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## Press release

### **Africa Energy Reports 2018 Year End Results**

**February 28, 2019 – Africa Energy Corp. (TSX Venture: AFE) (Nasdaq First North: AEC)** (“Africa Energy” or the “Company”), an oil and gas company with exploration assets offshore South Africa and Namibia, announces financial and operating results for the year ended December 31, 2018.

#### HIGHLIGHTS AND OUTLOOK

Garrett Soden, the Company’s President and CEO, commented, “2018 was a transformational year for Africa Energy with the closing of the farmin agreements for Block 11B/12B and the spud of the Brulpadda well with Total offshore South Africa. The large Brulpadda gas condensate and light oil discovery announced this month opens a new world-class oil and gas play with substantial follow-on potential. The success at both the Brulpadda primary and secondary targets significantly de-risks other large prospects on Block 11B/12B. We look forward to acquiring 3D seismic this year, followed by drilling up to four more exploration wells.”

On December 19, 2018, Main Street 1549 Proprietary Limited (“Main Street 1549”), an entity held 49% by Africa Energy, closed farmin agreements with each of Total E&P South Africa BV, a wholly-owned subsidiary of Total SA, and CNR International (South Africa) Limited, a wholly-owned subsidiary of Canadian Natural Resources Limited, to acquire an aggregate 10% participating interest in the Exploration Right for Block 11B/12B offshore South Africa (“Block 11B/12B”), resulting in Africa Energy holding an effective 4.9% interest in Block 11B/12B.

On December 27, 2018, the Company announced spud of the Brulpadda well on Block 11B/12B in South Africa. On February 7, 2019, the Company announced a significant gas condensate and light oil discovery at Brulpadda.

## FINANCIAL INFORMATION

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

	<b>Year Ended December 31, 2018</b>	<b>Year Ended December 31, 2017</b>
Operating expenses	13,605	5,200
Net loss	(13,085)	(4,744)
Net loss per share (basic and diluted)	(0.02)	(0.01)
Weighted average number of shares outstanding (basic and diluted)	560,006	319,177
Number of shares outstanding	683,356	319,177
Cash flows provided by (used in) operations	(4,288)	(4,029)
Cash flows provided by (used in) investing	(39,889)	(3,356)
Cash flows provided by (used in) financing	44,092	(57)
Total change in cash and cash equivalents	(123)	(7,047)
Change in share capital	44,235	-
Change in contributed surplus	950	196
Change in deficit	13,085	4,744
Total change in equity	32,100	(4,548)
	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Cash and cash equivalents	3,009 (1)	3,132
Total assets	44,300	17,457
Total liabilities	78	5,335
Total equity attributable to common shareholders	44,222	12,122
Working capital	3,197	(1,872)

(1) At December 31, 2018, Main Street 1549, an entity accounted for as an Investment in Associates and owned 49% by Africa Energy, held \$0.4 million in cash and \$35.1 million in escrow to cover Main Street 1549's portion of future exploration expenditures on Block 11B/12B.

The financial information in this table was selected from the Company's audited consolidated financial statements for the year ended December 31, 2018 (the "Financial Statements"), which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.africaenergycorp.com](http://www.africaenergycorp.com).

## EARNINGS TREND AND FINANCIAL POSITION

*(Audited; US dollars)*

The Company's operating expenses increased \$8.4 million during the year ended December 31, 2018 compared to the same period in 2017 due mainly to an \$8.2 million impairment of the Company's investment in Pancontinental Namibia during the year ended December 31, 2018.

As at December 31, 2018, the Company had cash of \$3.0 million and working capital of \$3.2 million compared to cash of \$3.1 million and negative working capital of \$1.9 million at December 31, 2017. In addition to the Company's cash and working capital position at December 31, 2018, Main Street 1549, an entity owned 49% by Africa Energy, held \$0.4 million in cash and \$35.1 million in escrow to cover Main Street 1549's portion of future exploration expenditures on Block 11B/12B. Subsequent to year end, Main Street 1549 recouped \$4.4 million in Value Added Tax from the South African Government, which had been paid on closing of the Block 11B/12B farm.

The Company's liquidity position improved compared to the end of 2017 due to the completion of a private placement in the second quarter of 2018 for gross proceeds of approximately \$45.0 million, offset partially by its additional investment in Main Street 1549 to cover Block 11B/12B farmin closing costs and future exploration expenditures on Block 11B/12B.

#### NEXT EARNINGS REPORT RELEASE

The Company plans to report results for the three months ended March 31, 2019 on May 9, 2019.

#### CORPORATE UPDATE

On February 28, 2019, the Board of Directors approved the grant of 13,715,000 incentive stock options to certain directors, officers, and other eligible persons of the Company. The options will be granted on March 1, 2019 at an exercise price per share that will be equal to the closing trading price of the Company's shares on the TSX Venture Exchange on March 1, 2019, and will be exercisable, subject to vesting provisions, over a period of five years.

#### **About Africa Energy Corp.**

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

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#### Important information

*This information is information that Africa Energy is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on February 28, 2019 at 7:00 p.m. Toronto Time.*

*The Company's certified advisor on Nasdaq First North Stockholm is Pareto Securities AB, +46 8 402 5000, [certifiedadviser.se@paretosec.com](mailto:certifiedadviser.se@paretosec.com).*

#### Forward looking statements

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

*The use of any of the words “will”, “expected” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company’s current belief or assumptions as to the outcome and timing of certain future events. These forward-looking statements involve risks and uncertainties relating to the results and costs of future exploratory drilling activity in Block 11B/12B, including other identified prospects and proposed exploration wells, and the results of future 3D seismic acquisitions, and the results and costs of exploration activity in Block 2B and PEL 37. In addition, there are ongoing risks and uncertainties relating to, among other things, changes in oil prices, results of other exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the drilling activity, or of financing on reasonable terms, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual future results may differ materially. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information.*

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