Africa Energy Corp.

Africa Energy Reports First Quarter 2018 Results

VANCOUVER, May 11, 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 offshore Namibia and South Africa, announces financial and operating results for the three months ended March 31, 2018.

HIGHLIGHTS

The Company achieved the following key milestones year-to-date in 2018:

- Private Placement – Completed a private placement for gross proceeds of approximately US$45.0 million, which funds the Company's near-term high-impact exploration drilling program;
- Secondary Listing – Africa Energy's common shares commenced trading on Nasdaq First North Stockholm, which is expected to increase the Company's trading liquidity and provide access to a broader investor base in Europe;
- Namibia Exploration Renewal and Drilling Rig Contract – On Petroleum Exploration License 37 offshore Namibia ("PEL 37"), the joint venture partnership received approval from the Ministry of Mines and Energy in Namibia to enter the next two-year exploration period. In addition, PEL 37 operator Tullow Namibia Limited ("Tullow") contracted the Ocean Rig Poseidon, a sixth-generation deep water drillship, to drill the Cormorant-1 well planned for September 1, 2018; and
- South Africa Exploration Renewal – On Block 2B offshore South Africa ("Block 2B"), the joint venture partnership received approval from the Petroleum Agency of South Africa for entry into the next two-year exploration period.

OUTLOOK

Following the recent US$45.0 million financing, Africa Energy looks forward to drilling two high-impact exploration wells in 2018. The Cormorant-1 well on PEL 37 in Namibia is expected to spud on September 1, 2018 with operator Tullow. The Brulpadda-1AX re-entry well on Block 11B/12B in South Africa is expected to spud in December 2018 with operator Total E&P South Africa BV.

FINANCIAL INFORMATION

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

For the three months ended	March 31, 2018	March 31, 2017
Operating expenses	1,049	1,037
Net loss and comprehensive loss attributable to common shareholders	(1,054)	(980)
Net loss per share (basic and diluted)	(0.00)	(0.00)
Weighted average number of shares outstanding (basic and diluted)	319,190,987	319,177,135
Number of shares outstanding	319,195,469	319,177,135
Cash flows provided by (used in) operations	(1,596)	(890)
Cash flows provided by (used in) investing	(29)	(42)
Cash flows provided by (used in) financing	1	14
Total change in cash and cash equivalents	(1,637)	(877)
Change in share capital	3	-
Change in contributed surplus	36	74
Change in deficit	1,054	980
Total change in equity	(1,015)	(906)

	March 31, 2018	December 31, 2017
Cash and cash equivalents	1,495	3,132
Total assets	16,317	17,457
Total liabilities	5,210	5,335
Total equity attributable to common shareholders	11,107	12,122
Net working capital	(3,441)	(1,872)

The financial information in this table was selected from the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2018 (the "Financial Statements"), which are available on SEDAR at www.sedar.com and the Company's website www.africaenergycorp.com.

EARNINGS TREND AND FINANCIAL POSITION

The Company's operating expenses and net loss per share were consistent for the three months ended March 31, 2018 compared to the same period in 2017.

As at March 31, 2018, the Company had cash of US$1.5 million and negative working capital of US$3.4 million compared to cash of US$3.1 million and negative working capital of US$1.9 million at December 31, 2017. Subsequent to the end of the quarter, the Company completed a private placement for gross proceeds of approximately US$45.0 million, significantly improving the Company's financial position.

NEXT EARNINGS REPORT RELEASE

The Company plans to report second quarter 2018 results on August 14, 2018.

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 11, 2018 at 5:30 ET.

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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