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Press release

Africa Energy Reports First Quarter 2021 Results

May 10, 2021 – Africa Energy Corp. (TSX Venture: AFE) (Nasdaq First North: AEC) (“Africa Energy” or the “Company”), an oil and gas company with exploration assets offshore South Africa and Namibia, announces financial and operating results for the three months ended March 31, 2021.

Garrett Soden, the Company’s President and CEO, commented: “We recently closed the Block 2B farmouts and are now focused on procuring a rig to drill the Gazania exploration well offshore South Africa this year. We will benefit from a carry on the Gazania well, which will target a relatively low-risk rift basin oil play with significant upside for Africa Energy shareholders. On Block 11B/12B, the Brulpadda and Luiperd gas condensate discoveries were among the top global discoveries over the last few years, and there is substantial follow-on potential across the block. The recent Luiperd results were better than expected with high condensate yield and excellent reservoir connectivity and productivity. We continue to integrate these results with the final fully-processed 3D seismic volume, and we look forward to updating investors on the potential development of the Paddavissie Fairway soon.”

OUTLOOK

In 2020, Africa Energy announced the successful drilling and testing results of its second consecutive discovery on Block 11B/12B. The discovery on the Luiperd Prospect reconfirms the Paddavissie Fairway as a world-class exploration play with substantial follow-on potential. Due to the success at Luiperd, the joint venture decided to proceed with development studies and engage with authorities on gas commercialization. We believe the fundamentals are strong for a gas condensate development on Block 11B/12B as South Africa is a large energy market looking to transition from coal to natural gas and is currently limited to expensive imports.

The Block 2B joint venture partners are focused on procuring a rig for the Gazania-1 oil exploration well offshore South Africa in order to spud in the third quarter of 2021. Block 2B has significant contingent and prospective resources in shallow water close to shore and includes the A-J1 discovery from 1988 that flowed light sweet crude oil to surface. Gazania-1 will target two prospects in a relatively low-risk rift basin oil play up-dip from the discovery.

HIGHLIGHTS

- At March 31, 2021, the Company had \$13.9 million in cash and no debt. Subsequent to the end of the first quarter, Africa Energy received \$1.5 million related to the Block 2B farmout completed with Azinam Limited.
- On April 19, 2021, Africa Energy completed two farmout agreements whereby the Company transferred operatorship and an aggregate 62.5% participating interest in Block 2B. Africa Energy retains a 27.5% participating interest in Block 2B and is carried on the Gazania-1 well expected to spud in Q3 2021.
- The Block 11B/12B¹ joint venture is conducting a full prospect analysis from the fully-processed 2D seismic dataset acquired by Shearwater over the eastern part of the block (7,033 linear kilometers)

¹ Africa Energy owns 49% of the common shares and 100% of the Class B shares of Main Street 1549 Proprietary Limited, which has a 10% participating interest in the Exploration Right for Block 11B/12B offshore South Africa.

that was received in September 2020. The dataset confirms the Kloofpadda Play Trend, which consists of several large and encouraging leads.

- The Block 11B/12B joint venture received the final fully-processed 3D data that integrates the PGS and Polarcus surveys over the Paddavissie Fairway in the first quarter of 2021 (2,305 square kilometers from PGS and 570 square kilometers from Polarcus). This fully-processed 3D volume has significantly higher resolution and will be integrated with the drilling and testing results to facilitate development studies and to mature previously identified leads into prospects within the Paddavissie Fairway.

FINANCIAL INFORMATION

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

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Operating expenses	2,374	1,856
Net loss	(2,366)	(1,991)
Net loss per share (basic and diluted)	(0.00)	(0.00)
Weighted average number of shares outstanding (basic and diluted)	1,395,333	749,015
Number of shares outstanding	1,395,333	789,385
Cash flows provided by (used in) operations	(1,861)	(1,346)
Cash flows provided by (used in) investing	(3,907)	1,398
Cash flows provided by (used in) financing	(10)	24,016
Total change in cash and cash equivalents	(5,779)	23,873
Change in share capital	-	24,069
Change in contributed surplus	154	530
Change in deficit	2,366	1,991
Total change in equity	(2,212)	22,608
	March 31, 2021	December 31, 2020
Cash and cash equivalents	13,864	19,643
Total assets	242,168	244,034
Total liabilities	2,142	1,796
Total equity attributable to common shareholders	240,026	242,238
Net working capital	12,025	18,193

The financial information in this table was selected from the Company's unaudited consolidated financial statements for the three months ended March 31, 2021 (the "Financial Statements"), which are available on SEDAR at www.sedar.com and the Company's website at www.africaenergycorp.com.

EARNINGS TREND AND FINANCIAL POSITION

(Unaudited; US dollars)

Operating expenses increased by \$0.5 million for the three months ended March 31, 2021, compared to the same period in 2020 due mainly to an increase in bonuses paid to employees in the first quarter of 2021 as well as an increase in professional fees related to completion of the Block 2B farmout agreements.

At March 31, 2021, the Company had cash of \$13.9 million and working capital of \$12.0 million compared to cash of \$19.6 million and working capital of \$18.2 million at December 31, 2020. The decrease in cash and working capital can be attributed to cash based operating expenditures and investments in Main Street 1549 required to fund Block 11B/12B expenditures.

NEXT EARNINGS REPORT RELEASE

The Company plans to report results for the three and six months ended June 30, 2021 on August 11, 2021.

About Africa Energy Corp.

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

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Important information

This is information that Africa Energy is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above on May 10, 2021 at 5:30 p.m. ET.

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

Forward looking statements

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

The use of any of the words "will", "expected", "planned" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of certain future events. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, including results, timing and costs of seismic and drilling activity in the Company's area of operations and, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the exploration activities, or of financing on reasonable terms, availability of materials and equipment on reasonable terms, 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.

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