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ANNUAL INFORMATION FORM

For the Year
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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

“Africa Energy” or “Company”	means Africa Energy Corp. and its subsidiaries.
“Africa Energy Shares” or “Shares”	means all of the issued and outstanding shares in the share capital of Africa Energy.
“AIF”	means annual information form.
“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 for Block 2B offshore the Republic of South Africa.
“Block 11B/12B Exploration Right”	means the exploration right for Block 11B/12B offshore the Republic of South Africa
“Canmex”	means Canmex Holdings (Bermuda) I Ltd.
“Canmex II”	means Canmex Holdings (Bermuda) II Ltd.
“CNRI”	means CNR International (South Africa) Limited, a wholly-owned subsidiary of Canadian Natural Resources Limited
“Crown”	means Crown Energy AB.
“Main Street 1549”	means Main Street 1549 Proprietary Limited, an entity held 49% by Africa Energy.
“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.
“Pancontinental Namibia”	means Pancontinental Namibia Pty Ltd., an entity held 33.3% by Africa Energy.
“PEL 37”	means Petroleum Exploration Licence 37 offshore the Republic of Namibia.
“SEDAR”	means the System for Electronic Document Analysis and Retrieval.
“Thombo”	means Thombo Petroleum Ltd.
“Total”	means Total E&P South Africa BV, a wholly-owned subsidiary of Total SA.
“Transfer Agent”	means Computershare Trust Company of Canada.
“TSX-V” or “Exchange”	means the TSX Venture Exchange.

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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		
	2015	2016	2017
Bank of Canada Exchange Rate: CAD\$/US\$	1.384	1.3427	1.2545

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 6 Mcf: 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’s 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;
- interpretation of drill results and other technical data;
- timing of completion of drilling programs;
- ultimate recoverability of current and long-term assets;
- ultimate recoverability of reserves or resources;
- expected finding and development costs;
- expected operating costs;
- the tax and royalty regime in the countries where the Company operates;
- estimates on a per share basis;
- future foreign currency exchange rates;
- future market interest rates;

- future expenditures and future allowances relating to environmental matters;
- dates by which certain areas will be explored or developed or will come on stream or reach expected operating capacity;
- the Company's ability to comply with future legislation or regulations;
- relations with local communities;
- future staffing levels or requirements; and
- changes in any of the foregoing.

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

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

- market prices for oil and gas and chemical products;
- changes in oil prices, results of exploration, appraisal and development activities, uninsured risks, regulatory changes, defects in title, availability of material and equipment and timelines of government or other regulatory bodies;
- 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 indicate 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 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.

The forward-looking statements are made as of the date hereof or as of the date specified in the documents incorporated by reference into this AIF, as the case may be, and except as required by law, 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.

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, 2017 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, 2017, 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 *Business Corporations Act* (Alberta), as amended, 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: (i) 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.

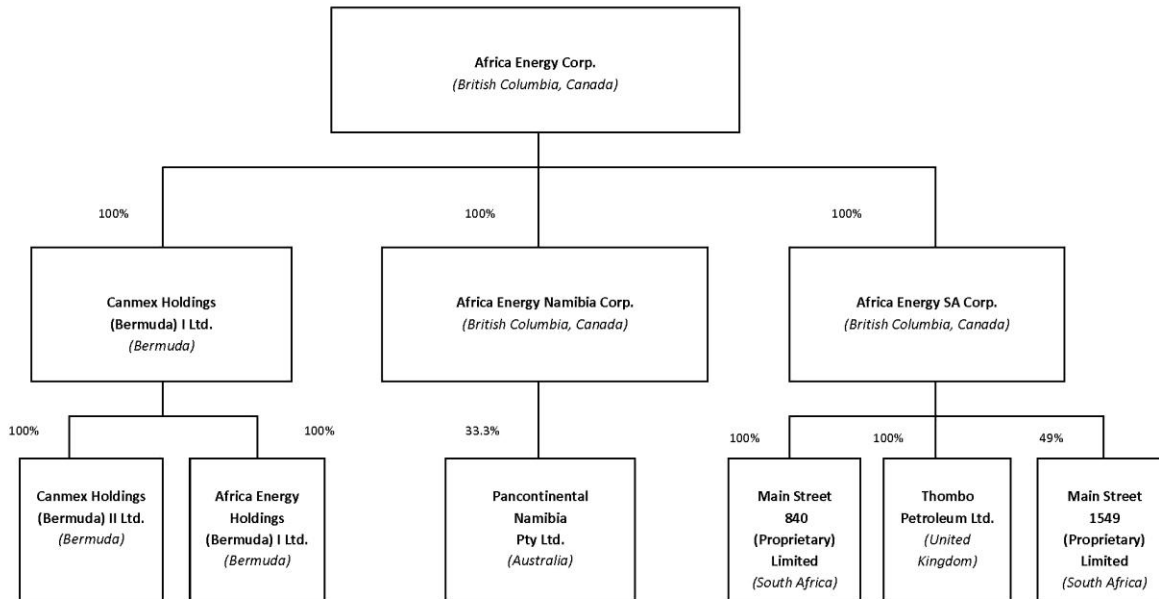
On March 11, 2015, the Company changed its name to "Africa Energy Corp.".

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 Suite 2000 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company also has a technical office located at 22nd Floor, Metropolitan Life Centre, 7 Walter Sisulu Avenue, Cape Town, 8000, South Africa.

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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, 2017, Africa Oil was the largest shareholder of the Company with 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, 2015

In 2011, the Company, as Horn Petroleum, acquired Africa Oil’s interests in two production sharing agreements in Puntland, and in 2012, the Company drilled two exploration wells in Puntland.

Early in 2015, the Company informed the Government of Puntland (Somalia) that the Company would significantly reduce 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 its production sharing agreements in Puntland. Given the considerable efforts taken by the Company in Puntland, 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.

In March 2015, the Company announced a new corporate strategy to aggressively pursue upstream oil and gas opportunities across Africa during the downturn in oil prices. The Company hired a successful technical team based in Cape Town, South Africa and changed the Company's name to "Africa Energy Corp." effective March 12, 2015.

Also in 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.

In June 2015, the Company and its joint venture partners notified the Government of Puntland (Somalia) of their decision to withdraw from its production sharing agreements in Puntland.

In December 2015, the Company 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 the Block 2B Exploration Right offshore 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 plc and certain of its subsidiaries to acquire Main Street 840 (Proprietary) Limited, an entity incorporated in the Republic of South Africa that holds a 25% participating interest in Block 2B;
- The Company paid \$2 million and issued 14.8 million common shares of the Company to acquire all of the shares of Thombo, a privately held company incorporated in the United Kingdom that operates and holds a 34.5% participating interest in Block 2B. The Company may be obligated to issue up to an additional 20 million common shares and to pay up to \$1.5 million in additional contingent cash and/or shares of Africa Energy, at the option of the Company, if certain milestones associated with the commercialization of Block 2B are achieved; and
- The Company completed a farm-in agreement with a subsidiary of Crown to acquire a 30.5% participating interest in Block 2B. The Company reimbursed Crown \$0.3 million of net back costs and will fund costs for Crown's remaining 10% participating interest associated with the drilling and testing of the next well in Block 2B.

In November 2016, the Company completed a non-brokered private placement issuing an aggregate of 60,000,000 common shares at a price of CDN \$0.25 (\$0.1865) per share for gross proceeds of CDN\$15 million. A finder's fee was paid in the amount of \$0.3 million in cash. The common shares issued in the private placement are subject to a statutory hold period that expired March 16, 2017.

FISCAL YEAR ENDED DECEMBER 31, 2017

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

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

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

In November 2017, Main Street 1549, a company owned 49% by Africa Energy, entered into farmout agreements with each of Total and CNRI to acquire an aggregate 10% participating interest in the Block 11B/12B Exploration Right, providing Africa Energy with an effective 4.9% interest. The Company paid a deposit of \$0.5 million at signing and will pay an addition \$6.9 million at closing. The Company has agreed to fund a portion of Total's and CNRI's costs for the proposed exploration well to a maximum of \$7.6 million, plus certain contingent payments due at various milestones associated with commercialization of hydrocarbons from Block 11B/12B. Closing is subject to standard conditions for a transaction of this type, including approval by the South African government and the TSX Venture Exchange.

SUBSEQUENT TO THE YEAR ENDED DECEMBER 31, 2017

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

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

ITEM 4 NARRATIVE DESCRIPTION OF THE BUSINESS

SUMMARY

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

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

Block 2B

The Company has a 90% participating interest and operates Block 2B offshore the Republic of South Africa. Crown Energy AB indirectly holds the remaining 10% participating interest.

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

Oil was discovered and tested by Soekor in the A-J1 borehole drilled in 1988. Thick reservoir sandstones were intersected between 2,985 meters and 3,350 meters. The well was tested and flowed 191 barrels of oil per day of 36 degree API oil from a 10 meters sandstone interval at about 3,250 meters. At the time, the discovery was considered to be of limited economic significance. However, significant upside potential in prospect areas, at depths of up to 800 meters shallower

than the reservoirs in A-J1, has been identified in the 686 square kilometers of 3-D seismic data that covers the whole of the A-J graben area. Follow-up wells will target this potential.

The A-J graben is a typical rift basin, similar to others in which major oil accumulations have recently been discovered, such as the South Lokichar basin in Kenya. The oil was generated in lacustrine source rocks that are present in the deepest parts of the basin. The oil migrated and accumulated in fluvial and lacustrine sandstone reservoirs around the basin flanks. There is also significant potential in other rift graben to the north and south of the A-J graben and potential for significant gas discoveries in the shallower sequences above the rift graben succession over the whole block.

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

Reserves have yet to be attributed to the Company's interest in Block 2B. Contingent resources have been attributed to the A-J Basin. These contingent oil resources are assigned to the project maturity sub-class "Development 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.

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

PEL 37

The Company owns one-third of Pancontinental Namibia, which holds a 30% participating interest in PEL 37 offshore the Republic of Namibia. PEL 37 is operated by Tullow Oil plc, which holds 35%, with partners ONGC Videsh and Paragon Oil and Gas, holding 30% and 5%, respectively. The joint venture partnership for PEL 37 plans to spud the Cormorant-1 well on September 1, 2018.

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

In 2013, oil was recovered from the Wingat-1 well, located in the block directly south of PEL 37. The Murombe-1 well, drilled in the same license as Wingat-1, intersected a world class mature oil-prone source in the Aptian sequence. The acquisition of a 3,440 square kilometers 3D seismic survey in PEL 37 resulted in the delineation of a number of significant

prospects consisting of Lower Cretaceous submarine fans that are stratigraphically trapped. A successful test of this play will significantly de-risk the follow up potential of approximately 1 billion barrels of oil, as disclosed by another joint venture partner in PEL 37.

During the 2013 seismic campaign, an additional 1,000 kilometers of 2D seismic data was acquired in the southern part of PEL 37, and it indicates that the Lower Cretaceous fan play extends southwards and could be further explored in the case of success.

The joint venture partnership is currently in the Second Renewal Period of PEL 37 which is for a period of two years commencing March 20, 2018. During the Second Renewal Period, which is the last exploration period, the joint venture partnership is obligated to drill an exploration well on PEL 37. In the event of a discovery prior to expiry of PEL 37, the joint venture partnership may agree a two-year appraisal program, at the end of which, the joint venture partnership may apply for a Production License with the Government of the Republic of Namibia. The Government of the Republic of Namibia does not have back-in rights for PEL 37.

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

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

Block 11B/12B

Subject to standard conditions for a transaction of this nature, including South African Government and TSX Venture Exchange approval, Main Street 1549, an entity held 49% by the Company, will acquire a 10% participating interest in Block 11B/12B offshore the Republic of South Africa. Block 11B/12B is operated by Total which holds 45%, with partners Qatar Petroleum (subject to close) and CNRI holding 25% and 20%, respectively.

Block 11B/12B is located in the Outeniqua Basin approximately 175 kilometers off the southern coast of South Africa. The block covers an area of approximately 18,734 square kilometers with water depths ranging from 200 meters in the north to 2,000 meters in the south. The Lower Cretaceous Post-rift Paddavissie Fairway, which contains the Brulpadda Prospect, is located within the southwest corner of the block.

Total's first attempt to drill the Brulpadda Prospect in 2014 was suspended prior to reaching target due to difficulties experienced by the drilling rig in the harsh deep-water environment. Since then, the operator has worked hard to identify the best solution to re-enter and drill the Brulpadda-1AX well in strong ocean currents. In July 2017, Total contracted Odfjell Drilling's Deepsea Stavanger rig to re-enter Brulpadda-1AX. The joint venture partnership for Block 11B/12B plans to spud the Brulpadda-1AX re-entry well in December 2018.

The Brulpadda Prospect is at a water depth of 1,431 meters. An exploration well will test the southern Outeniqua Basin within the Paddavissie Turbidite Fan Complex (the "Paddavissie Fairway"). The well is expected to be drilled to a target depth of approximately 3,500 meters. The prospect has been de-risked with 2D seismic and electromagnetic surveys. Four

additional prospects have been defined within the Paddavissie Fairway. One of the joint venture partners has reported multi-billion barrel resource potential in the Paddavissie Fairway. These five prospects have clear amplitude anomalies with excellent structural conformance and flat spots indicating presence of hydrocarbons.

In August 2017, prior to the expiry of the First Renewal Period, Total submitted an application for entry into the Second Renewal Period that is for a period of two years. As part of the application process, the joint venture partnership proposed a work program and budget that will need to be agreed with the Government of the Republic of South Africa. At the end of Second Renewal Period a decision will be made to either relinquish or renew the right into the Third Renewal Period, being the final period in the Exploration Right. In the event of a commercial discovery prior to expiry of the Exploration Right, the joint venture partnership has the exclusive right to apply for a Production Right with the Government of the Republic of South Africa.

Reserves and Resources have yet to be attributed to the Block 11B/12B as closing of the farm-in transactions is subject to standard conditions, including approval by the South African Government and the TSX Venture Exchange.

See the disclosure in Block 2B above for a summary of the fiscal regime in the Republic of South Africa.

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, 2017 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, 2017 (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 to laws and regulations, a change in taxation policies, and the imposition of currency controls. These uncertainties, all of which are beyond the Company's control, could have a material adverse effect on the Company's business, prospects and results of operations. In addition, if legal disputes arise related to oil and gas concessions acquired by the Company, the Company could be subject to the jurisdiction of courts other than those of Canada. The Company's recourse may be very limited in the event of a breach by a government or government authority of an agreement governing a concession in which the Company acquires an interest. The Company may require licenses or permits from various governmental authorities to carry out future exploration, development and production activities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits when required.

UNCERTAINTY OF TITLE

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

FINANCIAL STATEMENTS PREPARED ON A GOING CONCERN BASIS

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

DIFFERENT LEGAL SYSTEM AND LITIGATION

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

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

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

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

RISKS RELATING TO CONCESSIONS, LICENSES AND CONTRACTS

The Company's operations are based on a relatively small number of concession agreements, licenses and contracts. The rights and obligations under such concessions, licenses and contracts may be subject to interpretation and could also be affected by, among other things, matters outside the control of the Company. In case of a dispute, it cannot be certain that the view of the Company would prevail or that the Company otherwise could effectively enforce its rights which, in turn, could have significantly negative effects on the Company. 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 and the Mineral and Petroleum Resources Development Act. The Liquid Fuels Charter requires the holder of certain exploration rights and licences to make sincere attempts to find a suitable partner who is a Historically Disadvantaged South African and to make available to such partner not more than a 1/10th undivided interest share in the right or license at fair market value. The terms of, and application of, these black empowerment policies and other laws and regulations in South Africa are subject to change and may impact the Company's holdings in South Africa. In addition, the primary legislation governing the upstream hydrocarbons sector in South Africa, the Mineral and Petroleum Resources Development Act, 2002 (the MPRDA), is currently being revised to amend the current fiscal parameters as well as the general administration right/concessions and may also impact the Company's holdings in South Africa.

CLIMATE CHANGE LEGISLATION

The oil and natural gas industry is subject to environmental regulation pursuant to the local, provincial (or state) and federal legislation, as applicable, within each of the Company's countries of operation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect of the Company or the oil and gas assets, some of which may be material. Furthermore, management of the Company believes the political climate appears to favour new programs for environmental laws and regulation, particularly in relation to the reduction of emissions or emissions intensity, and there is a risk that any such programs, laws or regulations, if proposed and enacted, will contain emission reduction targets which

the Company cannot meet, and financial penalties or charges could be incurred as a result of the failure to meet such targets.

Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Implementation of strategies by any level of government within the countries in which the Company operates, and whether to meet international agreed limits, or as otherwise determined, for reducing greenhouse gases could have a material impact on the operations and financial condition of the Company. In addition, concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of fossil fuels. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

ENVIRONMENTAL REGULATION

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

AVAILABILITY OF EQUIPMENT AND PERSONNEL

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

RELIANCE ON 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, 2017.

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

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

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

LIMITATION OF LEGAL REMEDIES

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

ISSUANCE OF DEBT

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

RISKS RELATING TO THE SHARES

Significant shareholder

Africa Oil owns 91,096,164 Shares and control approximately 28.5% of the aggregated voting shares of the Company. The Common Shareholdings of Africa Oil will allow Africa Oil to significantly affect substantially all the actions taken by the shareholders of the Company, including the election of directors. As long as Africa Oil maintains a significant interest in the

Company, it is likely that Africa Oil will exercise significant influence on the ability of the Company to, among other things, amend the articles of the Company, enter into a change in control transaction that might otherwise be beneficial to its shareholders and may also discourage acquisition bids for the Company. There is a risk that the interests of Africa Oil will not be aligned with the interests of other shareholders.

Share Price Volatility

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

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

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

Selling off of Shares

To the extent that any issued and outstanding 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 Shares may decline significantly and investors may be unable to sell their shares at a profit, or at all.

Dilution

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

Risks related to illiquid trading

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

INDUSTRY REGULATORY

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

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, 2017, 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 319,195,469 common shares were issued and outstanding as fully paid and non-assessable as at April 23, 2018.

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, 2017 and December 31, 2017, as reported by the Exchange:

Month	High (CAD\$)	Low (CAD\$)	Volume
January 2017	0.35	0.245	5,104,340
February 2017	0.30	0.25	1,065,091
March 2017	0.29	0.18	1,414,838
April 2017	0.28	0.185	2,020,892
May 2017	0.22	0.155	1,077,787
June 2017	0.20	0.155	610,548
July 2017	0.185	0.155	993,392
August 2017	0.185	0.145	2,386,886
September 2017	0.20	0.15	1,204,214
October 2017	0.185	0.15	1,068,475
November 2017	0.21	0.16	2,161,736
December 2017	0.19	0.155	2,072,469

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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
Ashley Heppenstall Hong Kong	Director since March 10, 2015 Chairman since July 7, 2016	Mr. Heppenstall is the Lead Director of Lundin Gold Inc., Filo Mining Corp. and International Petroleum Corporation, 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.
Garrett Soden Madrid, Spain	President and Chief Executive Officer since July 3, 2017 Director since July 6, 2017	Mr. Soden has worked with the Lundin Group for the last decade. He is a Non-Executive Director of Etrion Corporation, Gulf Keystone Petroleum Ltd., Panoro Energy ASA, Petropavlovsk PLC and Phoenix Global Resources PLC. Previously, he was Chairman and CEO of RusForest AB, CFO of Etrion and PetroFalcon Corporation and a Non-Executive Director of PA Resources AB.
Keith C. Hill Florida, USA	Director since June 30, 2011 Chairman from June 30, 2011 to July 7, 2016	Mr. Hill is the President and Chief Executive Officer and a director of Africa Oil Corp., Chairman of ShaMaran Petroleum Corp., director of BlackPearl Resources Ltd., director of TAG Oil Ltd. and director of ECO Atlantic Oil & Gas Ltd.; formerly Chairman and director of Petro Vista Energy Corp., director of Tyner Resources Ltd., President and Chief Executive Officer of Pearl Exploration and Production Ltd. (now BlackPearl Resources Ltd.), Valkyries Petroleum Corp. and Bayou Bend Petroleum (now ShaMaran Petroleum Corp.).

Name, province or state and country of residence	Position(s) Held in the Company	Principal Occupation During the Past Five Years
Ian Gibbs British Columbia, Canada	Director since September 20, 2011	Mr. Gibbs is the Chief Financial Officer of Africa Oil Corp., and a director of Lundin Gold Inc. He is a former director of Petro Vista Energy Corp., the former Chief Financial Officer of Valkyries Petroleum Corp., Tanganyika Oil Company Ltd. and ShaMaran Petroleum Corp. (formerly Bayou Bend Petroleum Ltd.).
John Bentley United Kingdom	Director since March 10, 2015	Mr. Bentley is the Chairman of Faroe Petroleum plc, Deputy Chairman of Wentworth Resources Ltd and a director of Phoenix Global Resources plc. 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, Aداstra 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.
Jan Maier South Africa	Vice President Exploration since March 10, 2015	Mr. Maier has more than 30 years of experience in African new venture exploration. Most recently, he was the New Ventures Exploration Manager at Tullow Oil plc following its acquisition of Energy Africa in 2004.
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.

In July 2017, the Company appointed Garrett Soden as the Company's President and Chief Executive Officer. Mr. Soden replaced James Phillips who elected to retire. Mr. Soden was also appointed to the Company's Board of Directors.

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, 2017, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly or exercise control or direction over 33,006,393 common shares, representing approximately 10.3% 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.

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.

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 to pay up to \$1.5 million in additional contingent cash and/or shares, at the option of the Company, if certain milestones associated with the commercialization of Block 2B are achieved.

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, director 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. 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.

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, 2017.

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, 2017**

(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 23, 2018
2. The Effective Date of information provided in this statement is as of the Company’s most recently completed fiscal year ended: December 31, 2017.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

The Company holds a 90% participating interest in the Exploration Right for Block 2B offshore the Republic of South Africa (“Block 2B”) and owns one-third of the shares of Pancontinental Namibia Pty Ltd., which holds a 30% participating interest in Petroleum Exploration Licence 37 offshore the Republic of Namibia (“PEL 37”). The Company’s proportionate share of interest in PEL 37 is 10%, and its investment in Pancontinental Namibia Pty Ltd. is treated as an equity investment. The joint venture partnerships in each of Block 2B and PEL 37 have not drilled any wells as of the date of this report.

ITEM 6.2 PROPERTIES WITH NO ATTRIBUTED RESERVES

The Company does not have any properties with attributed reserves. At December 31, 2017, the Company held a 90% participating interest in Block 2B and owned one-third of the shares of Pancontinental Namibia Pty Ltd., which held a 30% participating interest in PEL 37.

Block 2B, offshore Republic of South Africa

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

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

PEL 37, offshore Republic of Namibia

PEL 37 covers an area of 17,295 square kilometers of the northern Namibian offshore region located about 420 kilometers south of the Angolan/Namibian border. Water depths over PEL 37 range from 400 meters to 1,500 meters and over the main prospective area where the Cormorant and other prospects (Albatross, Seagull and Gannet) have been delineated, range from 400 meters to 600 meters. In 2013, oil was recovered from the Wingat-1 well, located in the block directly south of PEL 37. The Murombe-1 well, drilled in the same license as Wingat-1, intersected a world class mature oil-prone source in the Aptian sequence. The acquisition of a 3,440 square kilometers 3D seismic survey in PEL 37 resulted in the delineation of a number of significant prospects consisting of Lower Cretaceous submarine fans that are stratigraphically trapped. The joint venture partnership for PEL 37 plans to spud the Cormorant-1 well on September 1, 2018.

The PEL 37 joint venture partnership is currently in the Second Renewal Period of the Exploration Licence which is for a period of two years commencing March 20, 2018. During the Second Renewal Period, which is the last exploration period, the joint venture partnership is obligated to drill an exploration well on PEL 37. In the event of a discovery prior to expiry of PEL 37, the joint venture partnership may agree a two-year appraisal program, at the end of which, the joint venture partnership may apply for a Production License with the Government of the Republic of Namibia. The Government of the Republic of Namibia does not have back-in rights for PEL 37.

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

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

Block 2B

The Company did not have its attributed contingent and prospective resources audited at December 31, 2017. The Company's contingent and prospective resources in Blocks 2B were assessed by an independent qualified reserves evaluator in accordance with the Canadian Oil and Gas Evaluation Handbook with an effective date of December 31, 2016, and the following is a summary of the results of that assessment:

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

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

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

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

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

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

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

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

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

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

The company has recently called on its extensive experience of exploration of rift basins and has identified further potential prospect leads 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 2017. 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 \$0.2 million of net exploration costs during 2017, all of which related to Block 2B.

ITEM 6.7 EXPLORATION AND DEVELOPMENT ACTIVITIES

In 2017, the Company's technical exploration team analysed 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, 2017.

ITEM 6.9 PRODUCTION HISTORY

The Company had no oil and gas production history as of December 31, 2017.

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, 2017.

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, 2017.

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

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

/s/Garrett Soden

Garrett Soden, President and Chief Executive Officer

/s/Jeromie Kufflick

Jeromie Kufflick, Chief Financial Officer

/s/Keith Hill

Keith Hill, Director

/s/Ashley Heppenstall

Ashley Heppenstall, Chairman

Date: April 23, 2018