AFRICA ENERGY CORP.

ANNUAL INFORMATION FORM

For the Year
Ended December 31, 2018

February 28, 2019

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DEFINED TERMS

"Africa Energy" or "Company"	means Africa Energy Corp. and its subsidiaries.
"Africa Energy Shares" or "Shares"	means all of the issued and outstanding shares in the share capital of Africa Energy.
"AIF"	means this annual information form.
"Africa Oil"	means Africa Oil Corp.
"BC BCA"	means the *Business Corporations Act* (British Columbia), S.B.C. 2002 c.57, as amended.
"Block 2B Exploration Right"	means the exploration right for Block 2B offshore the Republic of South Africa.
"Block 11B/12B Exploration Right"	means the exploration right for Block 11B/12B offshore the Republic of South Africa.
"Canmex"	means Canmex Holdings (Bermuda) I Ltd.
"CNRI"	means CNR International (South Africa) Limited, a wholly-owned subsidiary of Canadian Natural Resources Limited.
"Crown"	means Crown Energy AB.
"Main Street 1549"	means Main Street 1549 Proprietary Limited, an entity held 49% by Africa Energy.
"MI 61-101"	means *MI 61-101 Protection of Minority Security Holders in Special Transactions*.
"*MPRDA*"	means the *Mineral and Petroleum Resources Development Act*, 2002, South Africa.
"Nasdaq"	means Nasdaq First North Stockholm.
"**NI 51-101**"	means the National Instrument 51-101 — *Standard of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.
"Pancontinental Namibia"	means Pancontinental Namibia Pty Ltd., an entity held 33.3% by Africa Energy.
"PEL 37"	means Petroleum Exploration Licence 37 offshore the Republic of Namibia.
"SEDAR"	means the System for Electronic Document Analysis and Retrieval.
"Thombo"	means Thombo Petroleum Ltd.
"Total"	means Total E&P South Africa BV, a wholly-owned subsidiary of Total SA.
"TSX-V" or "Exchange"	means the TSX Venture Exchange.

About This Annual Information Form

Financial Information

Africa Energy's financial results are prepared and reported in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Company's functional and reporting currency is the United States dollar. All currency amounts in this AIF are expressed in United States dollars unless otherwise indicated.

Presentation of Oil and Gas Information

All oil and gas information contained in this AIF has been prepared and presented in accordance with NI 51-101. The actual oil and gas resources may be greater or less than any estimates provided herein.

Forward Looking Statements

Certain statements in this document constitute forward-looking information or forward-looking statements under applicable securities law (collectively, "forward-looking statements"). Forward-looking statements are statements that relate to future events, including the Company's future performance, opportunities or business prospects. Any statements that express or involve discussions with respect to expectations, beliefs, projections, plans, future events or performance (often but not always identified by words such as "believes", "seeks", "anticipates", "expects", "estimates", "pending", "intends", "plans", "will", "would have" or similar words suggesting future outcomes), are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements involve assumptions, inherent risks and uncertainties, many of which are difficult to predict and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements. Risks and uncertainties include, but are not limited to, risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, pricing and availability of financing and currency exchange rate fluctuations. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Forward-looking statements include, but are not limited to, statements concerning:

- Expected closing dates for the completion of proposed transactions;
- Planned exploration, appraisal and development activity including both expected drilling and geological and geophysical related activities;
- Proposed development plans;
- Future development costs and the funding thereof;
- Expected finding and development costs;
- Anticipated future financing requirements;
- Future sources of funding for the Company's capital program;
- Future capital expenditures and their allocation to exploration and development activities;
- Expected operating costs;
- Future sources of liquidity, cash flows and their uses;
- Availability of potential farmout partners;
- Government or other regulatory consent for exploration, development, farmout, or acquisition activities;
- Future production levels;
- Future crude oil, natural gas or chemical prices;
- Future earnings;
- Future asset acquisitions or dispositions;

- Future debt levels;
- Availability of committed credit facilities;
- Possible commerciality;
- Development plans or capacity expansions;
- Future ability to execute dispositions of assets or businesses;
- Future drilling of new wells;
- Interpretation of drill results and other technical data;
- Timing of completion of drilling programs;
- Ultimate recoverability of current and long-term assets;
- Ultimate recoverability of reserves or resources;
- The tax and royalty regime in the countries where the Company operates;
- Estimates on a per share basis;
- Future foreign currency exchange rates;
- Future market interest rates;
- Future expenditures and future allowances relating to environmental matters;
- Dates by which certain areas will be explored or developed or will come on stream or reach expected operating capacity;
- The Company's ability to comply with future legislation or regulations;
- Relations with local communities;
- Future staffing levels or requirements; and
- Changes in any of the foregoing.

Statements relating to "reserves" or "resources" are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and can be profitably produced in the future.

These forward-looking statements are subject to known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, among others:

- Market prices for oil and gas and chemical products;
- Changes in oil prices, results of exploration, appraisal and development activities, uninsured risks, regulatory changes, defects in title, availability of material and equipment and timelines of government or other regulatory approvals;
- Changes in the social climate in the regions in which the Company operates;
- Health, safety and environmental risks;
- Climate change legislation and regulation changes;
- The Company's ability to explore, develop, produce and transport crude oil and natural gas to markets;
- Ultimate effectiveness of design or design modification to facilities;
- The results of exploration and development drilling and related activities;
- Short term well test results on exploration and appraisal wells do not necessarily indicate the long-term performance or ultimate recovery that may be expected from a well;
- Pipeline or delivery constraints;
- Volatility in energy trading markets;
- Incorrect assessments of value when making acquisitions;
- Foreign-currency exchange rates;
- Economic conditions in the countries and regions in which the Company carries on business;
- Governmental actions, including changes to taxes or royalties, and changes in environmental and other laws and regulations;
- Renegotiations of contracts;
- Results of litigation, arbitration or regulatory proceedings;
- Political uncertainty, including actions by terrorists, insurgent or other groups, or other armed conflict; and

- internal conflicts within states or regions.

The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and management's future course of action would depend on its assessment of all information at that time. Although management believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such forward-looking statements were made, no assurances can be given that such expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference into, this AIF should not be unduly relied upon.

The forward-looking statements are made as of the date hereof or as of the date specified in the documents incorporated by reference into this AIF, as the case may be, and except as required by law, the Company undertakes no obligation to update publicly, re-issue, or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This cautionary statement expressly qualifies the forward-looking statements contained herein.

Incorporation by Reference and Date of Information

Specifically incorporated by reference and forming a part of this AIF are the Company's:

1) Three (3) material change reports dated April 30, 2018;
2) Material change report dated May 7, 2018;
3) Material change report dated September 24, 2018;
4) Material change report dated December 20, 2018;
5) Management's discussion and analysis for the year ended December 31, 2018; and
6) Audited consolidated financial statements for the year ended December 31, 2018.

Copies of the above documents are available on the SEDAR website at www.sedar.com under the Company's profile.

All information contained in this AIF is as of December 31, 2018, unless otherwise indicated.

About Africa Energy

Introduction

Africa Energy is a Canadian oil and gas company with exploration assets offshore South Africa and Namibia. Africa Energy's long-term goal is to create shareholder value by building an attractive portfolio of exploration and production assets. The company is focused on high-impact exploration in Africa and may look to acquire producing assets to fund its ongoing exploration program. Africa Energy is part of the Lundin Group of Companies.

Corporate Structure

Incorporation

The Company was incorporated on April 27, 2010 pursuant to the provisions of the *Business Corporations Act* (Alberta), as amended, under the name 'Denovo Capital Corp.' On April 28, 2010, the Company registered as an extraprovincial company under the *BC BCA*. On July 14, 2010, the Company amended its articles to remove all restrictions against the transfer of the Company's Shares. On September 20, 2011, the Company: (i) effected a consolidation of its issued and outstanding common shares, in a qualifying transaction with Africa Oil for the acquisition of the share capital of Canmex, on the basis of 0.65 post-consolidation share for every one (1) pre-consolidation share; (ii) changed its name to 'Horn Petroleum Corporation'; and (iii) continued from the jurisdiction of Alberta into the jurisdiction of British Columbia pursuant to the provisions of the *BC BCA*. On June 3, 2013, the shareholders of the Company passed a special resolution authorizing an alteration of the Company's articles to include advance notice provisions for the nomination of directors. On March 11, 2015, the Company changed its name to 'Africa Energy Corp.'

The Company's Offices and Transfer Agent

Africa Energy's registered and records office is located at Suite 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company's corporate office is located at Suite 2000 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company also has a technical office located at 22nd Floor, Metropolitan Life Centre, 7 Walter Sisulu Avenue, Cape Town, 8000, South Africa.

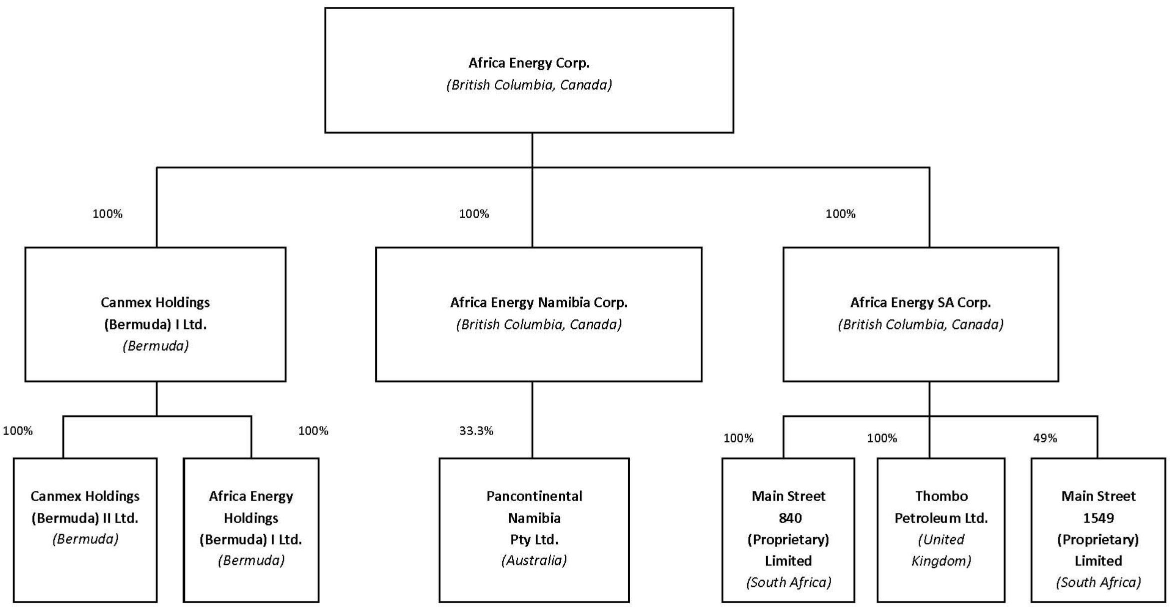
The Company's Shares trade on the TSX-V and on Nasdaq under the trading symbols 'AFE', and 'AEC', respectively. The transfer agent and registrar for the Company's Shares in Canada is Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Employees

The Company had 13 full time employees as at December 31, 2018.

Inter-corporate Relationships

The material subsidiaries owned by Africa Energy, as at the date of this AIF, are as set out in the following organizational chart:



The Company's Business

General

Africa Energy Corp. is a Canadian oil and gas company with exploration assets in South Africa and Namibia. Africa Energy's long-term goal is to increase shareholder value by building an attractive portfolio of exploration and production assets. The company is focused on high-impact exploration in Africa and may look to acquire producing assets to fund its ongoing exploration program.

The board of directors of Africa Energy may, at its discretion, approve asset or corporate acquisitions or investments that do not conform to the guidelines discussed above based upon the board's consideration of the qualitative and quantitative aspects of the subject properties, including risk profile, technical upside, resource potential, reserve life and asset quality.

Block 11B/12B

Main Street 1549, an entity held 49% by Africa Energy, has a 10% participating interest in Block 11B/12B offshore South Africa, resulting in Africa Energy holding an effective 4.9% interest in Block 11B/12B. The block is operated by Total, which holds 45%, with partners Qatar Petroleum and CNRI holding 25% and 20%, respectively.

Block 11B/12B is located in the Outeniqua Basin approximately 175 kilometers off the southern coast of South Africa. The block covers an area of 18,734 square kilometers with water depths ranging from 200 in the north to 1,800 meters in the south.

The Company recently announced a significant gas condensate and light oil discovery with the Brulpadda-1AX well. The Brulpadda well was successfully drilled in 1,432 meters of water by the Odfjell Deepsea Stavanger semi-submersible rig and deepened to a final depth of 3,633 meters below sea level. The Brulpadda discovery opens a new world-class oil and gas play with substantial follow-on potential. The success at both the Brulpadda primary and secondary targets significantly de-risks four other similar prospects already defined on the existing 2D seismic. The Block 11B/12B partners plan to acquire 3D seismic this year, followed by up to four exploration wells. One of the joint venture partners has reported multi-billion-barrel resource potential in the Paddavissie Fairway. The Paddavissie Fairway is defined by the Brulpadda discovery and the remaining four Paddavissie prospects that have clear amplitude anomalies with excellent structural conformance and flat spots indicating presence of hydrocarbons.

Reserves and resources have yet to be attributed to the Company's effective interest in Block 11B/12B as the Company has not had any of the identified prospects audited or prepared by a qualified reserves evaluator or auditor in accordance with the Canadian Oil and Gas Evaluation Handbook.

The Block 11B/12B joint venture partnership is currently in the Second Renewal Period for the Block 11B/12B Exploration Right, which is for a period of two years ending May 17, 2020. At the end of Second Renewal Period, a decision will be made to either relinquish or renew the right into the Third Renewal Period, being the final two-year period in the Block 11B/12B Exploration Right. Upon declaration of commerciality on Block 11B/12B prior to expiry of the Block 11B/12B Exploration Right, the joint venture partnership has the exclusive right to apply for a Production Right with the Government of the Republic of South Africa. The Government of the Republic of South Africa has a 10% back-in right, and the joint venture partnership must make 10% of the Block 11B/12B Exploration Right available to Historically Disadvantaged South Africans at fair market value. Main Street 1549 satisfies this requirement in the Block 11B/12B Exploration Right.

South Africa has a tax and royalty fiscal regime. Royalty rates range from 0.5% to 5% and are calculated on a formula, capped at 5%. Corporate income tax is applicable at a flat rate of 28% for both resident companies and foreign registered branches of non-resident companies. Capital costs can be deducted immediately, and the contractor may recognize a deduction equal to 200% and 150% of its capital investments related to exploration and development activities, respectively. Losses can be carried forward perpetually with no ring-fencing between oil and gas fields. The disposal of exploration and post-exploration assets is subject to capital gains tax with an effective rate of 22.4%. However, qualifying oil and gas companies may make use of special allowances such as 'rollover treatment' and 'participation treatment' that have the potential to eliminate capital gains tax on the disposal of oil and gas assets.

Block 2B

The Company has a 90% participating interest and operates Block 2B offshore the Republic of South Africa, in a proven oil basin with an existing discovery. Crown indirectly holds the remaining 10% participating interest.

Block 2B covers 3,604 square kilometers of the South African Western offshore about 300 kilometers north of Cape Town. Water depths over the block are 50 meters to 200 meters. Over the main area of interest in the block, the A-J rift graben, water depth ranges from 140 meters to 160 meters.

Oil was discovered and tested by Soekor in the A-J1 borehole drilled in 1988. Thick reservoir sandstones were intersected between 2,985 meters and 3,350 meters. The well was tested and flowed 191 barrels of oil per day of 36 degree API oil from a 10 meters sandstone interval at about 3,250 meters. At the time, the discovery was considered to be of limited economic significance. However, significant upside potential in prospect areas, at depths of up to 800 meters shallower than the reservoirs in A-J1, has been identified in the 686 square kilometers of 3-D seismic data that covers the whole of the A-J graben area. Follow-up wells will target this potential. The Company is currently seeking partners for Block 2B.

The joint venture partnership is currently in the Second Renewal Period of the Block 2B Exploration Right, which is for a period of two years commencing February 20, 2018. During the Second Renewal Period, the joint venture partners are obligated to perform studies and evaluations to determine potential commerciality, and economic sensitivity modelling to establish whether the drilling of a well could prove up potentially commercial oil volumes. If it is determined that drilling could prove up potentially commercial oil volumes, the joint venture partnership is obligated to drill an exploration well on Block 2B. At the end of the Second Renewal Period, a decision will be made to either relinquish the right in full or renew the right into the Third Renewal Period, being the final two-year period in the Block 2B Exploration Right, with a relinquishment of not less than 15% of the current exploration area. In the event of a commercial discovery prior to expiry of the Block 2B Exploration Right, the joint venture partnership has the exclusive right to apply for a Production Right with the Government of the Republic of South Africa. The Government of the Republic of South Africa has a 10% back-in right, and the joint venture partnership must make 10% of the Block 2B Exploration Right available to Historically Disadvantaged South Africans at fair market value.

Reserves have yet to be attributed to the Company's interest in Block 2B. Contingent resources have been attributed to the A-J Basin. These contingent oil resources are assigned to the project maturity sub-class 'Development Unclarified', as defined in the COGE Handbook, on the basis that significant further appraisal is needed to clarify potential for development. Successful exploitation of the AJ-1 well oil discovery is contingent on further appraisal drilling better to define the extent of the accumulation and the continuity of the reservoir, the demonstration of commercial well flow rates, the definition of development plans and the demonstration of commerciality.

See the disclosure in Block 11B/12B above for a summary of the fiscal regime in the Republic of South Africa.

PEL 37

Pancontinental Namibia, an entity held 33% by Africa Energy, holds a 30% participating interest in PEL 37 offshore the Republic of Namibia, resulting in Africa Energy holding an effective 10% interest in PEL 37. The license is operated by Tullow Namibia Limited, which holds 35% with partners ONGC Videsh and Paragon Oil and Gas holding 30% and 5%, respectively.

PEL 37 covers an area of 17,295 square kilometers of the northern Namibian offshore region located about 420 kilometers south of the Angolan/Namibian border. Water depths over PEL 37 range from 400 meters to 1,500 meters and over the main prospective area where the Cormorant-1 well was drilled and other prospects (Albatross, Seagull and Gannet) have been delineated, range from 400 meters to 600 meters.

In September 2018, the PEL 37 joint venture partnership drilled the Cormorant-1 well with the Ocean Rig Poseidon drillship in 548 meters of water to a total depth of 3,855 meters below sea level. The Cormorant-1 exploration well penetrated a 50-meter fan system of interbedded sandstones that proved to be water bearing. Wet gas signatures, indicative of oil, were encountered in the overlying shale section. The well has been plugged and abandoned. The geological data from the well will help determine the future prospectivity of PEL 37 where several additional prospects, with resource potential, have been mapped.

The PEL 37 joint venture partnership is currently in the Second Renewal Period, which is for a period of two years commencing March 28, 2018. During the Second Renewal Period, which is the last two-year exploration period, the joint venture partnership is obligated to drill an exploration well on PEL 37. The joint venture partners on PEL 37 have fulfilled the obligations of the current exploration period with the drilling of the Cormorant-1 well. The Government of the Republic of Namibia does not have back-in rights for PEL 37.

Reserves and resources have yet to be attributed to the Company's effective interest in PEL 37 as the Company has not had any of the identified prospects audited or prepared by a qualified reserves evaluator or auditor in accordance with the Canadian Oil and Gas Evaluation Handbook.

Namibia has a tax and royalty fiscal regime. Royalty is levied at a 5% rate of gross revenue and is deductible in the determination of corporate income tax, which is levied at a 35% rate of taxable income on a company basis. Royalty and additional profits tax are levied on each separate license area. In determining corporate income tax, exploration expenditure and operating expenditure are written off immediately and in full. Development expenditure is depreciated over 3 years on a straight-line basis. Exploration expenditure incurred by a licensee may be deducted in the computation of that licensee's taxable income from a producing license area. An additional 3-tiered profit tax, known as APT, is charged on the after-tax net cashflow in each license area separately. Exploration, development and operating expenditures, as well as royalty and corporate income tax, are all fully deductible in the year they are paid in the computation of APT. The APT will only be paid if the petroleum operations in a license area earns an after-tax real rate of return of 15%. The second and third tiers of APT become payable once the profitability level exceeds 20% and 25%, respectively. The first-tier rate of APT is established in the legislation at 25%. However, the incremental second and third tier of APT are negotiable and will be set out in the respective Petroleum Agreement. PEL 37 rates for the second and third tier have been negotiated at nil.

Specialized Skill and Knowledge

The Company requires experienced professionals with specialized skills and knowledge to gather, interpret and process geological and geophysical data, design, drill and complete wells, and numerous additional activities required to explore for, and potentially produce, oil and natural gas. This includes experienced professionals with specialist data analytical skills, mathematical and computer skills, and a solid knowledge of geological information, such as seismic and electromagnetic methods, and rock properties to assist in determining which areas should be explored, and while drilling methods will be most effective.

The Company's directors are comprised of seasoned veterans with successful track records in the oil and gas industry. An experienced management team with regional and sector experience leads Africa Energy. In addition, the Company has a proven technical team of geologists and geophysicists from Africa Oil and Tullow who have worked together in various countries in Africa, and who have stratigraphic trap play and rift play expertise. The Company employs a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff in order to provide the specialized skills and knowledge to undertake its oil and natural gas operations efficiently and effectively.

Competitive Conditions

The oil and natural gas industry is intensely competitive in all aspects, including the acquisition of oil and gas interests, the marketing of oil and natural gas, and acquiring or gaining access to necessary drilling and other equipment and supplies. Africa Energy competes with numerous other companies in the search for and acquisition of such prospects and in attracting skilled personnel. Africa Energy's competitors include oil companies that have greater financial resources, staff and facilities than those of Africa Energy and its partners. The Company's ability to discover reserves in the future will depend on its ability to successfully explore its present properties, to select and acquire suitable producing properties or prospects on which to conduct future exploration and to respond in a cost-effective manner to economic and competitive factors that affect the distribution and marketing of oil and natural gas. Africa Energy's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. The Company strives to be competitive by working with its partners to utilize current technologies to enhance its exploration and development activities.

Oil and natural gas producers are also facing increased competition from alternative forms of energy, fuel and related products that could have a material adverse effect on the Company's business, prospects and results of operations.

Cyclical Nature of Operations

Although the oil and gas industry is not cyclical, the Company's operational results and financial conditions are dependent on prices of oil and gas. Such prices may be volatile as they are determined by certain factors, including weather and the demand for oil and gas.

Economic Dependence

The Company is heavily dependent upon the results obtained under agreements, including exploration and production sharing agreements, joint venture agreements and farmout agreements that it has entered into for the exploration and extraction of hydrocarbons.

Environmental Protection

The Company's oil and gas operations are located in regions where there are numerous environmental regulations including restrictions on where and when oil and gas operations can occur, regulations on the release of substances into groundwater, atmosphere and surface land and the potential routing of pipelines or location of production facilities. All such regulations are strictly followed. The Company could potentially be liable for contamination on properties acquired and it attempts to mitigate the risk of inheriting environmental liabilities when conducting due diligence on these acquisition opportunities. Breach of environmental regulations in any of the regions in which the Company operates could result in restrictions or cessation of operations and the imposition of fines and penalties.

Environmental protection requirements have not, to date, had a significant effect on the capital expenditures, results of operations and competitive position of the Company. However, environmental regulations are expected to become more stringent in the future and costs associated with compliance are expected to increase. Any penalties or other sanctions imposed on the Company for non-compliance with environmental regulations could have a material adverse effect on the Company's business, prospects and results of operations.

Environmental Policies

Africa Energy is committed to operating its business responsibly. The Company's goal is to create a working environment such that the Company causes no harm to people, and where the Company minimizes its impact on the environment. The Company has established a safety and environmental policy which reflects these goals. The Company manages its business in accordance with certain principles, including aiming to meet or surpass statutory requirements and best practice, and operating the Company's business to ensure proactive risk mitigation. In the event that operational results and safety ever come into conflict, the Company has a responsibility to choose safety over operational results, and Africa Energy's leadership will support that choice.

Social Policies

The objective of Africa Energy's corporate responsibility strategy is to address the challenge of sustainability – delivering value to its shareholders and providing economic and social benefits to communities while concurrently minimizing its environmental footprint. The Company views its commitment to corporate responsibility as a strategic advantage that enables it to access and effectively manage new business opportunities. Africa Energy is committed to providing a safe, healthy, and transparent environment for employment, production, and sharing of the economic benefits that flow from its regional presence.

Africa Energy is committed to building a legitimate 'social license to operate' in the communities and countries in which it operates. The Company sees this as an essential foundation for its business activity. Africa Energy will therefore enter into dialogue and engagement with key stakeholders, conducted in the spirit of transparency and good faith, at all stages of company activities. Through ongoing stakeholder engagement led by country teams in each of its exploration theatres, community development initiatives reflecting local priorities would be identified and supported across three key areas: community infrastructure, sustainable livelihoods and economic development.

Africa Energy's Three-Year History

2016

In October 2016, the Company closed the following three transactions resulting in the acquisition of an aggregate 90% participating interest in, and operatorship of, Block 2B, offshore the Republic of South Africa:

- The Company paid $1 million to Afren plc and certain of its subsidiaries to acquire Main Street 840 (Proprietary) Limited, an entity incorporated in the Republic of South Africa that holds a 25% participating interest in Block 2B;
- The Company paid $2 million and issued 14.8 million common shares to acquire all of the shares of Thombo, a privately held company incorporated in the United Kingdom that operates and holds a 34.5% participating interest in Block 2B. The Company may be obligated to issue up to an additional 20 million shares of Africa Energy and to pay up to $1.5 million in additional contingent cash and/or shares, at the option of the Company, if certain milestones associated with the commercialization of Block 2B are achieved; and
- The Company completed a farm-in agreement with a subsidiary of Crown to acquire a 30.5% participating interest in Block 2B. The Company reimbursed Crown $0.3 million of net back costs and will fund costs for Crown's remaining 10% participating interest associated with the drilling and testing of the next well in Block 2B.

In November 2016, the Company completed a non-brokered private placement issuing an aggregate of 60,000,000 shares at a price of CDN$0.25 ($0.1865) per share for gross proceeds of CDN$15 million. A finder's fee was paid in the amount of $0.3 million in cash.

2017

In January 2017, prior to the expiry of the First Renewal Period of the Block 2B Exploration Right, the Company submitted an application for entry into the Second Renewal Period that is for a period of two (2) years from the date the application is approved.

In July 2017, Garrett Soden was appointed as the Company's President and Chief Executive Officer and to the Company's Board of Directors.

In September 2017, the Company completed the acquisition of one-third of the shares of Pancontinental Namibia, which holds a 30% participating interest in PEL 37. The Company paid Pancontinental Namibia $2.2 million at closing and agreed to pay an additional $5.5 million upon spud of the first exploration well provided that certain commercial conditions existed on the spud date.

In November 2017, Main Street 1549, a company owned 49% by Africa Energy, entered into farmout agreements with each of Total and CNRI to acquire an aggregate 10% participating interest in the Block 11B/12B, providing Africa Energy with an effective 4.9% interest. The Company paid a deposit of $0.5 million at signing and agreed to pay an addition $6.9 million at closing for reimbursement of past exploration expenditures. The Company also agreed to fund a portion of Total's and CNRI's costs for the proposed exploration well, Brulpadda-1AX, to a maximum of $7.6 million, plus certain contingent payments due at various milestones associated with commercialization of hydrocarbons from Block 11B/12B.

2018

In February 2018, the PEL 37 joint venture partnership received notification from the Ministry of Mines and Energy in Namibia that its application for entry into the Second Renewal Period had been approved. The Second Renewal Period is for a period of two years commencing March 28, 2018 and included an obligation to drill an exploration well on PEL 37.

Also in February 2018, the Company received notification from the Petroleum Agency of South Africa that its application for entry into the Second Renewal Period for Block 2B had been approved. The Second Renewal Period of Block 2B is for a period of two (2) years commencing February 20, 2018. During the Second Renewal Period, the joint venture partners are obligated to perform studies and evaluations to determine potential commerciality, and economic sensitivity modelling to establish whether the drilling of a well could prove up potentially commercial oil volumes. If it is determined that drilling could prove up potentially commercial oil volumes, the joint venture partners are obligated to drill an exploration well on Block 2B.

In March 2018, the Company announced that the PEL 37 joint venture partners signed a rig contract for the Ocean Rig Poseidon, a sixth-generation deep water drillship, to drill the Cormorant-1 well planned for September 1, 2018.

In May 2018, the Company closed a private placement and issued 362,390,625 of its shares at the price of CAD $0.16 (corresponding to SEK 1.09) per share to raise gross proceeds of approximately $45.0 million. The Company's related party, Africa Oil, increased its interest in the Company from 28.5% to 34.5%. The Company considered the related party transaction to be exempt from the formal valuation and minority shareholder approval requirements of *MI 61-101* pursuant to sections 5.5(b) and 5.7(g), respectively, of *MI 61-101*, as it considered that failure to complete the private placement would cause significant financial hardship to the Company, given its current cash on hand and its financial obligations, including its funding obligations in respect of Block 11B/12B. The Company expects to use the proceeds from the offering to finance the Company's general corporate costs, including listing fees and transaction costs, and the acquisition, drilling, and other joint venture costs for its projects offshore South Africa and Namibia.

In May 2018, the Company also announced that Nasdaq had approved the Company's application for a secondary listing of its Shares on Nasdaq. On May 4, 2018, the Company's Shares commenced trading on Nasdaq under the ticker symbol 'AEC'. The secondary listing increased the Company's trading liquidity and provided access to a broader investor base in Europe. Pareto Securities AB agreed to act as Certified Adviser to Africa Energy on Nasdaq.

In July 2018, Adrian Nel, a director of the Company, retired and did not to stand for re-election at the Company's Annual General and Special Meeting of Shareholders. Adam Lundin was appointed to the Company's Board of Directors as an independent director.

In September 2018, the Company drilled the Cormorant-1 exploration well on PEL 37 offshore the Republic of Namibia with the Ocean Rig Poseidon drillship to a total depth of 3,855 meters below sea level. The Cormorant-1 well penetrated a 50-meter fan system of interbedded sandstones that proved to be water bearing. Wet gas signatures, indicative of oil, were encountered in the overlying shale section. The well has been plugged and abandoned. The geological data from the well will help determine the future prospectivity of PEL 37 where several additional prospects with resource potential have been mapped.

In December 2018, Main Street 1549, an entity held 49% by Africa Energy, closed farmin agreements with each of Total and CNRI to acquire an aggregate 10% participating interest in the Block 11B/12B Exploration Right offshore South Africa, resulting in Africa Energy holding an effective 4.9% interest in Block 11B/12B. At closing of the farmin agreements, the Company paid an aggregate of $16.5 million for its share of the Main Street 1549 costs due. These payments included reimbursement for past exploration expenditures, interim period costs, an agreed carry amount for Brulpadda well costs and the applicable value added tax, which was recovered subsequent to year end.

Also in December 2018, the Company announced the spud of the Brulpadda-1AX re-entry well on Block 11B/12B.

As of the Date of This AIF

In February 2019, the Company announced a significant gas condensate and light oil discovery on the Brulpadda prospects located on Block 11B/12B. The Brulpadda well was drilled in 1,432 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 below sea level 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. Core samples were taken in the upper reservoir, and a comprehensive logging and sampling program was performed over both reservoirs. The discovery has opened a new world-class gas and oil play, and the Company is well positioned to test several follow-on prospects on the same block. The joint venture partnership for Block 11B/12B plan to acquire 3D seismic in 2019, followed by up to four exploration wells.

RISK FACTORS

The Company's operations are subject to various risk factors and uncertainties, including, but not limited to, those listed below.

International Operations

Oil and gas exploration, development and production activities in emerging markets are subject to significant political and economic uncertainties which may adversely affect the Company's operations. Uncertainties include, but are not limited to, the risk of war, terrorism, expropriation, civil unrest, nationalization, 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, and the imposition of currency controls. These uncertainties, all of which are beyond the Company's control, could have a material adverse effect on the Company's business, prospects and results of operations. In addition, if legal disputes arise related to oil and gas concessions acquired by the Company, the Company 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 the Company acquires an interest. 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 the Company will be able to obtain all necessary licenses and permits when required. To mitigate some of this risk, the Company focuses on operations in stable countries with good commercial terms.

Uncertainty of Title

Although the Company conducts title reviews prior to acquiring an interest in a concession, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise that may call into question the Company's interest in the concession. Any uncertainty with respect to one or more of the Company's concession interests could have a material adverse effect on the Company's business, prospects and results of operations.

Financial Statements Prepared on a Going Concern Basis

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. Africa Energy's operations to date have been primarily financed by equity financing. Africa Energy's future operations are dependent upon the identification and successful completion of equity or debt financing, the achievement of profitable operations or partial divestiture and farmout agreements. There can be no assurances that the Company will be successful in completing an equity or debt financing, or a partial divestiture or farmout arrangement, or in achieving profitability. The consolidated financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Different Legal System and Litigation

The legal system within the countries in which the Company operates differs in various degrees from that of Canada. Rules, regulations and legal principles may differ both relating to matters of substantive law and in respect of such matters as court procedure and enforcement. Almost all material production and exploration rights and related contracts of the Company will be subject to the national or local laws of South Africa and Namibia. This means that the Company's ability to exercise or enforce its rights and obligations will differ from what would have been the case if such rights and obligations were subject to Canadian law and jurisdiction.

The Company's operations are, to a large extent, subject to various complex laws and regulations as well as detailed provisions in concessions, licenses and agreements that often involve several parties. If the Company were to become involved in legal disputes in order to defend or enforce any of its rights or obligations under such concessions, licenses, agreements or otherwise, such disputes or related litigation may be costly and time consuming and the outcome may be highly uncertain. Even if the

Company would ultimately prevail, such disputes and litigation may still have a substantially negative effect on the Company's business, assets, financial conditions and its operations.

Risks Inherent in Oil and Gas Exploration and Development

Oil and gas operations involve many inherent risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that expenditures made on future exploration by the Company will result in discoveries of oil or natural gas in commercial quantities or that commercial quantities of oil and natural gas will be discovered or acquired by the Company. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

The Company's business is subject to all of the risks and hazards inherent in businesses involved in the exploration for, and the acquisition, development, production and marketing of, oil and natural gas, many of which cannot be overcome even with a combination of experience, knowledge and careful evaluation. The risks and hazards typically associated with oil and gas operations include fire, explosion, blowouts, sour gas releases, pipeline ruptures and oil spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property, the environment or personal injury.

Capital Requirements

To finance its future acquisition, exploration, development and operating costs, the Company may require financing from external sources, including from the issuance of new shares, issuance of debt or execution of working interest farm-out agreements. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of the Company may be diluted. If unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned exploration and development activities which may ultimately lead to the Company's inability to fulfil the minimum work obligations under the terms of its various exploration agreements. Availability of capital will also directly impact the Company's ability to take advantage of acquisition opportunities.

Shared Ownership and Dependency on Partners

The Company's operations may, to varying degrees, be conducted together with one or more partners through contractual arrangements. In such instances, the Company may be dependent on, or affected by, the due performance of its partners. If a partner fails to perform, the Company may, among other things, risk losing rights or revenues or incur additional obligations or costs in order to itself perform in place of its partners. The Company and its partners may also, from time to time, have different opinions on how to conduct certain operations or on what their respective rights and obligations are under a certain agreement. If a dispute were to arise with one or more partners relating to a project, such dispute may have significant negative effects on the Company's operations relating to such project.

Main Street 1549, an entity held 49% by the Company, has financial obligations in respect of Block 11B/12B. In the event that the shareholders of Main Street 1549 cannot fund obligations due in the future, the Company may, among other things, risk losing its effective interest in Block 11B/12B.

Pancontinental Namibia, an entity held one-third by the Company, has financial obligations in respect of PEL 37. In the event that the shareholders of Pancontinental Namibia cannot fund obligations in the future, as required by the PEL 37 joint operating agreement, the Company may, among other things, risk losing its effective interest in PEL 37.

Risks Relating to Concessions, Licenses and Contracts

The Company's operations are based on a relatively small number of concession agreements, licenses and contracts. The rights and obligations under such concessions, licenses and contracts may be subject to interpretation and could also be affected by, among other things, matters outside the control of the Company. In case of a dispute, it cannot be certain that the view of the Company would prevail or that the Company otherwise could effectively enforce its rights which, in turn, could have significantly negative effects on the Company. In addition, if the Company or any of its partners were deemed not to have complied with their duties or obligations under a concession, license or contract, the Company's rights under such concessions, licenses or contracts may be relinquished in whole or in part.

Risks Relating to South African Regulations

Many of the Company's holdings are in South Africa and are subject to South African laws and regulations, such as the Liquid Fuels Charter made November 2, 2000 and the Mineral and Petroleum Resources Development Act. The Liquid Fuels Charter requires the holder of certain exploration rights and licences to make sincere attempts to find a suitable partner who is a Historically Disadvantaged South African and to make available to such partner not more than a 1/10th undivided interest share in the right or license at fair market value. The terms of, and application of, these black empowerment policies and other laws and regulations in South Africa are subject to change and may impact the Company's holdings in South Africa. In addition, there is a bill, dating back to 2013, to amend the primary legislation governing the upstream hydrocarbons sector in South Africa, the *MPRDA*. If amendments are made to the fiscal parameters as well as the general administration right/concessions in the current *MPRDA*, it may also impact the Company's holdings in South Africa.

Climate Change Legislation

Climate change continues to be a global challenge. Cities and countries are increasingly seeking to hold companies financially responsible for changes in climate and the global effects of climate change. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place in order to promote the reduction of greenhouse gas emissions. The petroleum industry faces scrutiny from individuals and governments, worldwide, that the use of fossil fuels to meet the world's energy demands contributes to the rise of greenhouse gas emissions in the world's atmosphere.

Implementation of strategies by any level of government within the countries in which the Company operates, and whether to meet international agreed limits, or as otherwise determined, for reducing greenhouse gases and to address climate change could have a material impact on the operations and financial condition of the Company. In addition, concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of fossil fuels. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

Environmental Regulation

The oil and natural gas industry is subject to environmental regulation pursuant to the local, provincial (or state) and federal legislation, as applicable, within each of the Company's countries of operation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect of the Company or the oil and gas assets, some of which may be material. Furthermore, management of the Company believes the political climate appears to favour new programs for environmental laws and regulation, particularly in relation to the reduction of emissions or emissions intensity, and there is a risk that any such programs, laws or regulations, if proposed and enacted, will contain emission reduction targets which the Company cannot meet, and financial penalties or charges could be incurred as a result of the failure to meet such targets.

Drilling for and production, handling, transporting and disposing of oil and gas and petroleum by-products are subject to extensive regulation under national and local environmental laws. Environmental regulations may impose, among other things, restrictions, liabilities and obligations in connection with water and air pollution control, waste management, permitting requirements and restrictions on operations in environmentally sensitive areas. Environmental protection requirements have not, to date, had a significant effect on the capital expenditures, results of operations and competitive position of the Company. However, environmental regulations are expected to become more stringent in the future and costs associated with compliance are expected to increase. Any penalties or other sanctions imposed on the Company for non-compliance with environmental regulations could have a material adverse effect on the Company's business, prospects and results of operations.

Availability of Equipment and Personnel

The Company's oil and natural gas exploration and development activities will be dependent on the availability of drilling and related equipment and qualified staff in the particular areas where such activities are or will be conducted. The Company and its partners propose to lease all the drilling rigs required for its exploration and development activities. There are significant logistical obstacles associated with transporting such drilling rigs. Shortages of such equipment or personnel may affect the availability of such equipment to the Company and may delay the Company's exploration and development activities and result in lower production.

Reliance on Key Personnel

There are significant logistical and safety obstacles associated with placing key personnel in certain countries in Africa, where the Company is focused. The loss of the services of such key personnel could have a material adverse effect on the Company's business, prospects and results of operations. The Company does not propose to obtain key person insurance in respect of the lives of any key personnel. In addition, competition for qualified personnel in the oil and gas industry is intense and there can be no assurance that the Company will be able to attract and retain the skilled personnel necessary for operation and development of its business. Success of the Company is largely dependent upon the performance of its management and key personnel.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Company. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could have an adverse effect on the Company's business and prospects.

Early Stage of Development

The Company has conducted oil and gas exploration activities for a relatively short period. There is limited financial, operational and other information available with which to evaluate the prospects of the Company. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

Current Global Financial Conditions

Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by sovereign debt concerns in Europe and the United States, as well as concerns over global growth rates and conditions. These factors may impact the ability of the Company to obtain equity or debt financing in the future, and, if obtained, on terms favourable to the Company. Increased levels of volatility and market turmoil can adversely impact the Company's operations and the value and price of the common shares could be adversely affected.

Foreign Currency Exchange Rate Risk

The Company is exposed to changes in foreign exchange rates as expenses in international subsidiaries, oil and gas expenditures, or financial instruments may fluctuate due to changes in rates. The Company's exposure is partially offset by sourcing capital projects and expenditures in US dollars. Africa Energy had no forward exchange contracts in place as at December 31, 2018.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity describes a company's ability to access cash. Companies operating in the upstream oil and gas industry, during the exploration phase, require sufficient cash in order to fulfill their work commitments in accordance with contractual obligations and to be able to potentially acquire strategic oil and gas assets.

The Company will potentially issue debt or equity and enter into farmout agreements with joint venture partners to ensure the Company has sufficient available funds to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support these financial obligations and the Company's capital programs. The Company will also adjust the pace of its exploration activities to manage its liquidity position.

Credit Risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. The majority of the Company's credit exposure relates to amounts due from its joint venture partners. The risk of the Company's joint venture partners defaulting on their obligations per their respective joint operating and farmout agreements is mitigated as there are contractual provisions allowing the Company to default joint venture partners who are non-performing and reacquire any previous farmed out working interests.

Conflict of Interests

Certain of the directors of the Company are also directors or officers of other companies, including oil and gas companies, the interests of which may, in certain circumstances, come into conflict with those of the Company. Those officers and directors will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

The *BC BCA* provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose their interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the *BC BCA*. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *BC BCA*.

Anti-Bribery and Anti-Corruption Laws

The Company is subject to anti-bribery and anti-corruption laws, including the Corruption of Foreign Public Officials Act (Canada). Failure to comply with these laws could subject the Company to, among other things, reputational damage, civil or criminal penalties, other remedial measures and legal expenses which could adversely affect the Company's business, results in operations, and financial condition. To mitigate this risk, the Company has an anti-corruption policy in place for its personnel, and consultants. However, it may not be possible for the Company to ensure compliance with anti-bribery and anti-corruption laws in every jurisdiction in which its directors, employees, agents, sub-contractors or joint venture partners are located or may be located in the future.

Information Systems

Africa Energy has become increasingly dependent upon the availability, capacity, reliability and security of the Company's information technology (IT) infrastructure and its ability to expand and continually update this infrastructure, to conduct daily operations. It depends on various IT systems to estimate resources and reserve quantities, process and record financial and operating data, analyze seismic and drilling information, and communicate with employees and third-party partners. The Company's IT systems are increasingly integrated in terms of geography, number of systems, and key resources supporting the delivery of IT systems. The performance of key suppliers is critical to ensure appropriate delivery of key services. Any failure to manage, expand and update the IT infrastructure, any failure in the extension or operation of this infrastructure, or any failure by key resources or service providers in the performance of their services could materially and adversely affect the Company's business.

The ability of the IT function to support the Company's business in the event of a disaster such as fire, flood or loss of any of the office locations and the ability to recover key systems from unexpected interruptions cannot be fully tested. There is a risk that, if such an event actually occurs, the Company's continuity plan may not be adequate to immediately address all repercussions of the disaster. In the event of a disaster affecting a data center or key office location, key systems may be unavailable for a number of days, leading to inability to perform some business processes in a timely manner.

Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to the Company's business activities or its competitive position. Further, disruption of critical IT services, or breaches of information security, could have a negative effect on the Company's operational performance and its reputation.

The Company applies technical and process controls in line with industry-accepted standards to protect information, assets and systems; however, these controls may not adequately prevent cyber-security breaches. There is no assurance that the Company will not suffer losses associated with cyber-security breaches in the future and may be required to expend significant additional resources to investigate, mitigate and remediate any potential vulnerabilities.

Limitation of Legal Remedies

Securities legislation in certain of the provinces and territories of Canada provides purchasers with various rights and remedies when a reporting issuer's continuous disclosure contains a misrepresentation, and ongoing rights to bring actions for civil liability for secondary market disclosure. Under the legislation, the directors would be liable for a misrepresentation. It may be difficult for investors to collect from the directors who are resident outside Canada on judgments obtained in courts in Canada predicated on the purchaser's statutory rights and on other civil liability provisions of Canadian securities legislation.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Company's then-existing debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. The Company's articles do not limit the amount of indebtedness that the Company may incur. The level of the indebtedness that the Company may have from time to time could impair the Company's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Risks Relating to the Shares

Significant shareholder

Africa Oil owns 236,052,414 shares in the Company, representing approximately 34.5% of the voting Shares of the Company. Africa Oil's interest in the Company will allow Africa Oil to significantly affect substantially all the actions taken by the shareholders of the Company, including the election of directors. As long as Africa Oil maintains a significant interest in the Company, it is likely that Africa Oil will exercise significant influence on the ability of the Company to, among other things, amend the articles of the Company, enter into a change in control transaction that might otherwise be beneficial to its shareholders and may also discourage acquisition bids for the Company. There is a risk that the interests of Africa Oil will not be aligned with the interests of other shareholders.

Share Price Volatility

The market price for the Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Company;
- the loss of executive officers and other key personnel of the Company;
- sales or perceived sales of large volume of shares;
- significant acquisitions or business combinations, strategic partnerships or joint ventures; and
- commitments by or involving the Company or its competitors; and trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's business segments or target markets.

Financial markets can experience significant price and volume fluctuations that may particularly affect the market prices of equity securities of companies and that may be unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. These factors, as well as other related factors, may cause decreases in asset values, which may result in impairment losses.

Selling Off of Shares

The market price for Africa Energy's Shares may be volatile, and subject to some fluctuations. To the extent that any issued and outstanding Shares are sold into the market, there may be an oversupply of the Company's Shares and an undersupply of purchasers. If this occurs the market price for the Shares may decline significantly and investors may be unable to sell their Shares at a profit, or at all.

Dilution

Issuances of additional shares of Africa Energy (for example in the event the Company requires additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities) including, but not limited to, the Company's Shares or some form of convertible debentures, will result in a dilution of the equity and voting interests of any persons who are shareholders of the Company. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. On December 16, 2015, the Company executed a share purchase agreement to acquire all of the shares of Thombo, holding 34.5% participating interest and operatorship in Block 2B. The transaction closed on October 21, 2016, whereby the Company paid $2.0 million less obligations outstanding at the effective date and issued 14.8 million new Shares of the Company to acquire all the shares of Thombo. The Company may also issue up to an additional 20 million shares of Africa Energy and to pay up to $1.5 million in additional contingent cash and/or shares of Africa Energy, at the option of the Company, if certain milestones associated with the commercialization of Block 2B are achieved. Thus, holders of the Company's Shares bear the risk of any future issuance of additional shares of Africa Energy reducing the market price of the Shares and diluting their shareholdings in the Company.

Risks related to illiquid trading

Africa Energy Shares are listed on the TSX-V, the Company's primary listing of its Shares, and on Nasdaq, the Company's secondary listing of its Shares. There can be no assurance that an active trading market will develop for the Company's Shares, or if developed, that such a market will be sustained at the current trading price of the Company's Shares. Should active and liquid trading not be sustained, holders of Africa Energy's Shares may experience difficulties in selling the Company's Shares, either momentarily, or completely.

Industry Regulatory

Existing regulations in the oil industry, and changes to such regulations, may present regulatory and economic barriers to the purchase and use of certain products, which may significantly reduce the Company's revenues.

Authorized Securities

The Company's Shares entitle its shareholders to receive notice of and to attend at all meetings of Africa Energy's shareholders. Each share entitles the holder to one vote, either in person or by proxy, on any resolution to be passed at such shareholders' meeting. The holders of Shares are also entitled to dividends if, as and when declared by the Board of Directors of the Company. Upon the liquidation, dissolution or winding up of the Company, the holders of the Shares are entitled to receive the remaining assets of the Company available for distribution to the shareholders.

As of December 31, 2018, the Company had 683,356,094 shares issued and outstanding. The Company has unlimited authorized capital of Shares without par value, and without special rights or restrictions attached, of which 683,489,427 shares were issued and outstanding as fully paid and non-assessable as at the date of this AIF.

Market For Securities

Price Ranges and Volume Traded - Canada

Africa Energy's primary listing of its Shares is on the TSX-V under the trading symbol 'AFE.' The following table sets out the price ranges and volume traded of the Company's Shares on the TSX-V for the year ended December 31, 2018:

Month	High (CAD$)	Low (CAD$)	Volume
January 2018	0.2	0.17	1,456,700
February 2018	0.195	0.18	627,000
March 2018	0.2	0.155	10,440,100
April 2018	0.24	0.15	3,248,300
May 2018	0.195	0.15	5,235,800
June 2018	0.19	0.155	1,246,000
July 2018	0.175	0.155	1,694,600
August 2018	0.245	0.16	4,996,400
September 2018	0.24	0.175	3,859,700
October 2018	0.2	0.155	2,431,000
November 2018	0.18	0.15	2,190,300
December 2018	0.215	0.145	2,462,600

Price Ranges and Volume Traded - Sweden

Africa Energy's secondary listing of its Shares is on Nasdaq under the trading symbol 'AEC.' The following table sets out the price ranges and volume traded of the Company's Shares on Nasdaq for the year ended December 31, 2018:

Month	High (SEK)	Low (SEK)	Volume
January 2018	N/A	N/A	N/A
February 2018	N/A	N/A	N/A
March 2018	N/A	N/A	N/A
April 2018	N/A	N/A	N/A
May 2018	1.01	1.0	67,787,918
June 2018	1.09	0.95	7,548,397
July 2018	1.12	1.01	7,795,575
August 2018	1.91	1.08	113,317,480
September 2018	1.85	1.06	114,054,843
October 2018	1.37	1.09	26,893,301
November 2018	1.23	1.01	35,131,749
December 2018	1.56	1.02	73,734,532

Prior Sales

Stock Options

The table below summarizes the stock options that were issued by the Company in 2018:

Date of Issuance	Expiry Date	Number of Options	Exercise Price
May 14, 2018	May 14, 2023	17,565,000	$0.165
July 5, 2018	July 5, 2023	620,000	$0.165

The Directors and Officers of Africa Energy

The Directors

The table below states the name, province or state and country of residence of each of the directors of Africa Energy, their respective principal occupations during the last five years, and the period during which each has served as a director of Africa Energy.

Director *Name, Province/State, Country*	**Principal Occupation** *Past Five Years*	**Director Since** [1]
Ashley Heppenstall [3] [4] [9] London, United Kingdom	Lead Director of Lundin Gold Inc., Filo Mining Corp. and International Petroleum Corporation, and a director of Lundin Petroleum AB. Until September 2015, Mr. Heppenstall was the President and Chief Executive Officer of Lundin Petroleum AB, and he is a former director of Vostok Nafta Investment Ltd., Etrion Corporation, and ShaMaran Petroleum Corp.	2015
Garrett Soden Madrid, Spain	President and Chief Executive Officer of Africa Energy since 2017. Senior executive with the Lundin Group for over a decade. Mr. Soden is a Non-Executive Director of Etrion Corporation, Gulf Keystone Petroleum Ltd., Panoro Energy ASA and Phoenix Global Resources PLC. Previously, he was Chairman and CEO of RusForest AB, CFO of Etrion and PetroFalcon Corporation and a Non-Executive Director of Petropavlovsk PLC and PA Resources AB.	2017
John Bentley [3] [6] Cupar, United Kingdom	Chairman of Faroe Petroleum plc, Deputy Chairman of Wentworth Resources Ltd and a director of Phoenix Global Resources plc. Mr. Bentley has also served on the boards of Kea Petroleum plc, Scotgold Resources Ltd., and Caracal Energy Inc.	2015
Ian Gibbs [2] [5] [7] British Columbia, Canada	Chief Financial Officer of Africa Oil Corp., and a director of Lundin Gold Inc. Mr. Gibbs is a former director of Petro Vista Energy Corp., the former Chief Financial Officer of Valkyries Petroleum Corp., Tanganyika Oil Company Ltd. and ShaMaran Petroleum Corp. (formerly Bayou Bend Petroleum Ltd.).	2011
Keith C. Hill [5] [8] Florida, USA	President and Chief Executive Officer and a director of Africa Oil Corp., and Chairman of ShaMaran Petroleum Corp., director of TAG Oil Ltd. and director of ECO Atlantic Oil & Gas Ltd.; formerly Chairman and director of Petro Vista Energy Corp., director of Tyner Resources Ltd., President and Chief Executive Officer of Pearl Exploration and Production Ltd. (now BlackPearl Resources Ltd.), Valkyries Petroleum Corp. and Bayou Bend Petroleum (now ShaMaran Petroleum Corp.).	2011
Adam Lundin [7] [9] British Columbia, Canada	President and Chief Executive Officer of Filo Mining Corp. since 2017, and the former Co-Head of the London Office of Pareto Securities Ltd. from November 2012 to August 2017.	2018

Notes:

(1) The term of office of each of the present directors of Africa Energy expires at the next annual general meeting of the Company's shareholders, which shall be held on June 13, 2019.
(2) Audit Committee Chair.
(3) Audit Committee Member.
(4) Compensation Committee Chair.
(5) Compensation Committee Member.
(6) Corporate Governance and Nominating Committee Chair.
(7) Corporate Governance and Nominating Committee Member.
(8) Reserves Committee Chair.

(9) Reserves Committee Member.

The Executive Officers

The table below states the name, province or state and country of residence of each of the executive officers of Africa Energy, their respective positions and offices held with the Company, and their principal occupations during the five preceding years. Mr. Garrett Soden, the Company's President and Chief Executive Officer, is discussed above under 'The Directors'.

Executive Officers *Name, Province/State, Country*	**Positions with Africa Energy and Principal Occupations** *Past Five Years*
Jeromie Kufflick Alberta, Canada	Chief Financial Officer of the Company since 2011. Mr. Kufflick was the former Controller for Africa Oil Corp., and the former Controller at Trican Well Service Ltd.
Jan Maier South Africa	Vice President Exploration of the Company since 2015, and the New Ventures Exploration Manager at Tullow Oil plc since 2004. Mr. Maier has more than 30 years of experience in African new venture exploration.

Security Holdings

As at the date of this AIF, the directors and executive officers of the Company, as a group, beneficially own, or control or direct, directly or indirectly, 52,038,063 shares of Africa Energy, representing approximately 7.61% of the issued and outstanding Shares of the Company. This security holding information was obtained from publicly disclosed information and has not been independently verified by the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no director or executive officer of the Company:

a) Corporate
   a. No director or executive officer of the Company is, as at the date of the AIF, or has within the ten (10) years before the date of the AIF, been a director, chief executive officer, or chief financial officer of any company (including Africa Energy) that:
      i. Was the subject of a cease trade or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days that was issued (A) while that individual was acting in such capacity; or (B) after that individual ceased to act in that capacity and which resulted from an event that occurred while that person was acting in such capacity; or
      ii. Became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets (A) while that person was acting in such capacity, or (B) within a year of that person ceasing to act in that capacity; or

b) Personal
   a. No director or executive officer of the Company has, within the ten (10) years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold that person's assets; or
   b. No director, executive officer, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or has been the subject of any penalties or sanctions (A) imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or (B) imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

John Bentley is a former director of Kea Petroleum plc., which announced on January 7, 2016 that it had entered into voluntary liquidation.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors, officers.

Conflicts of Interest

The Company's, or its subsidiaries', directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether the Company will participate in a program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and the financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *BC BCA* and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed below, the directors and officers of the Company are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving Africa Energy.

Legal Proceedings and Regulatory Actions

Legal Proceedings

Neither the Company nor its material subsidiaries and material properties are currently subject to any material legal proceedings or regulatory actions.

Regulatory Actions

No penalties or sanctions were imposed by a court relating to securities legislation or by a securities regulatory authority during the Company's recently completed financial year, nor were there any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, nor were any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority during the Company's recently completed financial year.

Interest of Management and Others in Material Transactions

No director or executive director of the Company, or person or company that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the Company's Shares, nor any associate or affiliate of any such person, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years of the Company, or during the current financial year, that has materially affected or will materially affect the Company, other than as described below.

Africa Oil currently holds 34.5% of the outstanding Shares of the Company. There is also a management services arrangement between the Company and Africa Oil for the provision of certain management and administrative services.

On October 21, 2016, the Company completed a transaction with Thombo whereby it paid $2.0 million and issued 14.8 million new shares of the Company to acquire all of the shares of Thombo, a privately held company operating and holding a 34.5% participating interest in Block 2B. Mr. John Bentley was a shareholder and director of Thombo at the time the shares of Thombo were acquired by the Company. Mr. Bentley disclosed to the board of directors that he had a disclosable interest in respect of Thombo and abstained from voting in respect of the transaction with Thombo in accordance with section 149(2) of the *BC BCA*.

Material Contracts

The Company has not, within the last financial year, entered into any material contracts, nor are there any material contracts entered into before the last financial year that are still in effect.

Names and Interests of Experts

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing made under NI 51-102 by the Company during the current financial year other than PricewaterhouseCoopers LLP, Africa Energy's auditors. PricewaterhouseCoopers LLP, the Company's auditors, are independent in accordance with the auditor's rules of professional conduct in Alberta.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Africa Energy or any associate or affiliate of Africa Energy.

Additional Information

Additional information relating to the Company may be found on the Company's SEDAR profile at www.sedar.com.

In particular, additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's information circular for its most recent annual meeting of securityholders that involved the election of directors.

Additional financial information is provided in the Company's audited consolidated financial statements and corresponding MD&A as at and for the year ended December 31, 2018.

SCHEDULE A

AFRICA ENERGY CORP.

(the "Reporting Issuer" or, "Africa Energy" or the "Company")

FORM NI 51-101F1
STATEMENT OF RESERVES DATA AND
OTHER OIL AND GAS INFORMATION
For fiscal year ended December 31, 2018

(This is the form referred to in item 1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Terms for which a meaning is given in NI 51-101 have the same meaning in this Form 51-101F1.)

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PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. The date of this report and statement is: February 28, 2019
2. The Effective Date of information provided in this statement is as of the Company's most recently completed fiscal year ended: December 31, 2018.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

The Company, or one of its wholly owned subsidiaries, holds an interest in the following assets:

1. 4.9% effective interest the Exploration Right for Block 11B/12B offshore the Republic of South Africa ("Block 11B/12B"). The Company owns 49% of the shares of Main Street 1549 Proprietary Limited ("Main Street 1549"), which holds a 10% participating interest in Block 11B/12B. The investment in Main Street 1549 is treated as an equity investment. The joint venture partnership for Block 11B/12B spudded the Brulpadda-1AX well in December 2018 and competed the well in February 2019.

2. 90% participating interest in the Exploration Right for Block 2B offshore the Republic of South Africa ("Block 2B").

3. 10% effective interest in Petroleum Exploration Licence 37 offshore the Republic of Namibia ("PEL 37"). The Company owns 33.3% of the shares of Pancontinental Namibia Pty Ltd. ("Pancontinental Namibia"), which holds a 30% participating interest in PEL 37. The investment in Pancontinental Namibia is treated as an equity investment. The joint venture partnership for PEL 37 drilled the Cormorant-1 well in 2018.

ITEM 6.2 PROPERTIES WITH NO ATTRIBUTED RESERVES

The Company does not have any properties with attributed reserves. At December 31, 2018, the Company held a 4.9% effective interest in Block 11B/12B, a 90% participating interest in Block 2B and a 10% effective interest in PEL 37.

Block11B/12B, offshore Republic of South Africa

In December 2018, Main Street 1549, an entity held 49% by Africa Energy, closed farmin agreements with Total E&P South Africa BV ("Total"), a wholly-owned subsidiary of Total SA, and CNR International (South Africa) Limited ("CNRI"), a wholly-owned subsidiary of Canadian Natural Resources Limited, to acquire an aggregate 10% participating interest in the Exploration Right for Block 11B/12B offshore South Africa, resulting in Africa Energy holding an effective 4.9% interest in Block 11B/12B.

Block 11B/12B is located in the Outeniqua Basin approximately 175 kilometers off the southern coast of South Africa. The block covers an area of 18,734 square kilometers with water depths ranging from 200 in the north to 1,800 meters in the south.

The joint venture partners on Block 11B/12B spudded the Brulpadda-1AX exploration well late in 2018, and in February 2019, the Company announced a significant gas condensate and light oil discovery at Brulpadda-1AX. The Brulpadda well was successfully drilled in 1,432 meters of water by the Odfjell Deepsea Stavanger semi-submersible rig and deepened to a final depth of 3,633 meters. The Brulpadda discovery opens a new world-class oil and gas play with substantial follow-on potential. The success at both the Brulpadda primary and secondary targets significantly de-risks four other similar prospects already defined on the existing 2D seismic. The Block 11B/12B partners plan to acquire 3D seismic this year, followed by up to four exploration wells. The Paddavissie Fairway is defined by the Brulpadda discovery and the remaining four Paddavissie prospects that have clear amplitude anomalies with excellent structural conformance and flat spots indicating presence of hydrocarbons.

The Block 11B/12B joint venture partnership is currently in the Second Renewal Period for the Block 11B/12B Exploration Right, which is for a period of two years ending May 17, 2020. At the end of Second Renewal Period a decision will be made to either relinquish or renew the right into the Third Renewal Period, being the final period in the Exploration Right. Upon declaration of commerciality on Block 11B/12B prior to expiry of the Exploration Right, the joint venture partnership has the exclusive right to apply for a Production Right with the Government of the Republic of South Africa. The Government of the Republic of South Africa has a 10% back-in right, and the joint venture partnership must make 10% of the Exploration Right available to Historically Disadvantaged South Africans at fair market value. Main Street 1549 satisfies this requirement in the Block 11B/12B Exploration Right.

Block 2B, offshore Republic of South Africa

Block 2B covers 3,604 square kilometers of the South African Western offshore about 300 kilometers north of Cape Town. Water depths over the block are 50 meters to 200 meters. Over the main area of interest in the block, the A-J rift graben, water depth ranges from 140 meters to 160 meters. Block 2B is an under explored area containing a proven hydrocarbon- bearing rift basin. A well drilled by South African state company Soekor in 1988, the A-J1 well, discovered and tested oil from a Cretaceous sandstone section but there has been limited exploration since then. Block 2B contains numerous prospects identified by 3D seismic and limited work is now required to recommence drilling activities in the area.

Under the terms of the Block 2B Exploration Right, the Company and its partner, Crown Energy AB, fulfilled the obligations of the First Renewal Period that expired in March 2017. Prior to the expiry, and in accordance with the terms of the Exploration Right for Block 2B, the Company submitted an application for entry into the Second Renewal Period which was approved in February 2018. The Block 2B joint venture partnership is currently in the Second Renewal Period of the Exploration Right which is for a period of two years commencing February 20, 2018. During the Second Renewal Period, the joint venture partners are obligated to perform studies and evaluations to determine potential commerciality, and economic sensitivity modelling to establish whether the drilling of a well could prove up potentially commercial oil volumes. If it is determined that drilling could prove up potentially commercial oil volumes, then the joint venture partnership is obligated to drill an exploration well on Block 2B. At the end of the Second Renewal Period, a decision will be made to either relinquish the right in full or renew the right into the Third Renewal Period, being the final period in the Exploration Right, with a relinquishment of not less than 15% of the current exploration area. In the event of a commercial discovery prior to expiry of the Exploration Right, the joint venture partnership has the exclusive right to apply for a Production Right with the Government of the Republic of South Africa. The Government of the Republic of South Africa has a 10% back-in right, and the joint venture partnership must make 10% of the Exploration Right available to Historically Disadvantaged South Africans at fair market value.

PEL 37, offshore Republic of Namibia

PEL 37 covers an area of 17,295 square kilometers of the northern Namibian offshore region located about 420 kilometers south of the Angolan/Namibian border. Water depths over PEL 37 range from 400 meters to 1500 meters and over the main prospective area where the Cormorant and other prospects (Albatross, Seagull and Gannet) have been delineated, range from 400 meters to 600 meters.

In September 2018, the joint venture partnership drilled the Cormorant-1 well on PEL 37 to a total depth of 3,855 meters below sea level. The Cormorant-1 exploration well, drilled by the Ocean Rig Poseidon drillship, penetrated a 50-meter fan system of interbedded sandstones that proved to be water bearing. Wet gas signatures, indicative of oil, were encountered in the overlying shale section. The Company decided to plug and abandon the drilling. The geological data from the well will help determine the future prospectivity of PEL 37 where several additional prospects with resource potential have been mapped.

The joint venture partnership is currently in the Second Renewal Period in PEL 37, which is for a period of two years commencing March 28, 2018. During the Second Renewal Period, which is the last exploration period, the joint venture partnership is obligated to drill an exploration well on PEL 37. The joint venture partners on PEL 37 have fulfilled the obligations of the current exploration period with the drilling of Cormorant-1 well. The Government of the Republic of Namibia does not have back-in rights for PEL 37.

ITEM 6.2.1 SIGNIFICANT FACTORS OR UNCERTAINTIES RELEVANT TO PROPERTIES WITH NO ATTRIBUTED RESERVES

As at the effective date of this report, reserves have yet to be attributed to the Company's interest in Block 11B/12B, Block 2B or PEL 37. Prospective and contingent resources have been attributed to the Block 2B. Resources have not been attributed to Block 11B/12B or PEL 37 as the Company has not had any of the identified prospects audited or prepared by an independent qualified reserves evaluator or auditor in accordance with the Canadian Oil and Gas Evaluation Handbook.

Block 2B

The Company did not have its attributed contingent and prospective resources audited at December 31, 2018. The Company's contingent and prospective resources in Blocks 2B were assessed by an independent qualified reserves evaluator in accordance with the Canadian Oil and Gas Evaluation Handbook with an effective date of December 31, 2016, and the following is a summary of the results of that assessment:

Summary of Light and Medium Crude Oil Contingent Resources as of December 31, 2016											
	GROSS Unrisked Contingent Resources (mmbo)			Chance of Commerciality (%)	GROSS Risked Contingent Resources (mmbo)			AEC Working Interest (%)	NET Risked Contingent Resources (mmbo)		
Prospect	Low (1C) Estimate	Best (2C) Estimate	High (3C) Estimate		Low (1C) Estimate	Best (2C) Estimate	High (3C) Estimate		Low (1C) Estimate	Best (2C) Estimate	High (3C) Estimate
Gazania	11.5	36.7	118.2	30	3.4	11.0	35.5	90	3.1	9.9	31.9

All contingent oil resources assessed are associated with the A-J1 discovery well, drilled in Block 2B in 1988. This area is known as the **Gazania prospect**. The A-J1 well found and tested stratigraphically trapped oil within a sedimentary section of Lower Cretaceous age, known as the Lacustrine Sequence. One drill-stem test in the lower part of the Lacustrine Sequence flowed 36 degree API gravity oil at an average rate of 190 barrels per day over a 36 hour duration flow period. There is significant uncertainty in the thickness, quality, connectivity and areal extent of the Lacustrine Sequence away from A-J1. The estimated gross 2C unrisked contingent resources associated with the A-J1 oil discovery were assessed at 36.7 million barrels of oil. These contingent oil resources are assigned to the project maturity sub-class "Development Unclarified" and considered "Light Crude and Medium Crude Oil", as defined in the COGE Handbook, on the basis that significant further appraisal is needed to clarify potential for development. Successful exploitation of the A-J1 well oil discovery is contingent on further appraisal drilling to better define the extent of the accumulation and the continuity of the reservoir, the demonstration of commercial well flow rates, the definition of development plans and the demonstration of commerciality before they can be classified as reserves. A 30% chance of development for the contingent resources has been predicted.

The project development plan for these contingent resources is a conceptual study, given that additional drilling and assessment is needed, as well as additional well testing, before consideration can be given to development. The economic status of these contingent resources is undetermined since further exploration work is needed to determine whether economic recoverable volumes are present in the area. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources.

Summary of Light and Medium Crude Oil Prospective Resources as of December 31, 2016											
	GROSS Unrisked Prospective Resources (mmbo)			Chance of Success (%)	GROSS Risked Prospective Resources (mmbo)			AEC Working Interest (%)	NET Risked Prospective Resources (mmbo)		
Prospect	Low Estimate	Best Estimate	High Estimate		Low Estimate	Best Estimate	High Estimate		Low Estimate	Best Estimate	High Estimate
Ursinia	8.0	17.5	38.4	29	2.4	5.1	11.3	90	2.1	4.6	10.2
Pelargonium	7.6	20.8	56.8	20	1.5	4.2	11.4	90	1.4	3.7	10.2
S2C	9.6	30.7	81.6	21	2.0	6.3	16.8	90	1.8	5.7	15.1
S2A	17.1	49.3	110.8	18	3.0	8.7	19.5	90	2.7	7.8	17.6
S1	14.0	43.8	111.8	9	1.3	3.9	10.1	90	1.1	3.5	9.1

The prospective oil resources of prospects identified by the Company in Block 2B were also assessed. Prospectivity was identified within the lacustrine succession penetrated by the A-J1 well, and in deeper pre-lacustrine sequences; one of them (the S1 interval) was not intersected in the well (see table above).

Lower risk prospectivity lies within the same lacustrine succession intersected in A-J1 that has been mapped up-dip and beyond the bounds of the Gazania prospect:

1. To the north and west of the Gazania prospect where a prominent seismic amplitude anomaly in the upper part of the lacustrine succession defines the **Ursinia prospect**. Here the key risk is seal as trap is likely a combination of pure stratigraphic closure and sub-crop closure beneath the overlying Hauterivian unconformity.

2. To the south where a number a stacked seismic amplitude anomalies define the **Pelargonium prospect**. The trap is a seismic amplitude constrained on-lap against basement. The lacustrine succession is significantly thinner than in the Gazania area and reservoir quality is unknown due to distance from the nearest control at A-J1. However, in mitigation of this, the lacustrine succession is at a shallower burial depth than in Gazania area and furthermore this area is likely to have been the most proximal area to sedimentary input which will likely have resulted in cleaner reservoirs with higher sand to shale ratios. Once again seal is not an insignificant risk here as the lacustrine succession is cut by faulting that could have resulted in leakage up into shallower formations.

The **Pelargonium, Gazania and Ursinia** prospects are closely related and constitute a NNW-SSE trending play fairway thought to be the result of an axial lacustrine delta system that built out into the sedimentary basin:

Further prospectivity has been defined in the pre-lacustrine S2 and S1 intervals; here the key risks are:

- Seal, (top, base and side) which is required to stratigraphically trap any expelled oil in all prospects.
- Source, a deeper source rock is unproven
- Reservoir quality also is a risk as this increases with burial depth, and those potential reservoirs intersected in A-J1 are thin and of poor quality.
- Trap definition is also more difficult to define due to lower seismic resolution and less well-defined amplitudes at depth.

The company has recently called on its extensive experience of exploration of rift basins and has identified further potential prospect leads in Block 2B. These are currently work in progress and therefore have yet to be certified by a qualified reserves evaluator. These leads could nevertheless represent significant upside in the event of successful follow-up drilling in the lacustrine play.

It should be noted that there is no certainty that any portion of these resources will be discovered. If discovered, there is no certainty that they will be commercially viable to produce any portion of the resources.

ITEM 6.3 FORWARD CONTRACTS

The Company is not party to any agreements relating to the transportation or marketing of oil and gas.

ITEM 6.5 TAX HORIZON

The Company was not required to pay income taxes during 2018. Given the Company is in the exploration stage and does not currently have reserves, no reasonable estimate may be made as to when the Company will be required to pay income taxes in the future.

ITEM 6.6 COSTS INCURRED

In 2018, the Company incurred the following costs:

1. The Company increased its investment in Main Street 1549 by $33.8 million in 2018. The funding contributed by Africa Energy was used to pay the Company's portion of closing costs for the Block 11B/12B farmin transactions ($16.5 million net to the Company), as well as the Company's portion of future exploration expenditures on Block 11B/12B ($16.2 million net to the Company) and the Company's portion of an environmental guarantee in favour of the Petroleum Agency of South Africa ($1.0 million net to the Company). The closing payment to Total and CNRI included reimbursement for past exploration expenditures, interim period costs, an agreed carry amount for Brulpadda-1AX well costs and the applicable Value Added Tax ($2.2 million net to the Company), which was recovered in February 2019.

2. The Company incurred $0.1 million of intangible exploration expenditures in Block 2B during 2018.

3. The Company increased its investment in Pancontinental Namibia by $6.0 million in 2018. The funding contributed by Africa Energy was required to cover its costs for drilling the Cormorant-1 well in PEL 37.

ITEM 6.7 EXPLORATION AND DEVELOPMENT ACTIVITIES

In 2018, the Company performed the following exploration activities:

1. In December of 2018, the joint venture partners on Block 11B/12B spudded the Brulpadda-1AX exploration well, and in February 2019, the Company completed drilling the well and announced a significant gas condensate and light oil discovery at Brulpadda-1AX. The Brulpadda well was successfully drilled in 1,432 meters of water by the Odfjell Deepsea Stavanger semi-submersible rig and deepened to a final depth of 3,633 meters. The Brulpadda discovery opens a new world-class oil and gas play with substantial follow-on potential. The success at both the

Brulpadda primary and secondary targets significantly de-risks four other similar prospects already defined on the existing 2D seismic.

2. Throughout 2018, the Company's technical exploration team analysed and high-graded exploration drilling prospects and leads in respect of Block 2B.

3. In September 2018, the joint venture partnership drilled the Cormorant-1 well on PEL 37 to a total depth of 3,855 meters below sea level. The Cormorant-1 exploration well, drilled by the Ocean Rig Poseidon drillship, penetrated a 50-meter fan system of interbedded sandstones that proved to be water bearing. Wet gas signatures, indicative of oil, were encountered in the overlying shale section. The Company decided to plug and abandon the drilling. The geological data from the well will help determine the future prospectivity of PEL 37 where several additional prospects with resource potential have been mapped.

ITEM 6.8 PRODUCTION ESTIMATES

The Company is unable to estimate production or future net revenue from its oil and gas activities as of December 31, 2018.

ITEM 6.9 PRODUCTION HISTORY

The Company had no oil and gas production history as of December 31, 2018.

SCHEDULE B

FORM 51-101F3
Report of Management and Directors on Oil and Gas Disclosure

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.

Report of Management and Directors on Reserves Data and Other Information

The Reserves Committee of the board of directors of **Africa Energy Corp.** (the "Company") has reviewed the oil and gas activities of the Company and has determined that the Company had no reserves as of December 31, 2018.

An independent qualified reserves evaluator or qualified reserves auditor has not been retained to evaluate the Company's reserves data. No report of an independent qualified reserves evaluator or qualified reserves auditor will be filed with securities regulatory authorities with respect to the financial year ended on December 31, 2018**.**

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing information detailing the Company's oil and gas activities; and
(b) the content and filing of this report.

/s/Garrett Soden
Garrett Soden, President and Chief Executive Officer

/s/Jeromie Kufflick
Jeromie Kufflick, Chief Financial Officer

/s/Keith Hill
Keith Hill, Director

/s/Ashley Heppenstall
Ashley Heppenstall, Chairman

Date: February 28, 2019