



AFRICA ENERGY CORP.

2000, 885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Tel: (604) 689-7842
Fax: (604) 689-4250

ANNUAL INFORMATION FORM

For the Year
Ended December 31, 2016

April 30, 2017

TABLE OF CONTENTS

GLOSSARY OF TERMS.....	1
CURRENCY.....	2
ACCOUNTING POLICIES AND FINANCIAL INFORMATION.....	2
CONVERSION TABLE.....	2
ABBREVIATIONS.....	2
PRESENTATION OF OIL AND GAS INFORMATION.....	2
FORWARD LOOKING STATEMENTS.....	3
ITEM 1 INTRODUCTION.....	5
Incorporation by Reference and Date of Information.....	5
ITEM 2 CORPORATE STRUCTURE.....	5
Incorporation and Registered Office.....	5
Inter-Corporate Relationships.....	6
ITEM 3 GENERAL DEVELOPMENT OF THE BUSINESS.....	6
ITEM 4 NARRATIVE DESCRIPTION OF THE BUSINESS.....	8
Risk Factors.....	9
Environment and Social Policies.....	14
ITEM 5 CAPITAL STRUCTURE and DIVIDENDS.....	15
ITEM 6 MARKET FOR SECURITIES.....	16
Trading Price and Volume.....	16
ITEM 8 DIRECTORS and OFFICERS.....	17
Name, Occupation, and Security Holdings.....	17
Cease Trade Orders, Bankruptcies, Penalties and Sanctions.....	18
ITEM 9 LEGAL PROCEEDINGS and REGULATORY ACTIONS.....	20
ITEM 10 INTEREST OF MANAGEMENT and OTHERS IN MATERIAL TRANSACTIONS.....	20
ITEM 11 TRANSFER AGENT.....	20
ITEM 12 MATERIAL CONTRACTS.....	20
ITEM 13 NAMES and INTERESTS OF EXPERTS.....	21
ITEM 14 ADDITIONAL INFORMATION.....	21

SCHEDULE A – Form NI 51-101F1, Statement of Reserves Data and Other Oil and Gas Information

SCHEDULE B – Form NI 51-101F3, Report of Management and Directors on Oil and Gas Disclosure

GLOSSARY OF TERMS

“ABCA”	means the <i>Business Corporations Act</i> (Alberta), as amended.
“Afren”	means Afren plc.
“Africa Energy” or “Company”	means Africa Energy Corp. and its subsidiaries.
“Africa Energy Shares”	means all of the issued and outstanding shares in the share capital of Africa Energy.
“AOC” or “Africa Oil”	means Africa Oil Corp.
“BCBCA”	means the <i>Business Corporations Act</i> (British Columbia), as amended.
“Block 2B Exploration Right”	Means the exploration right offshore in the Republic of South Africa.
“Canmex”	means Canmex Holdings (Bermuda) I Ltd.
“Canmex II”	means Canmex Holdings (Bermuda) II Ltd.
“Crown”	means Crown Energy AB.
“Dharoor Valley Exploration Area”	means the area that is the subject of the Dharoor Valley PSA.
“Dharoor Valley PSA”	means the production sharing agreement in respect of the Dharoor Valley Exploration Area made January 17, 2007 among Canmex II, the Government of Puntland and Range Resources Ltd., as amended by amending agreements made November 25, 2009, January 16, 2011 and by a letter agreement dated July 12, 2011, under which Canmex II held a 60% participating interest in the Dharoor Valley Exploration Area.
“Exploration Areas”	means both the Dharoor Valley Exploration Area and the Nugaal Valley Exploration Area
“NI 51-101”	means the National Instrument 51-101 — <i>Standard of Disclosure for Oil and Gas Activities</i> of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.
“Nugaal Valley Exploration Area”	means the area that is the subject of the Nugaal Valley PSA.
“Nugaal Valley PSA”	means the production sharing agreement in respect of the Nugaal Valley Exploration Area made January 17, 2007 among Canmex II, the Government of Puntland and Range Resources Ltd., as amended by amending agreements made November 25, 2009, January 16, 2011 and by a letter agreement dated July 12, 2011, under which Canmex II held a 60% participating interest in the Nugaal Valley Exploration Area.
“Pancontinental”	means Pancontinental Oil & Gas N.L.
“PEL 37”	means Petroleum Exploration Licence 37 offshore, Republic of Namibia.
“Puntland PSAs”	means the Dharoor Valley PSA and the Nugaal Valley PSA.
“SEDAR”	means the System for Electronic Document Analysis and Retrieval.
“Thombo”	means Thombo Petroleum Ltd.
“Transfer Agent”	means Computershare Trust Company of Canada.
“TSX-V” or “Exchange”	means the TSX Venture Exchange.

CURRENCY

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. The Bank of Canada exchange rates for the purchase of one United States dollar with Canadian dollars for the specified year ends are as follows:

	Year Ended December 31		
Bank of Canada Noon Exchange Rate:	2014	2015	2016
USD\$/CAD\$	1.1601	1.384	1.3427

ACCOUNTING POLICIES AND FINANCIAL INFORMATION

The Company's financial results are prepared and reported in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are presented in United States dollars.

CONVERSION TABLE

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic meters	28.174
Cubic meters	Cubic feet	35.315
Bbls	Cubic meters	0.159
Cubic meters	Bbls	6.289
Feet	Meters	0.305
Meters	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
Gigajoules	MMbtu	0.950
MMbtu	Gigajoules	1.0526

ABBREVIATIONS

Oil and Natural Gas Liquids		Natural Gas	
Bbls	Barrels of crude oil	Mcf	Thousand cubic feet of natural gas
Bbls/d	Barrels of crude oil per day	MMcf	Million cubic feet of natural gas
Boe	Barrels of oil equivalent	Bcf	Billion cubic feet of natural gas
Boe/d	Barrels of oil equivalent per day	Mcfd	Thousand cubic feet of natural gas per day
Mbbl	Thousands of barrels of crude oil	Mcfe	Thousand cubic feet of gas equivalent
NGLs	Natural gas liquids	MMbtu	Million British Thermal Units

Note: The calculations of barrels of oil equivalent (boe) and thousand cubic feet of gas equivalent (Mcfe) are based on the standard of 6Mcf: 1 bbl when converting natural gas to oil and 1 bbl: 6 Mcf when converting oil to natural gas. Boe and Mcfe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl or a Mcfe conversion ratio of 1 bbl: 6 Mcf is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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 or the Company’s future performance 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”, “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.

The Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether as a result of new information, future events or otherwise.

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

- expected closing dates for the completion of proposed transactions;
- planned exploration activity including both expected drilling and geological and geophysical related activities;
- anticipated future financing requirements;
- future crude oil, natural gas or chemical prices;
- future sources of funding for the Company’ capital program;
- availability of potential farmout partners;
- government or other regulatory consent for exploration, development, farmout, or acquisition activities;
- future production levels;
- future capital expenditures and their allocation to exploration and development activities;
- 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 sources of liquidity, cash flows and their uses;
- future drilling of new wells;
- ultimate recoverability of current and long-term assets;
- ultimate recoverability of reserves or resources;
- expected finding and development costs;
- expected operating costs;
- 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;
- 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;
- our 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 indicated the long term performance or ultimate recovery that may be expected from a well;
- volatility in energy trading markets;
- foreign-currency exchange rates;
- economic conditions in the countries and regions in which we carry on business;
- governmental actions including changes to taxes or royalties, 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 our assessment of all information at that time. Although we believe that the expectations conveyed by the forward-looking statements are reasonable based on information available to us on the date such forward-looking statements were made, no assurances can be given as to future results, levels of activity and achievements.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, however, no assurance can be given that these 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. These 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, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

[THIS SPACE INTENTIONALLY LEFT BLANK.]

ITEM 1 INTRODUCTION

INCORPORATION BY REFERENCE AND DATE OF INFORMATION

Specifically incorporated by reference and forming a part of this AIF are the Company's material change reports from January 1, 2016 to the date of this AIF, copies of which have been filed with the Canadian Securities Administrators in each of the Provinces of British Columbia, Alberta and Ontario and can be found on the SEDAR website at www.sedar.com under the Company's profile.

All information contained in this AIF is as of December 31, 2016, unless otherwise indicated.

ITEM 2 CORPORATE STRUCTURE

INCORPORATION AND REGISTERED OFFICE

The Company was incorporated on April 27, 2010 pursuant to the provisions of the ABCA under the name "Denovo Capital Corp.". On July 14, 2010, the Company amended its articles to remove the restrictions against the transfer of securities.

On September 20, 2011, the Company effected a consolidation of its issued and outstanding common shares on the basis of 0.65 post-consolidation share for every one (1) pre-consolidation shares; (ii) changed its name to "Horn Petroleum Corporation"; and (iii) continued from the Province of Alberta into the Province of British Columbia pursuant to the provisions of the BCBCA.

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.

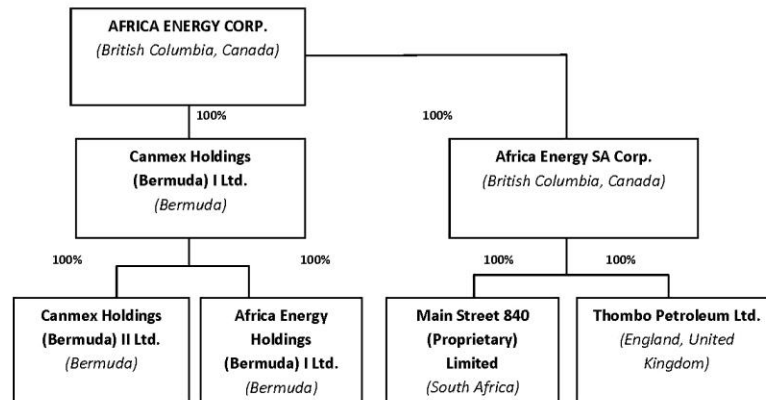
On March 11, 2015, the Company changed its name to "Africa Energy Corp.".

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 2000 – 885 West Georgia Street, Vancouver, B.C. V6C 3E8. The Company also has an office located at 22nd Floor, Metropolitan Life Centre, 7 Walter Sisulu Avenue, Cape Town, 8000.

[THIS SPACE INTENTIONALLY LEFT BLANK.]

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:



At December 31, 2016, Africa Oil owned 28.5% of the common shares of Africa Energy.

ITEM 3 GENERAL DEVELOPMENT OF THE BUSINESS

The following describes the development of Africa Energy's business over the last three completed financial years.

FISCAL YEAR ENDED DECEMBER 31, 2014

In January 2014, a new President of Puntland was voted in and the transfer of power took place peacefully. Management worked closely with the new President of Puntland and his emerging new government to take forward a range of key issues that impacted the Company's operations in respect of its interest in the Puntland PSAs. Key amongst these were the legitimacy of oil concession contracts issued by former and then current central Somali governments and the Regional States (Puntland and Somaliland), many of which covered overlapping territory; and the border dispute between Somalia (including Puntland) and Somaliland (which overlaps a proportion of our Nugaal Valley Exploration Area).

In 2014, the Company continued to play an active and productive role in discussions with all key stakeholders; the Federal, Puntland and Somaliland governments and international partners. Through this engagement, the Company attempted to

facilitate discussions and help to drive the debate forward in a way that would bring clarity to the Puntland PSAs and allow operational activity to proceed.

FISCAL YEAR ENDED DECEMBER 31, 2015

Early in 2015, the Company informed the Government of Puntland (Somalia) that the Company would be significantly reducing its presence in Bosaso, Puntland and would refrain from any operational activity and associated expenditures pending a resolution of the political situation between the Regional Government of Puntland and the Federal Government of Somalia regarding the legitimacy of the Puntland PSAs. Given the considerable efforts taken by the Company to date in Puntland (Somalia), the Company also requested a two year extension to the second exploration period from the Government of Puntland to allow time for these political challenges to be resolved.

During March 2015, the Company invoked a new corporate strategy to take advantage of the downturn in oil prices and began aggressively pursuing onshore and offshore upstream oil opportunities in Africa. Africa Energy commenced building a strong technical team based in Cape Town, South Africa. In line with this refocused effort, the Company changed its name to "Africa Energy Corp." effective March 12, 2015.

Also during March 2015, the Company completed a non-brokered private placement issuing an aggregate of 32,486,153 shares at a price of CAD\$0.13 per share for gross proceeds of \$3.4 million. A finder's fee was paid in the amount of \$0.08 million in cash. The Company issued 22,689,615 of the common shares on March 27, 2015 ("First Tranche") and issued 9,796,538 common shares on March 30, 2015 ("Second Tranche"). The common shares issued under the First and Second Tranche of the private placement were subject to statutory hold periods which expired on July 28, 2015 and July 31, 2015, respectively.

During June 2015, the Company and its joint venture partners notified the Government of Puntland (Somalia) of their decision to withdraw from the Puntland PSAs.

In December 2015, the Company, as part of its new corporate strategy, executed three definitive agreements which, subject to government and other regulatory approvals, would result in the Company holding a 90% working interest and operatorship in Block 2B Exploration Right offshore in the Republic of South Africa:

Also in December 2015, the Company completed a non-brokered private placement issuing an aggregate of 115,041,666 common shares at a price of CAD\$0.06 per share for gross proceeds of \$5.0 million. A finder's fee was paid in the amount of \$0.04 million in cash. The shares issued in the private placement were subject to a statutory hold period which expired on May 1, 2016.

FISCAL YEAR ENDED DECEMBER 31, 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:

- The Company paid \$1 million to Afren and certain of its subsidiaries to acquire Main Street 840 (Proprietary) Limited, an entity incorporated in the Republic of South Africa which holds a 25% participating interest in Block 2B;
- The Company paid \$2 million and issued 14.8 million common shares of the Company to acquire all of the shares of Thombo, a privately held company incorporated in the United Kingdom which operates and holds a 34.5% participating interest in Block 2B. The Company may be required to issue up to an additional 20 million common shares and, at the option of the Company, to either pay and/or issue up to \$1.5 million in additional contingent cash and/or shares, 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 will reimburse Crown for up to \$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 common shares at a price of CDN \$0.25 (USD \$0.1865) per share for gross proceeds of CDN\$15 million. A 5% cash finder's fee was

paid on a portion of the private placement. The common shares issued in the private placement are subject to a statutory hold period which expires March 16, 2017.

In November 2016, the Company entered into a farmout agreement with a subsidiary of Pancontinental pursuant to which the Company was to acquire a 10% participating interest in PEL 37 offshore, Republic of Namibia. However, during March 2017, the Company exercised its right to terminate the farmout agreement with Pancontinental as a result of due diligence procedures performed by the Company which identified discrepancies in respect of certain agreed commercial terms of the farmout transaction.

ITEM 4 NARRATIVE DESCRIPTION OF THE BUSINESS

SUMMARY

Africa Energy's strategy and long range plan is to increase shareholder value through the acquisition and exploration of oil and gas assets, located in under-explored geographic areas, in the early phase of the upstream oil and gas life-cycle. The Company is focused on high-impact exploration opportunities.

The Company plans to take advantage of the current downturn in oil prices and intends to aggressively pursue onshore and offshore upstream oil opportunities in Africa. Africa Energy has built a strong technical team which is managed from its offices in Cape Town, South Africa.

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

Block 2B is an under explored, shallow water area off the west coast of South Africa containing a proven hydrocarbon-bearing rift basin. A well drilled by South African state company Soekor in 1988 discovered and tested oil from a Cretaceous sandstone section but there has been limited exploration since then. Block 2B contains numerous prospects identified recently by 3D seismic and limited work is now required to recommence drilling activities in the area.

The area in respect of the Block 2B Exploration Right is 3,604 km² of seabed located off the Western Cape Coast of the Republic of South Africa. Subsequent to December 31, 2016, the Company submitted an Exploration Right renewal application to the Government of the Republic of South Africa. As part of the application process, the Company has proposed a work program and budget which will need to be agreed with the Government of the Republic of South Africa. The application submitted is for entry into the Second Renewal Period and is for a period of two years, at the end of which 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. In the event of success, the Company will execute a Production Right with the Government of the Republic of South Africa.

Reserves have yet to be attributed to the Company's interest in Block 2B (Republic of South Africa). Contingent resources have been attributed to the AJ Basin (Block 2B, Republic of South Africa). These contingent oil resources are assigned to the project maturity sub-class "Development Unclassified", 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 before they can be classified as reserves.

The board of directors of Africa Energy may, in 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.

SPECIALIZED SKILL AND KNOWLEDGE

The Company relies on 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. 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 petroleum industry is immensely competitive in all of its phases. Africa Energy competes with other participants in the search for, and the acquisition of, oil and natural gas interests located in Africa. Africa Energy's competitors include other resource companies which may have greater financial resources, staff and facilities than those of the Company. Competitive factors which may come into play in the future include the distribution and marketing of oil and natural gas, pricing, and methods of improving reliability of delivery.

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.

EMPLOYEES

The Company exited the year ended December 31, 2016 with 13 full time employees.

DISCLOSURE OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

For further information, please refer to Africa Energy's Statement of Reserves Data and Other Oil and Gas Information for fiscal year ended December 31, 2016 (Form NI 51-101F1) and the Report of Management and Directors on Oil and Gas Disclosure (Form NI 51-101F3), filed under the Company's profile on the SEDAR website at www.sedar.com, copies of which are attached hereto as Schedules A and B, respectively.

RISK FACTORS

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

INTERNATIONAL OPERATION RISK

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 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.

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 South African legal system 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. 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, 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 and its operations.

COMPETITION

The petroleum 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. The Company competes with numerous other companies in the search for and acquisition of such prospects and in attracting skilled personnel. The Company's competitors include oil companies which have greater financial resources, staff and facilities than those of the Company 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. The Company'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.

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.

RISKS INHERENT IN OIL AND GAS EXPLORATION AND DEVELOPMENT

Oil and gas operations involve many 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.

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. Also, 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. 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 licence 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.

ENVIRONMENTAL REGULATION

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 proposes 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 OPERATORS OR 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 affect 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 the 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, 2016.

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 proposed 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 BCBCA 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 his 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 BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

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. It may not be possible for the Company to ensure compliance with anti-bribery and anti-corruption laws in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located or may be located in the future.

INFORMATION SYSTEMS

The Company has become increasingly dependent upon the availability, capacity, reliability and security of our 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/denial 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.

SELLING OFF OF SHARES

To the extent that any issued and outstanding Company shares are sold into the market, there may be an oversupply of shares and an undersupply of purchasers. If this occurs the market price for the Company shares may decline significantly and investors may be unable to sell their shares at a profit, or at all.

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.

ENVIRONMENTAL CONSIDERATIONS AND SOCIAL POLICIES

Environmental Considerations

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.

Social Policies

The objective of Africa Energy's corporate responsibility strategy is to address the challenge of sustainability – delivering value to its shareholders, 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.

ITEM 5 CAPITAL STRUCTURE AND DIVIDENDS

The Company's common shares entitle the holders thereof to receive notice of and to attend at all meetings of shareholders, with each share entitling the holder to one vote on any resolution to be passed at such shareholders' meeting. The holders of common 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 common shares are entitled to receive the remaining assets of the Company available for distribution to the shareholders.

As of December 31, 2016, the Company had an aggregate of 319,177,135 common shares issued and outstanding. The Company has unlimited authorized capital of common shares without par value of which 319,177,135 common shares were issued and outstanding as fully paid and non-assessable as at April 30, 2017.

DIVIDENDS

There are no restrictions which prevent the Company from paying dividends. Africa Energy has not paid dividends to date on its common shares and has no plans to pay dividends in the near future. Any decision to pay dividends in the future will be based on the Company's earnings and financial requirements and other factors which its board of directors may consider appropriate in the circumstances.

ITEM 6 MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

Common Shares

The common shares of the Company trade on the Exchange under the trading symbol "AFE"

The following table sets out the price range for and trading volume of the common shares on the Exchange, on a monthly basis, for the period between January 1, 2016 and December 31, 2016, as reported by the Exchange:

Month	High (CAD\$)	Low (CAD\$)	Volume
January 2016	0.15	0.10	768,124
February 2016	0.165	0.105	501,457
March 2016	0.165	0.135	687,954
April 2016	0.16	0.12	802,047
May 2016	0.16	0.115	1,140,079
June 2016	0.14	0.105	1,943,399
July 2016	0.14	0.11	864,260
August 2016	0.16	0.105	649,145
September 2016	0.20	0.135	1,557,796
October 2016	0.28	0.17	3,288,091
November 2016	0.28	0.225	4,388,765
December 2016	0.33	0.25	2,570,248

PRIOR SALES

In November 2016, the Company completed a non-brokered private placement issuing an aggregate of 60,000,000 common shares at a price of CDN \$0.25 (USD \$0.1865) per share for gross proceeds of CDN\$15 million. A 5% cash finder's fee was paid on a portion of the private placement. The common shares issued in the private placement are subject to a statutory hold period which expires March 16, 2017.

ITEM 8 DIRECTORS AND OFFICERS

NAME, ADDRESS AND OCCUPATION

The table below states the names, province or state and country of residence of each of the directors and executive officers of the Company, the principal occupations in which each has been engaged during the last five years, and the periods during which each has served as a director or executive officer.

Name, province or state and country of residence	Position(s) Held in the Company	Principal Occupation During the Past Five Years
Keith C. Hill Florida, USA	Director since June 30, 2011 Chairman from June 30, 2011 to July 7, 2016	Mr. Hill is the President & Chief Executive Officer and a director of Africa Oil Corp., Chairman of ShaMaran Petroleum Corp.; director of BlackPearl Resources Ltd.; director of Tyner Resources Ltd.; director of TAG Oil Ltd.; formerly Chairman and director of Petro Vista Energy Corp., 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.).
Ian Gibbs British Columbia, Canada	Director since September 20, 2011	Mr. Gibbs is the Chief Financial Officer of Africa Oil Corp., a director of Lundin Gold Inc., and Petro Vista Energy Corp. He is also the former Chief Financial Officer of Valkyries Petroleum Corp., Tanganyika Oil Company Ltd. and ShaMaran Petroleum Corp. (formerly, Bayou Bend Petroleum Ltd.).
Ashley Heppenstall Hong Kong	Director since March 10, 2015 Executive Chairman since July 7, 2016	Mr. Heppenstall is the Lead Director of both Lundin Gold Inc. and Filo Mining Corp., Chairman and a director of Etrion Corporation, and a director of both ShaMaran Petroleum Corp. and Lundin Petroleum AB. Until September 2015, he was President and Chief Executive Officer of Lundin Petroleum AB, and is a former director of Vostok Nafta Investment Ltd.
John Bentley United Kingdom	Director since March 10, 2015	Mr. Bentley is the Chairman of Faroe Petroleum plc and Deputy Chairman of Wentworth Resources Ltd. He has also served as Executive Chairman of FirstAfrica Oil plc and on the boards of Kea Petroleum plc, Scotgold Resources Ltd., SacOil Holdings Ltd., Resaca Exploitation Inc., CDS Oil & Gas Group plc, FirstAfrica Oil plc, Rift Oil plc, Adastra Minerals Ltd, and Caracal Energy Inc.
Adrian Nel South Africa	Director since March 10, 2015	Mr. Nel was the Exploration Director and COO of Energy Africa from 1996 until the acquisition of Energy Africa by Tullow Oil in 2004. He also served on the Tullow board as Exploration Director until his retirement in 2006.
James Phillips South Africa	President and Chief Executive Officer since May 2014	Mr. Phillips is the former Vice President Business Development, Chief Operating Officer, and Vice President Exploration for Africa Oil Corp.

Name, province or state and country of residence	Position(s) Held in the Company	Principal Occupation During the Past Five Years
Jan Maier South Africa	Vice President Exploration since March 10, 2015	Mr. Maier has over 33 years' experience in African new venture exploration. Most recently, he was the New Ventures Exploration Manager at Tullow Oil plc, since it's acquisition of Energy Africa in 2004, and was responsible for the overall exploration strategy and oversight of his geoscience and commercial teams..
Jeromie Kufflick Alberta, Canada	Chief Financial Officer since September 20, 2011	Mr. Kufflick is the former Controller for Africa Oil Corp., and the former Controller at Trican Well Service Ltd.

Each director of the Company holds office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director.

There are currently four standing committees of the Board; namely, the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Reserves Committee. The following table identifies the members of each of these Committees:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Reserves Committee
Ian Gibbs (Chair)	Ashley Heppenstall (Chair)	John Bentley (Chair)	Keith Hill (Chair)
John Bentley	Keith Hill	Adrian Nel	Ashley Heppenstall
Ashley Heppenstall	Ian Gibbs	Ian Gibbs	Adrian Nel

SECURITY HOLDINGS

As at December 31, 2016, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly or exercise control or direction over 37,179,211 common shares, representing approximately 11.65% of the issued and outstanding common shares of the Company.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

CEASE TRADE ORDERS

Other than as disclosed below, no director or officer or person holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within the past ten years before the date of this Annual Information Form has been, a director or officer of any other issuer that, while such person was acting in that capacity: (i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted in such an order after the person ceased to be a director or officer; (iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or (iv) was subject to such bankruptcy proceedings within a year of that person ceasing to act in that capacity.

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

PERSONAL BANKRUPTCIES

During the ten years preceding the date of this AIF, no director, officer or shareholder holding a sufficient number of shares of the Company to affect materially the control of the Company, or a personal holding company of any such person, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold his or her assets.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors, officers and any control shareholder of the Company individually.

PENALTIES OR SANCTIONS

No director or officer of the Company, or shareholder holding a sufficient number of shares of the Company to materially affect control of the Company, has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

The Company's 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 or not the Company will participate in a particular 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 BCBCA 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 the Company.

On October 21, 2016, the Company completed a transaction with Thombo whereby it paid \$2.0 million and issued 14.8 million new common 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. The Company may be required to issue up to an additional 20 million common shares and, at the option of the Company, to either pay and/or issue up to \$1.5 million in additional contingent cash and/or shares, if certain milestones associated with the commercialization of Block 2B are achieved.

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 BCBCA.

ITEM 9 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.

ITEM 10 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 common 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.

AOC currently holds 28.5% of the outstanding shares of the Company. There is also a management services arrangement between the Company and AOC 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 common 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. The Company may be required to issue up to an additional 20 million common shares and, at the option of the Company, to either pay and/or issue up to \$1.5 million in additional contingent cash and/or shares, if certain milestones associated with the commercialization of Block 2B are achieved.

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 BCBCA.

ITEM 11 TRANSFER AGENT

The transfer agent and registrar for the common shares of the Company in Canada is Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia.

ITEM 12 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, except for:

- i. Farmout Agreement made December 16, 2015 with Simbo Petroleum No. 2 Ltd., a subsidiary of Crown;
- ii. Share Purchase Agreement made December 16, 2015 with Thombo Petroleum Ltd., Trevor Ridley, Mogamad Nazmie Adams, John William Sharp Bentley, Alex McPherson, and Clermont Energy Partners LLP; and

Sale and Purchase Agreement made December 16, 2015 with Afren Mauritius Limited, Afren Plc (in administration), Afren Nigeria Holdings Limited (in administration), Simon Appell, Daniel Imison, and Catherine Williamson (as administrators). Copies of these agreements can be found on www.SEDAR.com.

ITEM 13 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.

ITEM 14 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, 2016.

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, 2016**

(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.)

TABLE OF CONTENTS

PART 1	DATE OF STATEMENT	Page 1
PART 2	DISCLOSURE OF RESERVES DATA	None – not included
PART 3	PRICING ASSUMPTIONS	None – not included
PART 4	CHANGES IN RESERVES AND FUTURE NET REVENUE	None – not included
PART 5	ADDITIONAL INFORMATION RELATING TO RESERVES DATA	None – not included
PART 6	OTHER OIL AND GAS INFORMATION	Page 1
Form 51-101F2	Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor	Not required – no reserves
Form 51-101F3	Report of Management and Directors on Oil and Gas Disclosure	Filed separately

PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. The date of this report and statement is: April 30, 2017
2. The Effective Date of information provided in this statement is as of the Company’s most recently completed fiscal year ended: December 31, 2016.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

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

Block 2B is an under explored, shallow water area off the west coast of South Africa containing a proven hydrocarbon-bearing rift basin. A well drilled by South African state company Soekor in 1988, the AJ-1 well, discovered and tested oil from a Cretaceous sandstone section but there has been limited exploration since then. Block 2B contains numerous prospects identified recently by 3D seismic and limited work is now required to recommence drilling activities in the area.

Item 6.2 Properties with No Attributed Reserves

The Company does not have any properties with attributed reserves. At December 31, 2016, the Company holds a 90% participating interest, and acts as operator, in the Exploration Right for Block 2B offshore the Republic of South Africa. The area in respect of the Block 2B Exploration Right is 3,604 km² of seabed located off the Western Cape Coast of the Republic of South Africa. Subsequent to December 31, 2016, the Company submitted an Exploration Right renewal application to the Government of the Republic of South Africa. The application submitted is for entry into the Second Renewal Period and is for a period of two years, at the end of which 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. As part of the application process, the Company has proposed a work program and budget which will need to be agreed with the Government of the Republic of South Africa.

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 2B (Republic of South Africa). However, both prospective and contingent resources have been attributed to the AJ Basin (Block 2B, Republic of South Africa).

The Company's contingent and prospective resources in Blocks 2B was completed by a qualified reserves evaluator with an effective date of December 31, 2016.

Summary of Light and Medium Crude Oil Contingent Resources as of December 31, 2016											
Prospect	GROSS Unrisked Contingent Resources (mmbo)			Chance of Commerciality (%)	GROSS Risked Contingent Resources (mmbo)			AEC Working Interest (%)	NET Risked Contingent Resources (mmbo)		
	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 AJ-1 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 AJ-1. The estimated gross 2C unrisked resources associated with the AJ-1 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 AJ-1 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.

Summary of Light and Medium Crude Oil Prospective Resources as of December 31, 2016											
Prospect	GROSS Unrisked Prospective Resources (mmbo)			Chance of Success (%)	GROSS Risked Prospective Resources (mmbo)			AEC Working Interest (%)	NET Risked Prospective Resources (mmbo)		
	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 along the eastern margin of the basin. 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 2016. 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

The Company incurred \$0.15 million of net exploration costs during 2016.

Item 6.7 Exploration and Development Activities

Subsequent to completing the acquisition of its participating interest in the Block 2B Exploration Right, offshore in the Republic of South Africa, the Company's technical exploration team analyzed and high-graded exploration drilling prospects and leads in respect of Block 2B.

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, 2016.

Item 6.9 Production History

The Company had no oil and gas production history as of December 31, 2016.

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, 2016.

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, 2016.

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/James Phillips

James Phillips, President & Chief Executive Officer

/s/Jeromie Kufflick

Jeromie Kufflick, Chief Financial Officer

/s/Keith Hill

Keith Hill, Director

/s/Ashley Heppenstall

Ashley Heppenstall, Director and Chairman

Date: April 30, 2017