block 11B/12B offshore South Africa. The goal of the first phase would be to produce gas and condensate from the Luiperd discovery to supply the nearby market in Mossel Bay. On Block 2B, Azinam is advancing on a rig contract to drill the Gazania oil exploration well offshore South Africa this year. We will benefit from a carry on the Gazania well, which will target a relatively low-risk rift basin play with significant upside for Africa Energy shareholders.”

OUTLOOK

In 2020, Africa Energy announced the successful drilling and testing results of its second consecutive discovery on Block 11B/12B. The discovery on the Luiperd Prospect reconfirmed the Paddavissie Fairway as a world-class exploration play with substantial follow-on potential. Due to the success at Luiperd, the joint venture decided to proceed with development studies and engage with authorities on gas commercialization. The joint venture is also assessing the feasibility of an early production system for a possible phased development of the Paddavissie Fairway. The accelerated timeline could significantly decrease the required capital expenditure to reach first production from Block 11B/12B. We believe the fundamentals are strong for a gas condensate development on Block 11B/12B as South Africa is a large energy market looking to transition from coal to natural gas and is currently limited to expensive imports.

The Block 2B joint venture partners are focused on procuring a rig for the Gazania-1 oil exploration well offshore South Africa in order to spud in the fourth quarter of 2021. Block 2B has significant contingent and prospective resources in shallow water close to shore and includes the A-J1 discovery from 1988 that flowed light sweet crude oil to surface. Gazania-1 will target two prospects in a relatively low-risk rift basin oil play up-dip from the discovery.

HIGHLIGHTS

- At June 30, 2021, the Company had \$13.8 million in cash and no debt.
- On April 19, 2021, Africa Energy completed two farmout agreements whereby the Company transferred operatorship and an aggregate 62.5% participating interest in Block 2B. Africa Energy retains a 27.5% participating interest in Block 2B and is carried on the Gazania-1 well expected to spud in Q4 2021.
- The Block 11B/12B¹ joint venture is conducting a full prospect analysis from the fully-processed 2D seismic dataset acquired by Shearwater over the eastern part of the block (7,033 linear kilometers) that was received in September 2020. The dataset confirms the Kloofpadda Play Trend, which consists of several potentially large and encouraging leads.
- The Block 11B/12B joint venture received the final fully-processed 3D data that integrates the PGS and Polarcus surveys over the Paddavissie Fairway in the first quarter of 2021 (2,305 square

¹ Africa Energy owns 49% of the common shares and 100% of the Class B shares of Main Street 1549 Proprietary Limited, which has a 10% participating interest in the Exploration Right for Block 11B/12B offshore South Africa.

kilometers from PGS and 570 square kilometers from Polarcus). The improved quality of the fully-processed 3D volume, resulting in higher resolution, is expected to further reduce exploration risk. The final 3D volume will be integrated with the drilling and testing results to facilitate development studies and to mature previously identified leads into prospects within the Paddavissie Fairway.

- The Block 11B/12B joint venture is assessing the feasibility of a phased development with an early production system to produce gas and condensate from the Luiperd discovery. The potential fast-track development may rely on existing infrastructure to supply nearby customers in Mossel Bay.

FINANCIAL INFORMATION

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

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating expenses	705	559	3,079	2,415
Net loss	(675)	(469)	(3,041)	(2,460)
Net loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding (basic and diluted)	1,395,528	790,639	1,395,431	769,827
Number of shares outstanding	1,395,923	793,535	1,395,923	793,535
Cash flows provided by (used in) operations	(935)	(319)	(2,796)	(1,665)
Cash flows provided by (used in) investing	767	(49)	(3,140)	1,349
Cash flows provided by (used in) financing	45	468	35	24,484
Total change in cash and cash equivalents	(101)	146	(5,880)	24,019
Change in share capital	90	862	90	24,931
Change in contributed surplus	6	(148)	160	382
Change in deficit	675	469	3,041	2,460
Total change in equity	(579)	245	(2,791)	22,853
	June 30, 2021	December 31, 2020		
Cash and cash equivalents	13,763	19,643		
Total assets	241,649	244,034		
Total liabilities	2,202	1,796		
Total equity attributable to common shareholders	239,447	242,238		
Net working capital	11,789	18,193		

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, 2021 (the "Financial Statements"), which are available on SEDAR at www.sedar.com and the Company's website at www.africaenergycorp.com.

EARNINGS TREND AND FINANCIAL POSITION

(Unaudited; US dollars)

Operating expenses increased by \$0.1 million for the three months ended June 30, 2021, compared to the same period in 2020 due mainly to revisions to service agreements with Africa Oil Corp., as well as an increase in professional fees related to completion of the Block 2B farmout agreements.

Operating expenses increased by \$0.7 million for the six months ended June 30, 2021, compared to the same period in 2020 due mainly to an increase in bonuses paid to employees in the first quarter of 2021, as well as an increase in professional fees related to completion of the Block 2B farmout agreements.

At June 30, 2021, the Company had cash of \$13.8 million and working capital of \$11.8 million compared to cash of \$19.6 million and working capital of \$18.2 million at December 31, 2020. The decrease in cash and working capital can be attributed to cash based operating expenditures and investments in Main Street 1549 required to fund Block 11B/12B expenditures.

NEXT EARNINGS REPORT RELEASE

The Company plans to report results for the three and nine months ended September 30, 2021, on November 9, 2021.

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 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 11, 2021, at 5:30 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 on reasonable terms, 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.