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Press release

Africa Energy Reports First Quarter 2020 Results

May 6, 2020 – Africa Energy Corp. (TSX Venture: AFE) (Nasdaq First North: AEC) (“Africa Energy” or the “Company”), an oil and gas company with exploration assets offshore South Africa and Namibia, announces financial and operating results for the three months ended March 31, 2020.

Garrett Soden, the Company’s President and CEO, commented: “Our robust financial position--\$26 million in cash, no debt and lean overhead--will allow us to weather the current economic environment brought on by the emergence of the coronavirus pandemic. We continue to focus on cost control and on advancing our two exploration drilling programs offshore South Africa: Block 11B/12B with Total and Block 2B with Azinam. On Block 11B/12B, we are very encouraged by the seismic surveys recently completed. Due to global travel restrictions, we now expect the multi-well drilling campaign to start in the third quarter with the spud of the exciting Luiperd well.”

HIGHLIGHTS

- In February 2020, Africa Energy completed a private placement issuing an aggregate of 104,652,174 common shares at a price of SEK 2.30 (CAD 0.32) per share for gross proceeds of \$25.0 million.
- In February 2020, Africa Energy executed two farmout agreements whereby the Company will transfer operatorship and an aggregate 62.5% participating interest in Block 2B in consideration for \$0.5 million in cash and a carry through the next exploration well. Africa Energy will retain a 27.5% participating interest in Block 2B. Closing of the two farmout agreements is subject to standard conditions for this type of transaction, including approval of the South African government.
- In March 2020, Shearwater GeoServices Holding AS (“Shearwater”) completed a 7,033 linear kilometer 2D seismic program on Block 11B/12B, where the Company holds an effective 4.9% interest, using the Multi-Purpose Vessel SW Cook. The scope of the survey was increased from the planned 3,370 linear kilometers to focus on the new Kloofpadda lead to the east following encouraging seismic indicators identified with the onboard fast-track processing.
- In April 2020, Petroleum Geo-Services ASA (“PGS”) completed a 2,305 square kilometer 3D seismic program on Block 11B/12B using the PGS Apollo seismic vessel. The scope of the survey was increased from the planned 2,200 square kilometers to cover a newly identified potential northern extension to the Luiperd Prospect.
- The Odfjell Deepsea Stavanger semi-submersible rig is currently in dry dock in Bergen, Norway for maintenance and modifications in preparation for the upcoming drilling campaign on Block 11B/12B. The rig is expected to mobilize from the North Sea to South Africa in the second quarter of 2020 to spud the Luiperd well in the third quarter of 2020. The global coronavirus situation remains fluid, and we will update investors as the drilling schedule is confirmed.

OUTLOOK

Africa Energy expects to commence an extremely active and potentially transformational period in 2020. The recent \$25.0 million financing and the farmout of Block 2B will allow the Company to participate in up to four high-impact exploration wells offshore South Africa. The planned wells are all targeting material prospects with relatively high chances of success.

The Block 11B/12B joint venture operated by Total has embarked on an ambitious exploration program offshore South Africa to follow-up on the large Brulpadda light oil and gas condensate discovery in February 2019. The fully-processed Polarcus 3D dataset confirms the large resource potential of the Paddavissie Fairway. The expanded Shearwater 2D seismic survey is complete, and the onboard fast-track processing has identified significant prospectivity with encouraging seismic indicators across the new Kloofpadda lead to the east. The PGS 3D seismic survey is complete after being expanded to cover a newly identified potential northern extension to the Luiperd Prospect. The multi-well exploration program on Block 11B/12B is expected to commence with the Luiperd well in the third quarter of 2020 and will target several de-risked submarine fan prospects with substantial prospective resources.

Management is focused on closing the Block 2B farmouts whereby the Company will be carried through the next exploration well, Gazania-1, expected to spud by the first quarter of 2021. Block 2B has significant contingent and prospective resources in shallow water close to shore, including the A-J1 discovery from 1988 that flowed light sweet crude oil to surface. The Gazania-1 well will target two prospects in a relatively low-risk rift basin oil play up-dip from the discovery.

FINANCIAL INFORMATION

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Operating expenses	1,856	2,268
Net loss	(1,991)	(2,239)
Net loss per share (basic and diluted)	(0.00)	(0.00)
Weighted average number of shares outstanding (basic and diluted)	749,015	683,432
Number of shares outstanding	789,385	683,489
Cash flows provided by (used in) operations	(1,346)	(1,442)
Cash flows provided by (used in) investing	1,398	2,037
Cash flows provided by (used in) financing	24,016	15
Total change in cash and cash equivalents	23,873	610
Change in share capital	24,069	26
Change in contributed surplus	530	756
Change in deficit	1,991	2,239
Total change in equity	22,608	(1,457)
	March 31, 2020	December 31, 2019
Cash and cash equivalents	26,281	2,408
Total assets	65,785	41,908
Total liabilities	1,733	464
Total equity attributable to common shareholders	64,052	41,444
Net working capital	24,678	2,091

The financial information in this table was selected from the Company's unaudited consolidated financial statements for the three months ended March 31, 2020 (the "Financial Statements"), which are available on SEDAR at www.sedar.com and the Company's website www.africaenergycorp.com.

EARNINGS TREND AND FINANCIAL POSITION

(Unaudited; US dollars)

Operating expenses decreased by \$0.4 million for the three months ended March 31, 2020 compared to the same period in 2019 mainly as a result of reduced staffing levels and management's focus on cost efficiency.

At March 31, 2020, the Company had cash of \$26.3 million and working capital of \$24.7 million compared to cash of \$2.4 million and working capital of \$2.1 million at December 31, 2019. The Company completed a private placement in February 2020 issuing an aggregate of 104,652,174 common shares at a price of SEK 2.30 (CAD 0.32) per share for gross proceeds of \$25.0 million. In addition, Main Street 1549, an entity owned 49% by Africa Energy and not consolidated in the Company's financial results, held \$4.3 million (gross) cash with negative working capital of \$4.4 million (gross) at March 31, 2020. Working capital in Main Street 1549 included current liabilities of \$5.0 million (gross) to fund Total's and CNRI's portion of the 3D seismic costs and \$5.0 million (gross) of Total's and CNRI's portion of the drilling costs for the next exploration well.

NEXT EARNINGS REPORT RELEASE

The Company plans to report results for the three and six months ended June 30, 2020 on August 13, 2020.

About Africa Energy Corp.

Africa Energy Corp. is a Canadian oil and gas company with exploration assets offshore South Africa and Namibia. The Company is listed in Toronto on TSX Venture Exchange (ticker "AFE") and in Stockholm on Nasdaq First North Growth Market (ticker "AEC"). Africa Energy is part of the Lundin Group of Companies.

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Important information

This information is information that Africa Energy is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on May 6, 2020 at 5:30 p.m. Eastern Time.

The Company's certified advisor on Nasdaq First North Growth Market is Pareto Securities AB, +46 8 402 5000, certifiedadviser.se@paretosec.com.

Forward looking statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or the Company's future performance, business prospects and opportunities, which are based on assumptions of management.

The use of any of the words "will", "expected", "planned" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of certain future events. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, including results, timing and costs of seismic and drilling activity in the Company's area of operations and, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the exploration activities, or of financing on reasonable terms, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual future results may differ materially. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.