

AFRICA ENERGY CORP

Near-Term High-Impact Oil Exploration

May 2018

A LUNDIN GROUP COMPANY



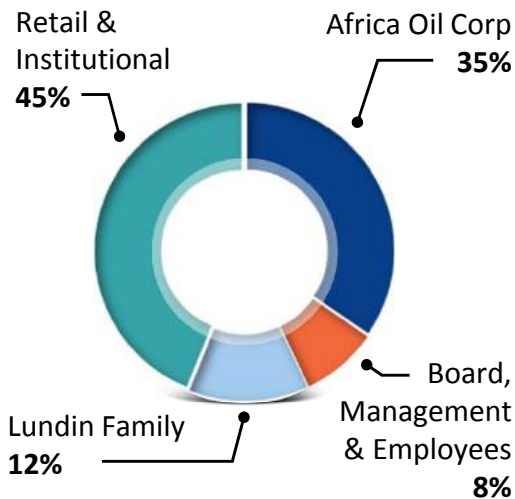
Ocean Rig Poseidon will drill the Cormorant Prospect on PEL 37 in Namibia in September 2018.

Corporate Profile



- Independent oil exploration company
- Listed on TSX Venture and Nasdaq First North Stockholm
- Focused on under-explored regions in Africa
- Backed by Lundin Group (\$45 million recent financing)
- Proven technical team from Tullow Oil / Energy Africa
- Three near-term high-impact exploration assets ⁽¹⁾
- Reviewing additional acquisition opportunities

Share Ownership



Corporate Snapshot

| | |
|-----------------------------|-------------------------------------|
| AFE/AEC | TSX-V/First North Ticker |
| C\$0.18 SEK 1.15 | Share Price at May 17, 2018 |
| 681.6 | Common Shares (million) |
| 34.5 | Stock Options (million) |
| \$95.6 | Market Cap (US\$ million) |
| \$0 | Debt (US\$) |
| \$1.5 ⁽²⁾ | Cash at Mar 31, 2018 (US\$ million) |
| 13 | Number of Employees |

(1) Block 11B/12B transaction subject to closing.

(2) Closed \$45 million financing in May 2018.

Asset Footprint



Equity Research

| | | |
|-------------------|--------|---------------|
| Pareto Securities | London | Shahin Amini |
| Numis Securities | London | Thomas Martin |

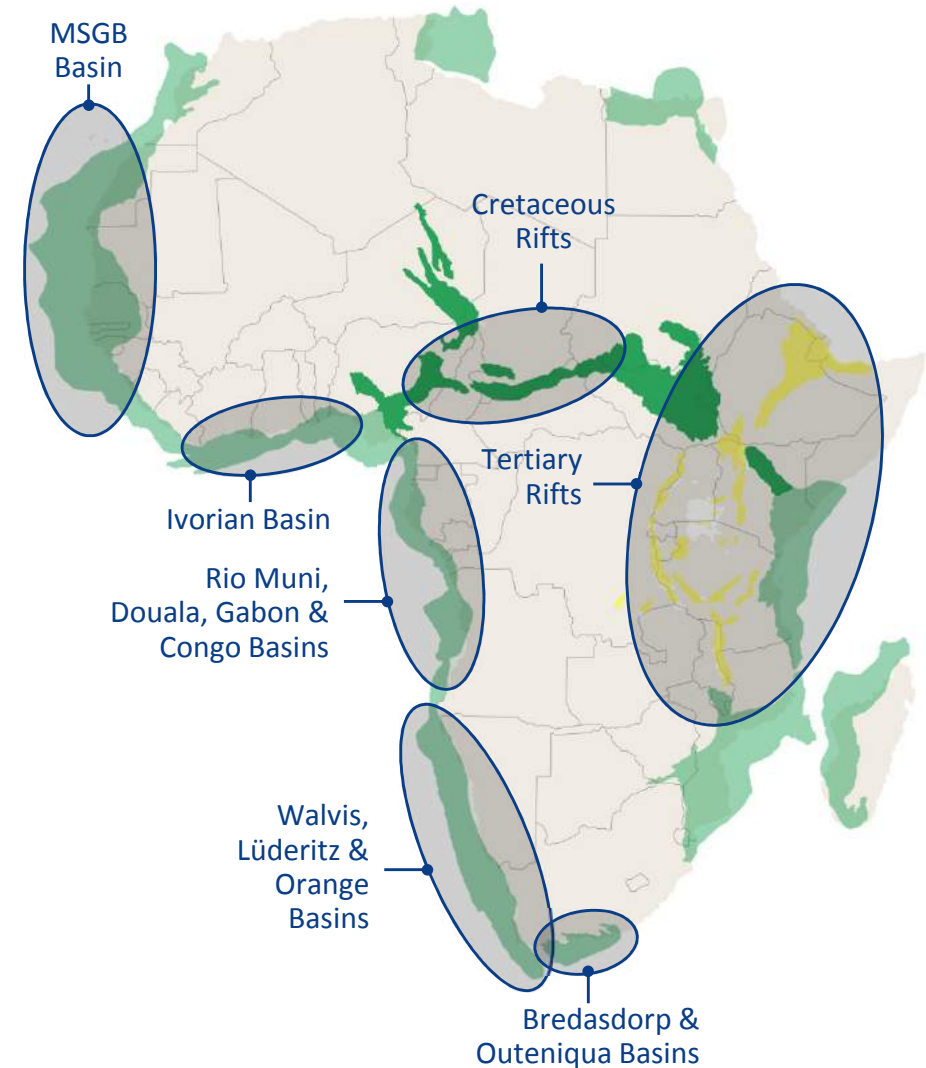
Business Model & Strategy



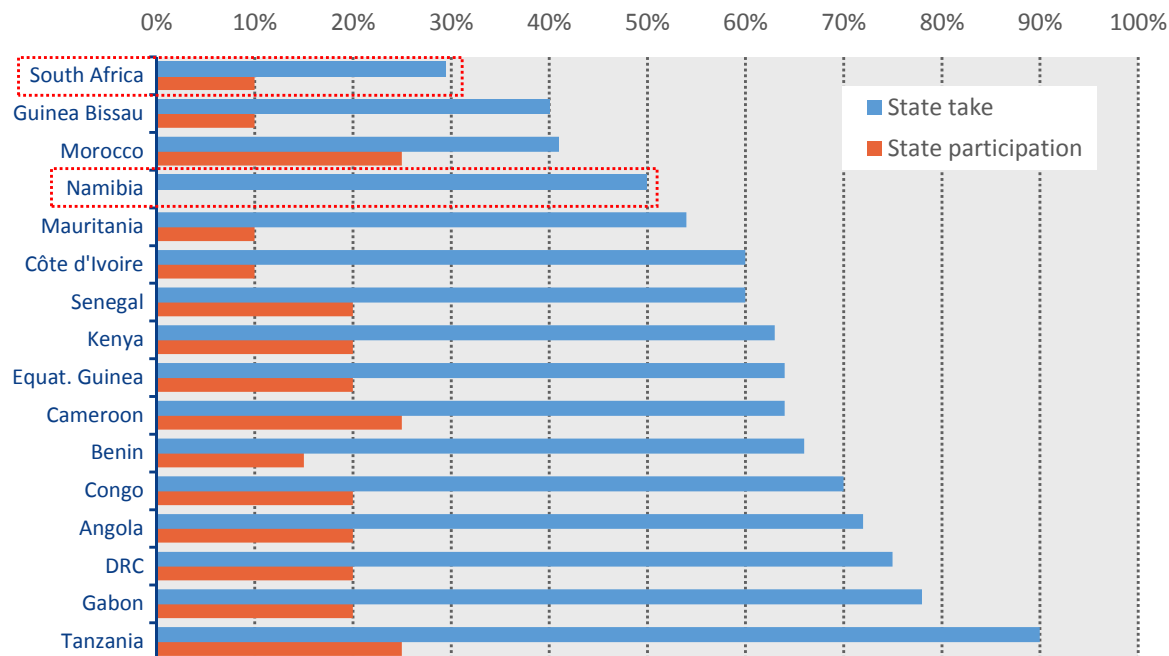
Building a Regional African Champion

- Focused on frontier regions in Africa
- Building high-quality exploration portfolio of non-operated minority interests
- Looking to acquire producing assets long-term
- Targeting stable countries with solid commercial terms

New Venture Focus Areas

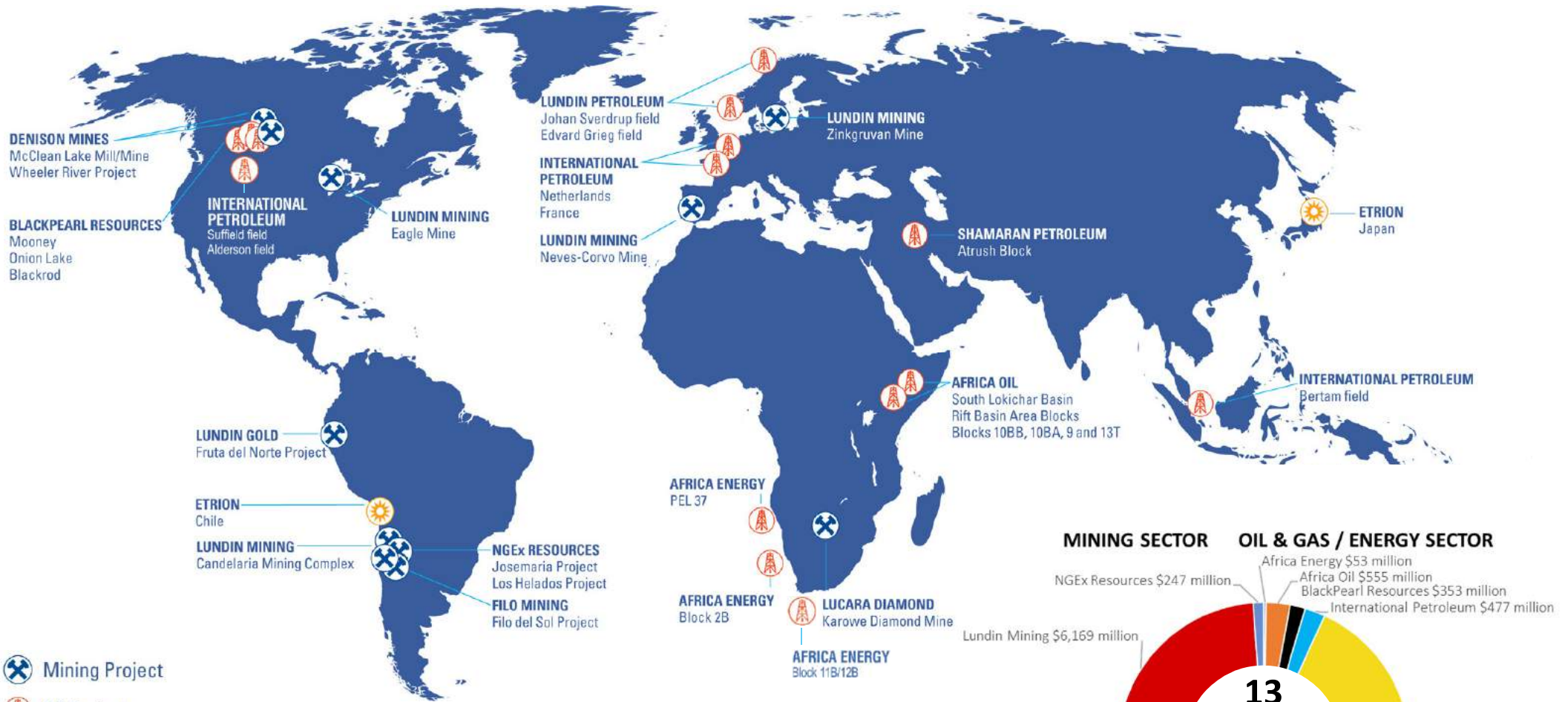


Net State Take & Participation by Country



Source: Company estimates.

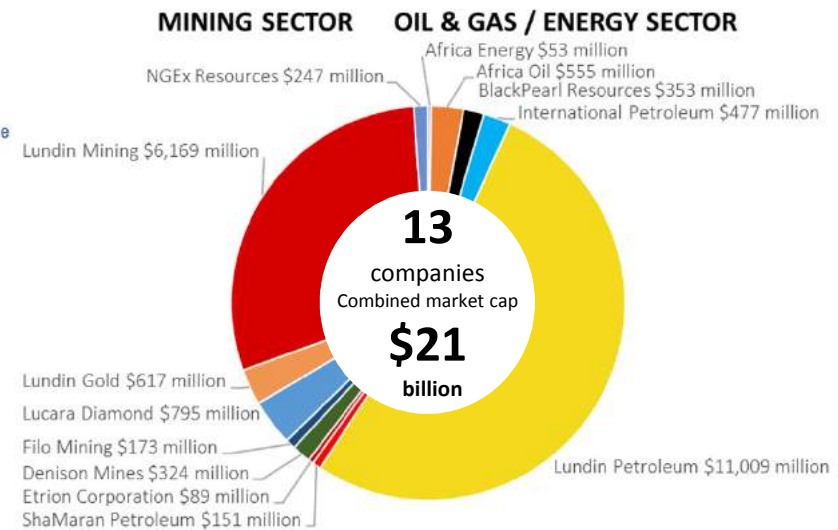
Lundin Group of Companies



- Mining Project
- Oil Project
- Solar Power Project

Core shareholder with global footprint

Group market cap information shown in CAD as of March 31, 2018.



Lundin Group in Africa



Lundin investment in Africa exceeds \$5 billion

Non-Executive Directors



Ashley Heppenstall, Chairman

- Advisor to the Lundin family and Director of several Lundin Group companies
- Previously President and CEO of Lundin Petroleum AB



Keith Hill, Director

- President and CEO of Africa Oil Corp.
- Director for several Lundin Group companies



John Bentley, Director

- Chairman of Faroe Petroleum plc and Deputy Chairman of Wentworth Resources Ltd.
- Previously CEO of Energy Africa Ltd.



Ian Gibbs, Director

- CFO of Africa Oil Corp.
- Director for several Lundin Group companies



Adrian Nel, Director

- Previously Exploration Director at Tullow Oil plc
- Previously COO and Exploration Director at Energy Africa Ltd.

Seasoned oil and gas veterans that know how to create value

Senior Management



Garrett Soden, President, CEO and Director

- Senior Executive and Board Member with the Lundin Group for the last decade
- Director of several listed natural resource companies
- BSc from London School of Economics and MBA from Columbia Business School



Jan Maier, Vice President Exploration

- 32 years experience in African new venture exploration
- Previously New Business Development Manager and Exploration Manager for the African region at Tullow Oil plc and Energy Africa Ltd.



Jeromie Kufflick, Chief Financial Officer

- 18 years financial experience in oil and gas industry
- Canadian Chartered Accountant
- Previously Corporate Controller for Africa Oil Corp.



Africa Energy office in Cape Town, South Africa.

Technical Team of Geologists and Geophysicists

- Stratigraphic trap play and rift play expertise
- Instrumental in oil discoveries in Ghana, Equatorial Guinea, Uganda and Kenya with Tullow Oil and Energy Africa

Strong management team with regional and sector expertise

Technical Team's Track Record

Four Basin Opening Discoveries in Africa

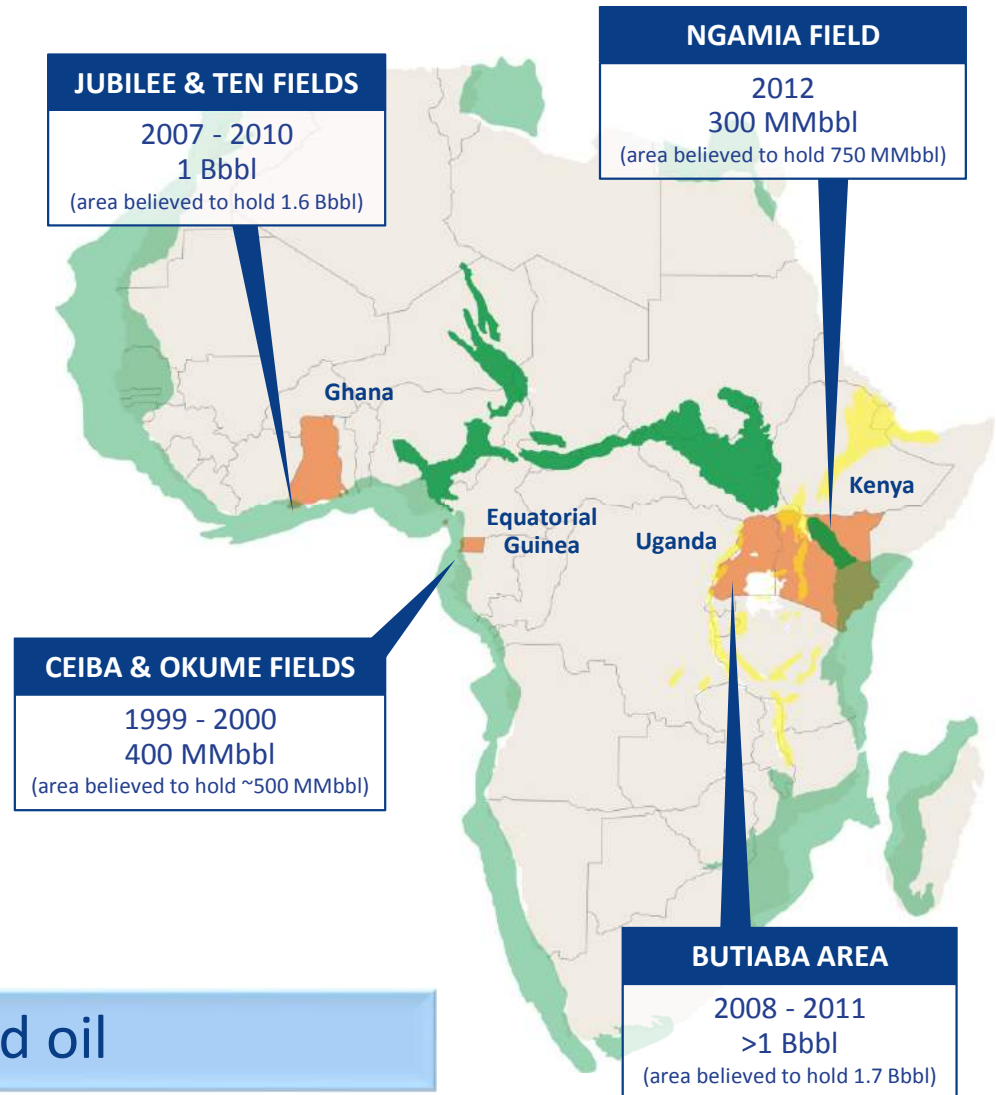


Stratigraphic Trap Play Type:

- Heinz Pferdekamper played major technical role in Jubilee, TEN, Ceiba and Okume discoveries, Atlantic margin of Africa
- Doug Brown and Tobias Tonsing played significant roles in play and resource extensions for onshore and offshore Gabon

Rift Play Type:

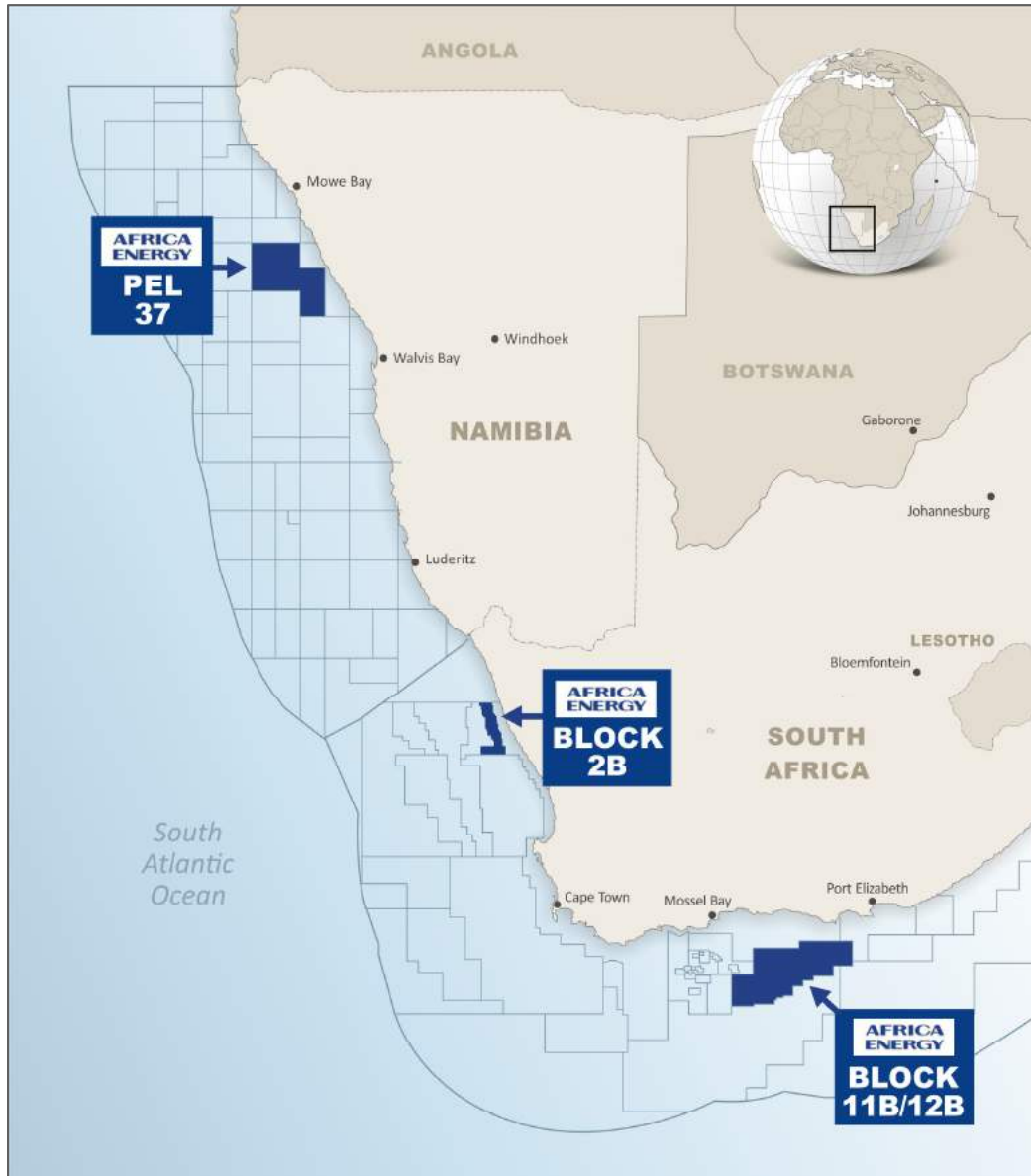
- Paul Burden played integral role in discovery of oil in Albertine and Lokichar Rifts, onshore East Africa
- Doug Brown had exploration success in Cretaceous-aged Rifts in offshore Indian and Atlantic regions



A team that knows how to find oil

Resource numbers obtained from third party public disclosure and have not been subject to independent audit by the Company.

Asset Overview – Three Drill-Ready Prospects



PEL 37, offshore Namibia

- 10% effective interest
- Operated by Tullow Oil
- Significant resource potential
- Drilling of Cormorant Prospect planned September 1, 2018

Block 2B, offshore South Africa

- 90% participating interest
- Operated by Africa Energy
- Proven oil basin with existing discovery
- Farmout process with potential well in 2019

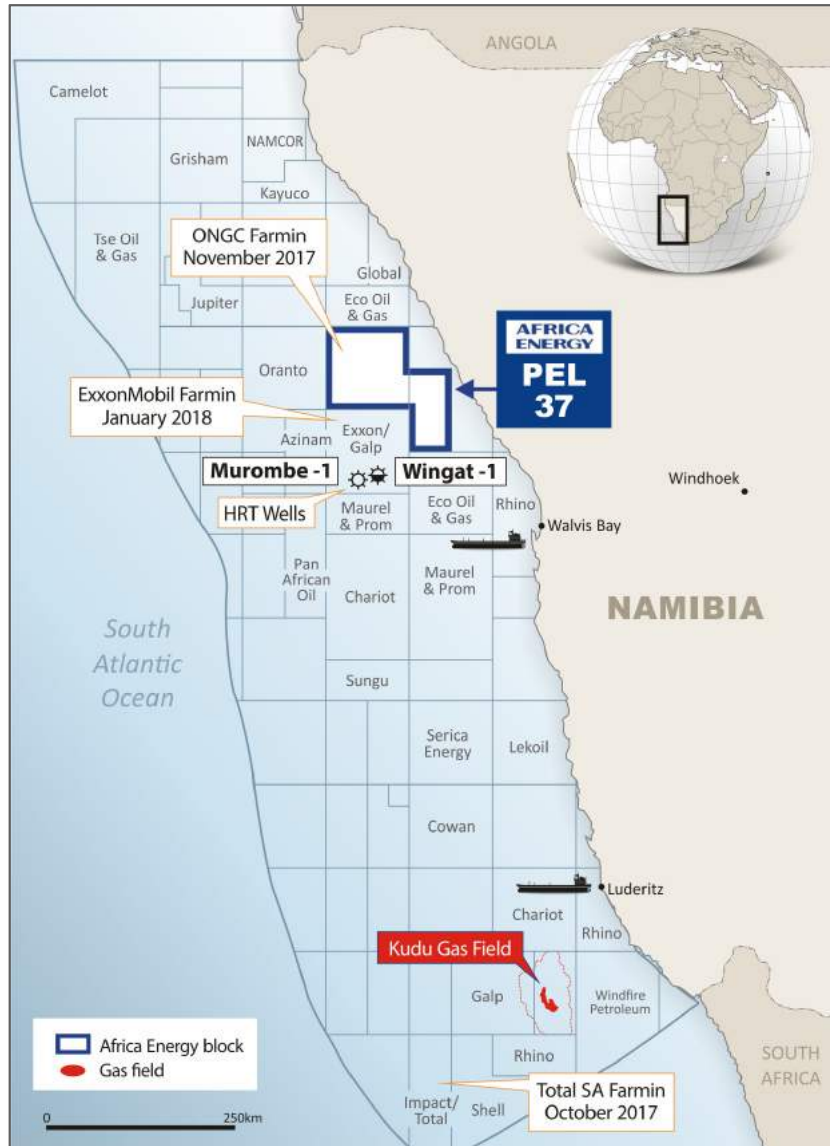
Block 11B/12B, offshore South Africa

- 4.9% effective interest*
- Operated by Total SA
- Huge resource potential, high chance of success
- Drilling of Brulpadda Prospect planned December 2018

**Block 11B/12B transaction subject to closing.*

Namibia Overview

Attractive Location / Fiscal Terms



History of Oil Industry

Namibia is under-explored. Kudu Gas Field discovered in 1974

Good quality mature oil source proven by HRT wells in 2014; attracted return of major oil companies

Namibia has two major ports to service the oil industry

Recent Country Entrants



Fiscal Terms

State Take < 50%



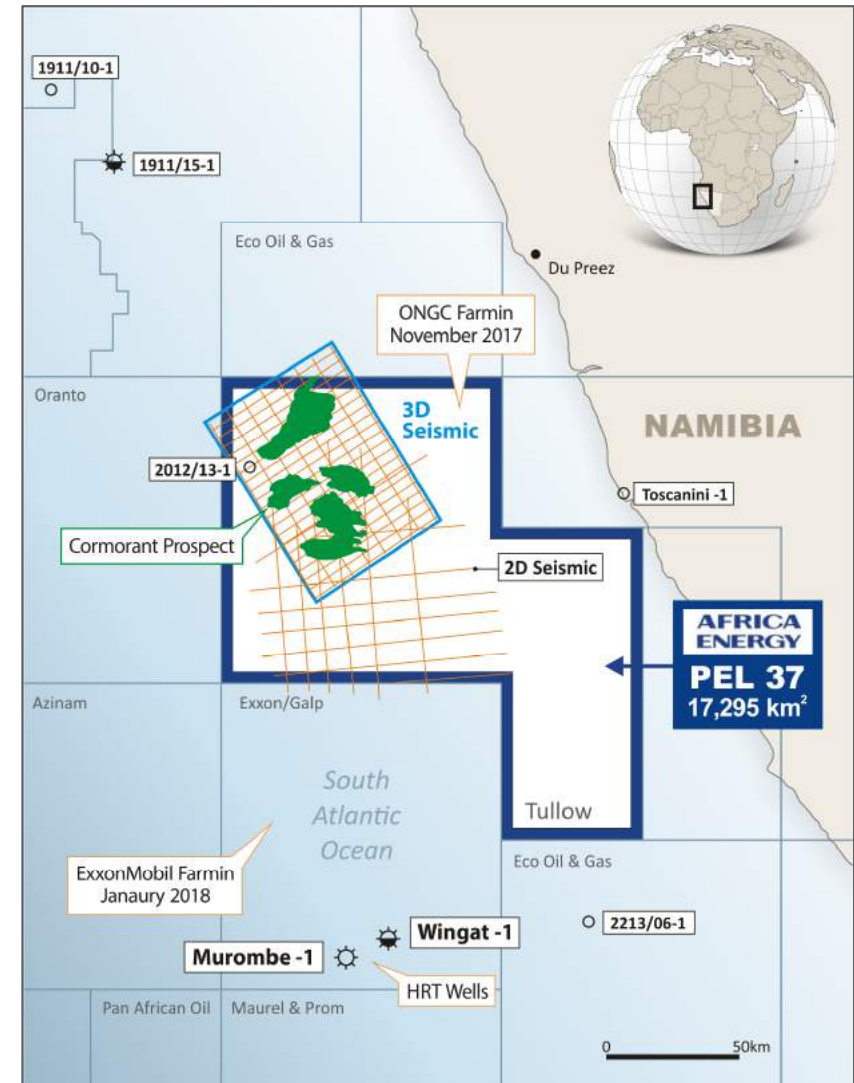
- **Royalty: 5%**
 - **Income Tax: 35%**
Additional Profits Tax (APT): levied in 3 tiers, if after-tax rate of return levels achieved, nil for PEL 37 in 2nd and 3rd tiers
 - **After Tax Profit**
 - **Tax Deductible Costs:** E&P expenses deductible when incurred, development costs depreciated over time
- Other key terms:** No state participation/ No carry-forward limitation on losses

Namibia PEL 37

Significant Resource Potential

- Four Cretaceous-age fans identified on 3D seismic
- Source rock proven by nearby HRT wells
- Best Estimate Prospective Resources of 915 MMbbl ⁽²⁾
- Significant follow-on potential in Cormorant success case
- Further upside prospectivity defined to the south with 2D seismic

| Asset Summary | |
|----------------------------|--|
| AEC effective interest | 10% ⁽¹⁾ |
| Partners | Tullow (operator with 35%), ONGC (30%), Pancontinental Namibia (30%), Paragon (5%) |
| Basin | Walvis Basin |
| First well | Cormorant-1 |
| Planned spud date | 1-Sep-18 |
| Water depth | 550 m |
| First well prospect size | 124 MMbbl ⁽²⁾ (Best Estimate Prospective Resources) |
| Play type | Submarine fan |
| Min. commercial field size | ~110 MMbbl at \$60/bbl (Company estimate) |
| Work program to date | 3,300 km ² 3D seismic and 1,000 km ² 2D seismic |
| Past costs to date | > \$35 MM (Company estimate) |

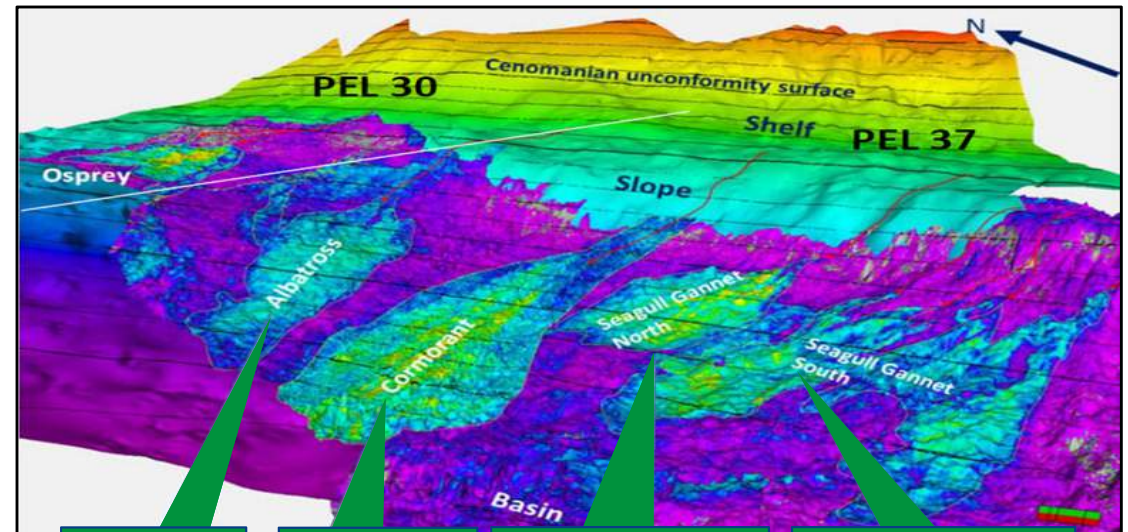
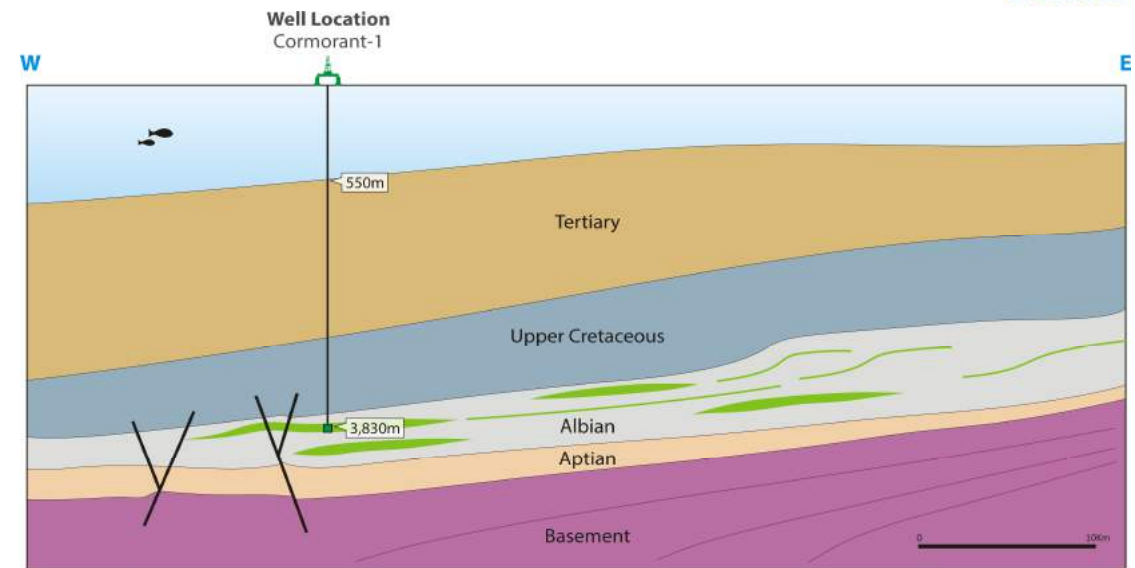
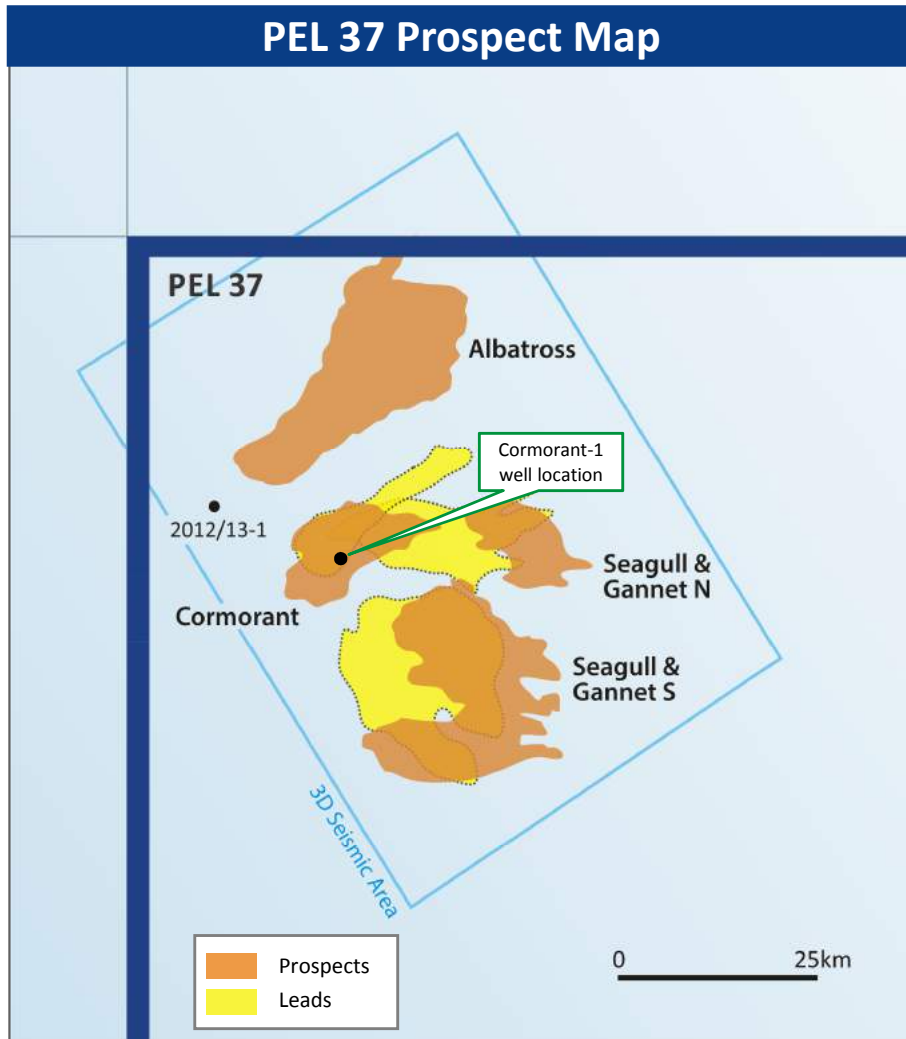


(1) Africa Energy owns one-third of Pancontinental Namibia, which owns 30% of PEL 37.

(2) Resource numbers obtained from third party public disclosure and have not been subject to independent audit by the Company.

Namibia PEL 37

Four Large Submarine Fans



| Albatross Prospect | Cormorant Prospect | Seagull Gannet North Prospect | Seagull Gannet South Prospect |
|---------------------|---------------------|-------------------------------|-------------------------------|
| 293 km ² | 120 km ² | 90 km ² | 273 km ² |

Note: Colors in graphic above represent the magnitude of the amplitude response rather than scale of prospect.

- High amplitude fans overlie mature Albo/Aptian source formations

South Africa Overview

Attractive Location / Fiscal Terms



Active Players



Fiscal Terms

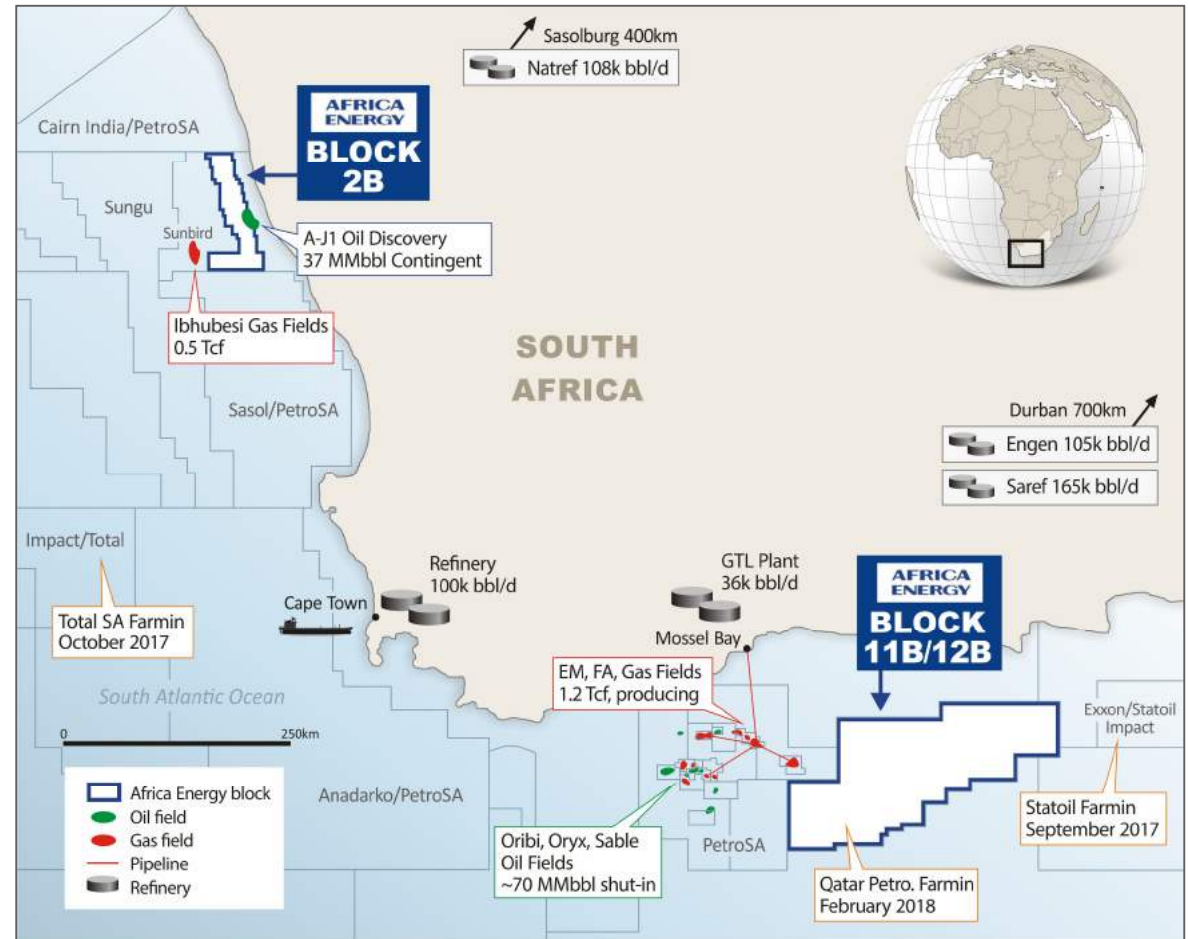
State Take < 30%



- **Royalty: 0.5-5%**
- **Income Tax: 28%**
- Tax benefit from cost uplift
- **After Tax Profit**
- **Tax Deductible Costs:**
Including cost uplift,
200% of exploration and appraisal,
150% of capex and 100% of opex

State and Black Economic Empowerment (BEE) Participation:

- 10-20% State back-in rights / 10% BEE participation rights ⁽¹⁾



Blocks 2B and 11B/12B located near existing discoveries and infrastructure

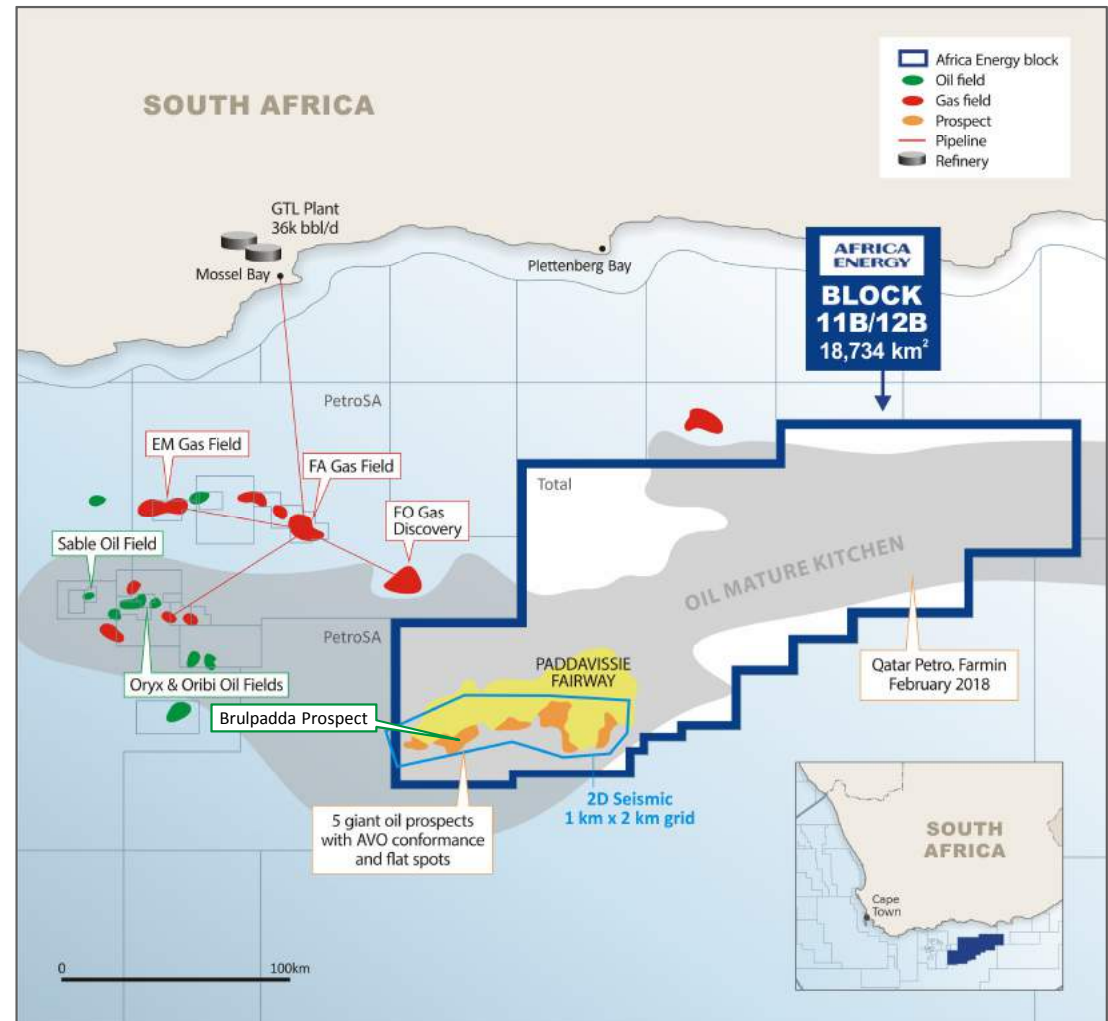
(1) Subject to approval of Mineral and Petroleum Resources Development Act (MPRDA).

South Africa Block 11B/12B

Huge Resource Potential with High Chance of Success



- Five Cretaceous-age fans identified on 2D seismic
- Petroleum system proven by nearby oil fields
- Multi-billion-barrel prospectivity ⁽²⁾
- High likelihood of oil success
- Significant follow-on potential in Brulpadda success case



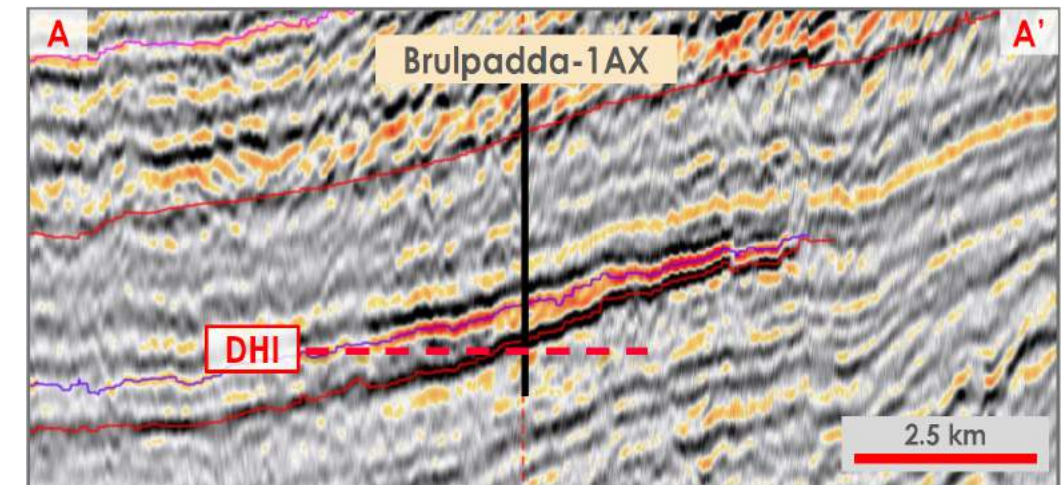
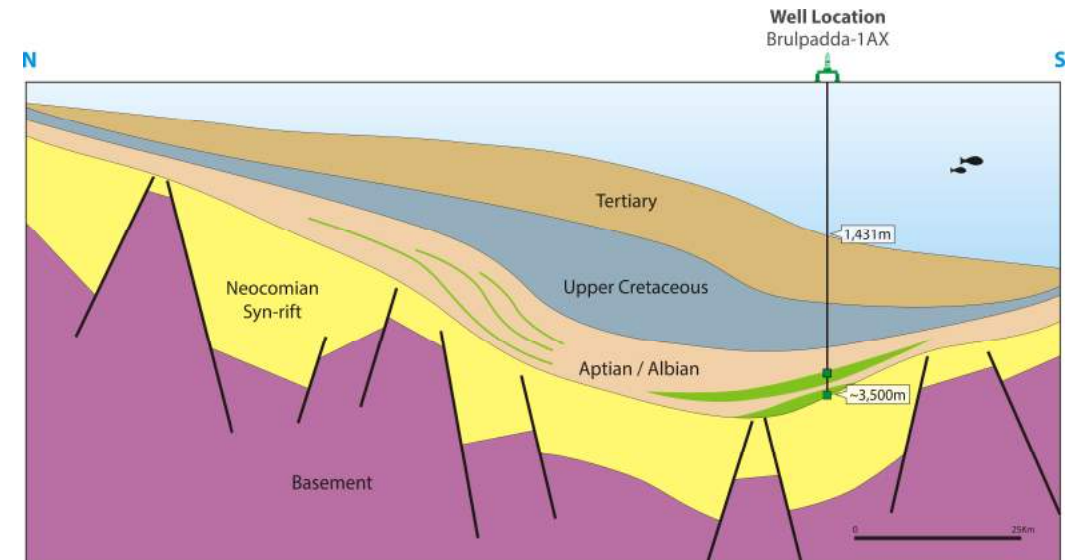
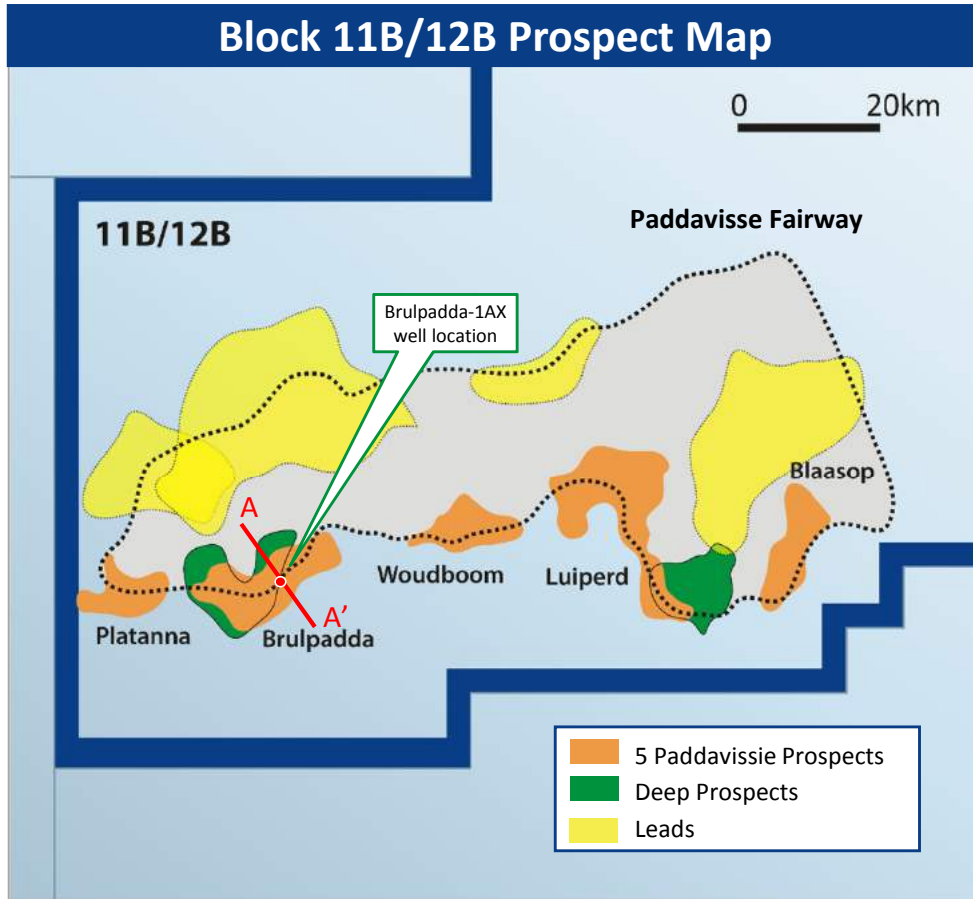
(1) Africa Energy owns 49% of an entity that will hold 10% in Block 11B/12B. Transaction closing subject to standard conditions, including Government approval.

(2) Resource numbers obtained from third party public disclosure and have not been subject to independent audit by the Company.

| Asset Summary | |
|----------------------------|--|
| AEC effective interest | 4.9% ⁽¹⁾ |
| Partners | Total (operator with 45%), Qatar Petroleum (25%), CNRL (20%) |
| Basin | Outeniqua Basin |
| First well | Brulpadda 1-AX re-entry well |
| Planned spud date | December 2018 |
| Water depth | 1,431 m |
| First well prospect size | > 500 MMbbl ⁽²⁾ |
| Play type | Submarine fan |
| Min. commercial field size | ~350 MMbbl at \$60/bbl (Company estimate) |
| Work program to date | 2,200 km ² 2D seismic and first attempt at Brulpadda well |
| Past costs to date | > \$150 MM (Company estimate) |

South Africa Block 11B/12B

Five Giant Oil Prospects with Seismic Flat Spots



- Direct Hydrocarbon Indicators (DHI) on seismic data: Amplitude Variations with Offset (AVO) conformance to structure and flat spots

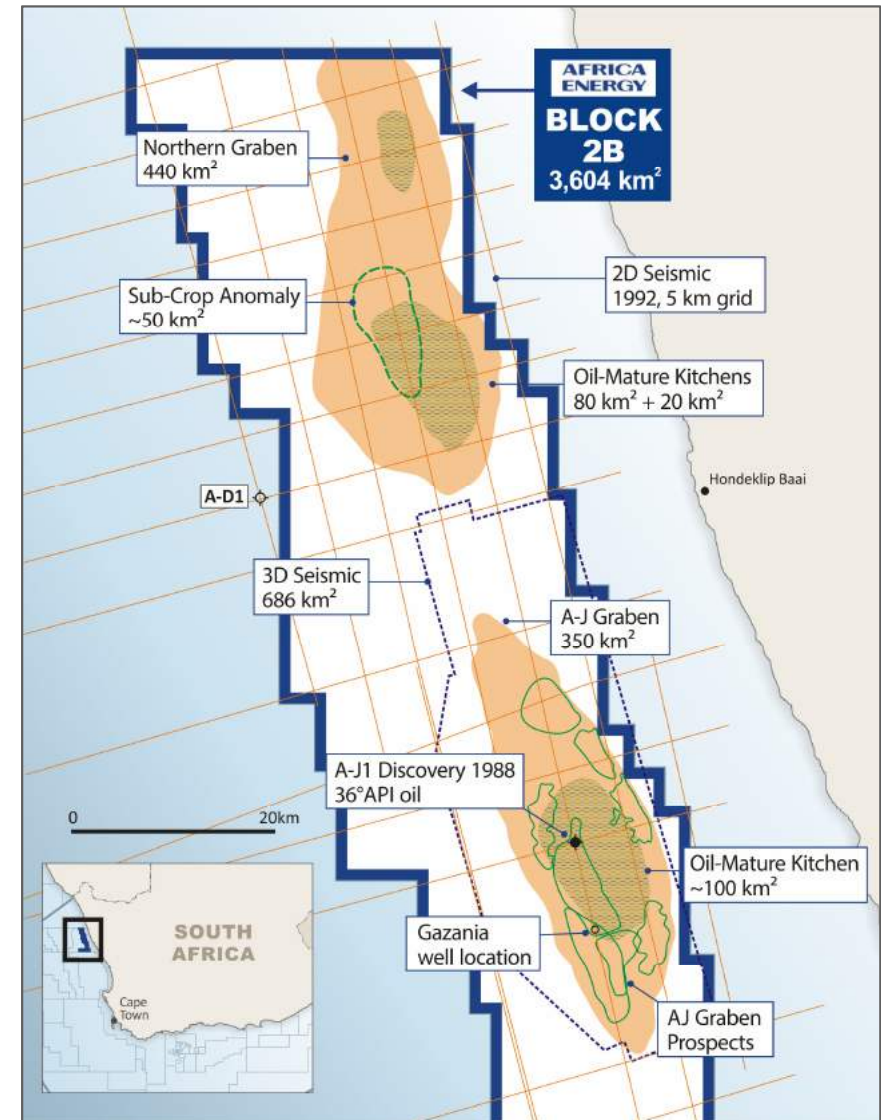
South Africa Block 2B

Proven Oil Basin

- Farmout process attracting interest from majors
- Near-term low-risk exploration well planned (~\$20 MM)
- A-J1 oil discovery from 1988 flowed high-quality oil to surface (36° API)
- Analogous to Lokichar Basin (Kenya) and Albertine Graben (Uganda)
- Best Estimate Prospective Resources of over 600 MMbbl for A-J1 Graben* with additional upside in Northern Graben

Asset Summary

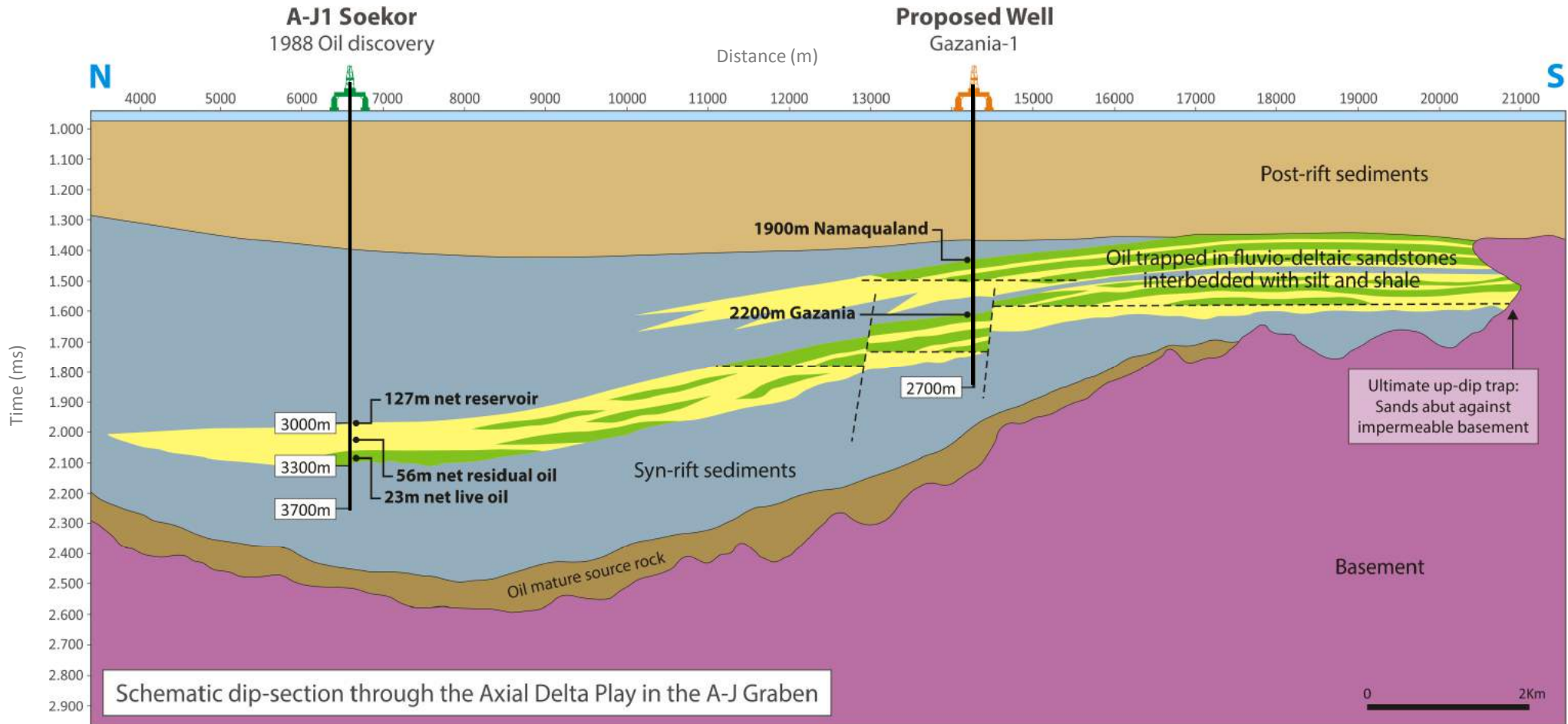
| | |
|-----------------------------------|--|
| AEC participating interest | 90% (operator) |
| Partners | Crown Energy AB (10%) |
| Basin | Orange Basin |
| First well | Gazania-1 |
| Planned spud date | Q3 2019 |
| Water depth | 150 m |
| First well prospect size | 349 MMbbl* (Best Estimate Prospective Resources) |
| Play type | Rift basin |
| Min. commercial field size | < 50 MMbbl at \$60/bbl (Company estimate) |
| Work program to date | 686 km ² of 3D seismic |
| Past costs to date | \$14 MM |



*200 MMbbl of Best Estimate Prospective Resources have been subject to resource assessment by qualified third party resource auditor.

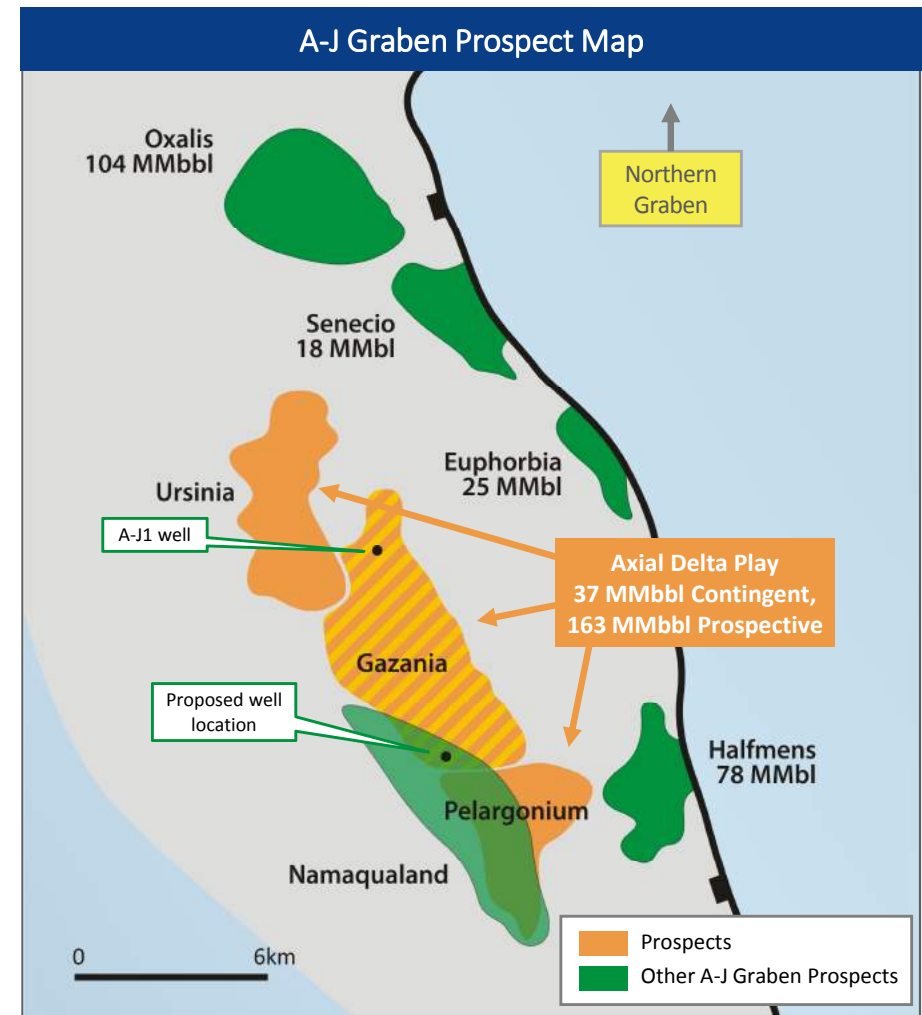
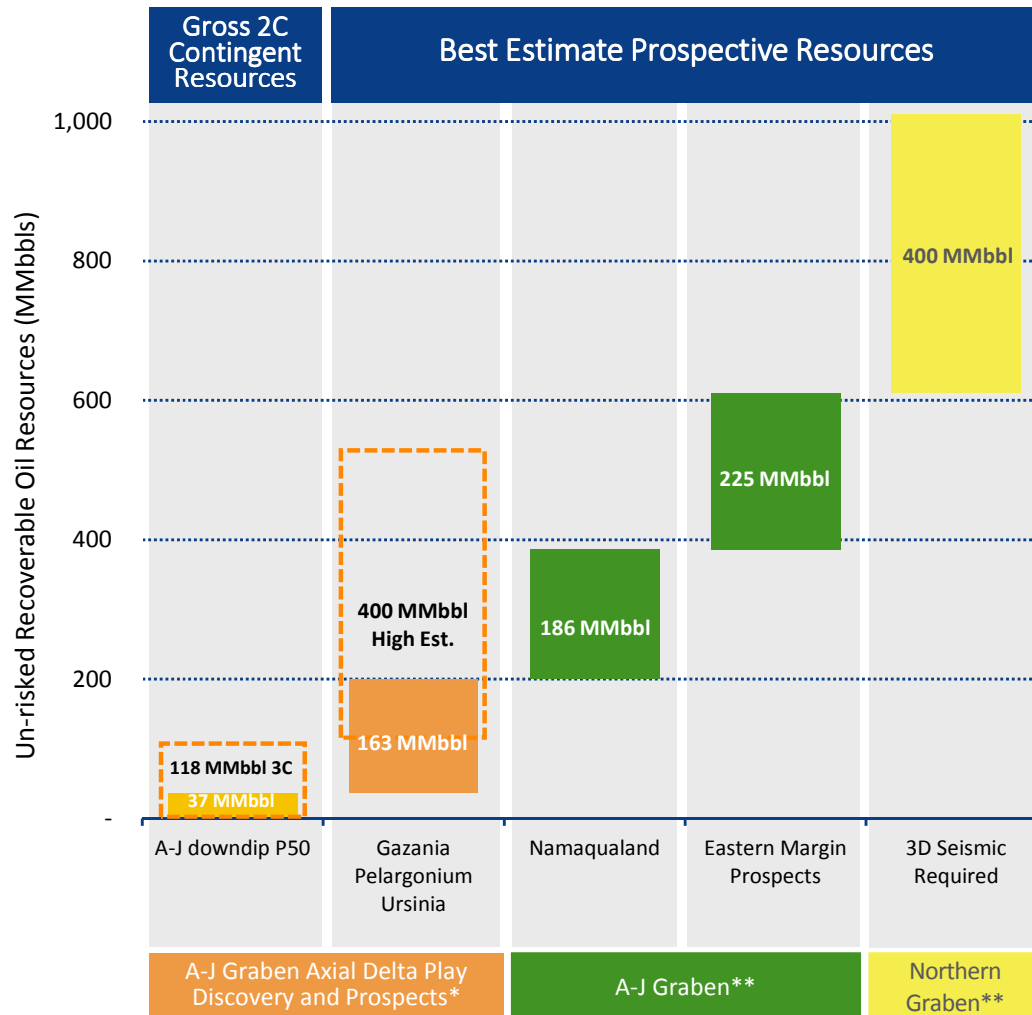
South Africa Block 2B

A-J Graben Axial Delta Play



- Proposed drilling location will test both Namaqualand and Gazania Prospects
- Gazania Prospect up-dip of proven oil discovery (A-J1)
- Porosity improvement inferred by seismic inversion work

South Africa Block 2B Contingent & Prospective Resources

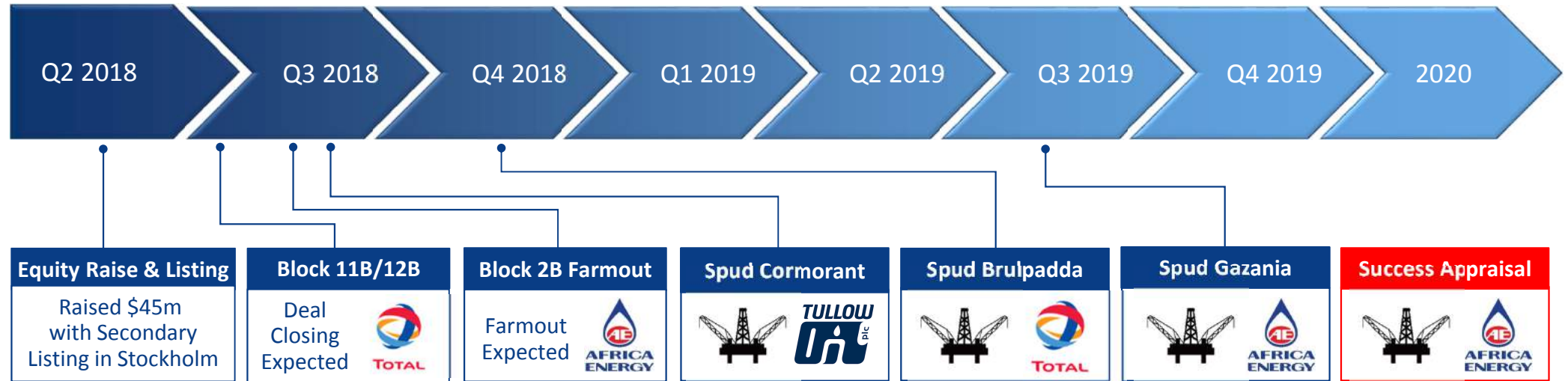


* These volumes have been subject to a resource assessment by a qualified third party resource auditor. These volumes have been disclosed as an arithmetic sum of multiple estimates of contingent and prospective resource, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as disclosed in Schedule A of the Company's Annual Information Form filed on Sedar May 1, 2017. All of the Contingent Resources are classified as Development Unclarified.

** These volumes are Company estimates and have not been subject to assessment by a qualified third party resource auditor.

Near-Term Potential Catalysts

Strongly Positioned to Deliver Shareholder Value



Future Funding Commitments

- \$5.5 million at spud of Cormorant-1 well on PEL 37 Namibia
- \$6.9 million of past costs for Block 11B/12B South Africa at transaction close
- Brulpadda-1AX well on Block 11B/12B South Africa:
 - Fund 4.9% effective interest in the block; and
 - Carry partners' share of costs up to maximum of \$7.55 million



Odfjell Deepsea Stavanger will drill the Brulpadda Prospect on Block 11B/12B in South Africa in December 2018.

Summary – Platform for Growth

Near-Term, High-Impact Exploration Wells

- PEL 37 - Potential upside over a billion barrels
- Block 11B/12B - Multi-billion-barrel prospectivity
- Block 2B - Proven oil basin with existing discovery

Team of Proven Oil Finders

- Experienced board and senior management
- Technical team with significant exploration success in Africa from Tullow Oil / Energy Africa

Solid Backing

- Supportive shareholders from Lundin Group
- Recently closed \$45 million financing

Good Timing

- Acquired world-class exploration assets during recent oil price downturn



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The resource estimates contained herein are estimates only and there is no guarantee that the estimated resources will be recovered. Volumes of resources have been presented based on a gross interest. Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. There is no certainty that it will be commercially viable to produce any portion of the "Contingent Resources" referred to in this presentation. In the case of "Prospective Resources" there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources referred to in this presentation.

Uncertainty Ranges for Resources

Estimates of resource volumes can be categorized according to the range of uncertainty associated with the estimates. Uncertainty ranges are described in the COGE Handbook as low, best and high estimates as follows:

A "low estimate" (1C) is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

A "best estimate" (2C) is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

A "high estimate" (3C) is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate

Thank You

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Creating Value Through Oil Exploration in Africa

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