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Press release

Africa Energy Secures Credit Facility

December 19, 2022 – Africa Energy Corp. (TSX Venture: AFE) (Nasdaq First North: AEC) (“Africa Energy” or the “Company”) announces that it has secured a US\$5 million credit facility from Africa Oil Corp. (“Africa Oil”), Deepkloof Limited and Lorito Holdings S.à.r.l. (together, the “Lenders”).

Jeromie Kufflick, Africa Energy’s CFO, commented: “We are grateful for the continued support of our key shareholders demonstrated by this bridge loan facility. The funding allows us to minimize shareholder dilution while we advance the proposed development of the large gas condensate discoveries on Block 11B/12B offshore South Africa. The Block 11B/12B joint venture has applied for a production license and is currently negotiating the gas offtake with potential customers in Mossel Bay.”

The US\$5 million credit facility is unsecured and matures on January 31, 2024, when the principal and accrued interest are due in full. The loan carries an annual interest rate of 10% until October 31, 2023, at which time the annual interest rate for any outstanding amount increases to 15% retrospectively.

The proceeds of the loan facility are expected to be used for the Company’s funding obligations to advance the development of Block 11B/12B offshore South Africa, as well as for general corporate purposes.

The loan from Africa Oil constitutes a “related-party transaction” as defined under Multilateral Instrument 61–101 (“MI 61–101”). The Company has relied on exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61–101 from the valuation and minority shareholder approval requirements in MI 61–101 in respect of Africa Oil’s loan since the fair market value of the consideration for the loan does not exceed 25% of the Company’s market capitalization.

Deepkloof Limited is the largest shareholder of Impact Oil & Gas Limited and is a wholly-owned subsidiary of Hosken Consolidated Investments (“HCI”) Limited. Lorito Holdings S.à.r.l. is a company owned by a trust whose settlor was the late Adolf H. Lundin.

About Africa Energy Corp.

Africa Energy Corp. is a Canadian oil and gas exploration company focused on South Africa. 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 December 19, 2022, at 2:00 a.m. Eastern Time.

The Company's certified advisor on Nasdaq First North Growth Market is Aktieinvest FK AB, +46 739 49 62 50, rutger.ahlerup@aktieinvest.se.

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 exploration and development 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 and development activities, or of financing on reasonable terms, availability of materials and equipment on satisfactory terms, outcome of commercial negotiations with government and other regulatory authorities, 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.