

Africa Energy Corp.

## **Africa Energy Closes USD 45 million Private Placement and Commences Trading in Stockholm**

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VANCOUVER, May 4, 2018 /CNW/ - **Africa Energy Corp. (TSX Venture: AFE) (Nasdaq First North: AEC)** ("Africa Energy" or the "Company"), an oil and gas company with exploration assets in South Africa and Namibia, announces the successful closing of the equity issue, on a private placement basis, of common shares in the Company (the "Common Shares") announced on April 25, 2018 (the "Private Placement").

The Private Placement rendered gross proceeds of USD 45 million to the Company through the issuance of 362,390,625 Common Shares at a price of CAD 0.16 (corresponding to SEK 1.09) per share. Following the Private Placement, the Company has 681,586,094 common shares outstanding.

As previously announced on April 27, 2018, Nasdaq approved the Company's application for listing of its common shares on Nasdaq First North Stockholm. The Company's common shares commenced trading on Nasdaq First North Stockholm today under ticker "AEC". The Company's shares continue to trade on TSX Venture Exchange under ticker symbol "AFE".

Payment for the Common Shares was made in cash. The gross proceeds from the offering will be used to finance the Company's acquisition, drilling and other joint venture costs for its projects offshore South Africa and offshore Namibia, as well as for general corporate purposes, including listing and transaction costs.

Common Shares issued to Canadian residents will be subject to resale restrictions under Canadian securities expiring September 5, 2018, and Common Shares issued to residents outside of Canada pursuant to the Private Placement may not be sold, transferred or otherwise disposed of on the TSX Venture Exchange or, except pursuant to an exemption from prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada until September 5, 2018.

Pareto Securities ("Pareto") acted as manager and bookrunner for the Private Placement and as financial advisor in connection with the dual listing of the Company's shares. Pareto is also acting as Certified Adviser to Africa Energy on Nasdaq First North Stockholm. A brokerage fee on the Private Placement of approximately USD 1.1 million was paid to Pareto.

Africa Oil Corp. is a related party of the Company, and the issuance of Common Shares to Africa Oil Corp. constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(b) and 5.7(e), respectively, of MI 61-101. In that regard, the Company's Board of Directors and, separately, its independent directors considered the Company's cash on hand and its financial obligations and determined, unanimously in both cases, that failure to complete the Private Placement would have caused significant financial hardship to the Company.

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

Africa Energy Corp. is a Canadian oil and gas company with exploration assets offshore Namibia and South Africa. 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.

### **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 May 4, 2018 at 5:00 p.m. Eastern Time.*

*The information in this press release does not contain or constitute an offer to sell or acquire, a solicitation of an offer to acquire, subscribe or otherwise trade in shares or other securities in Africa Energy.*

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*No shares will be registered under the United States Securities Act of 1933 ("Securities Act"), as amended, or any U.S. state securities laws or securities legislation in any other state or other jurisdiction in the United States and may not be offered, subscribed, sold or transferred, directly or indirectly within the United States or to the account or benefit of a U.S. person or a person in the U.S. other than pursuant to an exemption from the registration requirements of the Securities Act and in accordance with securities laws in relevant state or other jurisdiction in the United States.*

*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 such 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, uninsured risks, regulatory changes, defects in title, 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.*

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