

AFRICA ENERGY

Creating Value Through Oil Exploration in Africa

January 2018

A LUNDIN GROUP COMPANY

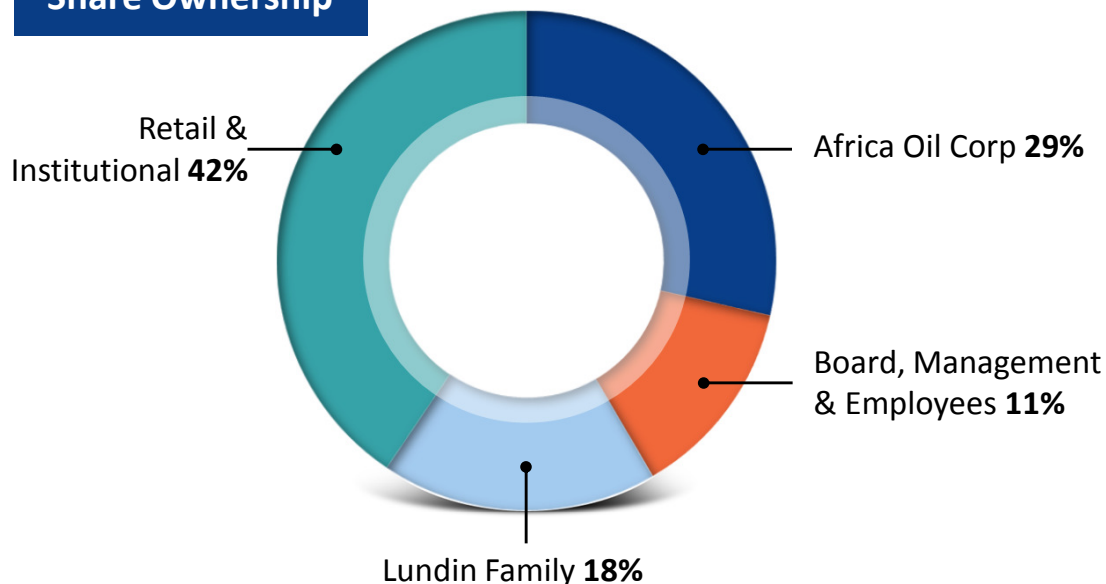


Corporate Profile



- Independent oil and gas exploration and production company listed on Toronto Venture Exchange
- Team of proven oil finders
- Focused on under-explored African regions
- Near-term high impact exploration assets:
 1. Block 11B/12B offshore South Africa*
 2. Block 2B offshore South Africa
 3. PEL 37 offshore Namibia
- Reviewing acquisition opportunities for cash flow

Share Ownership

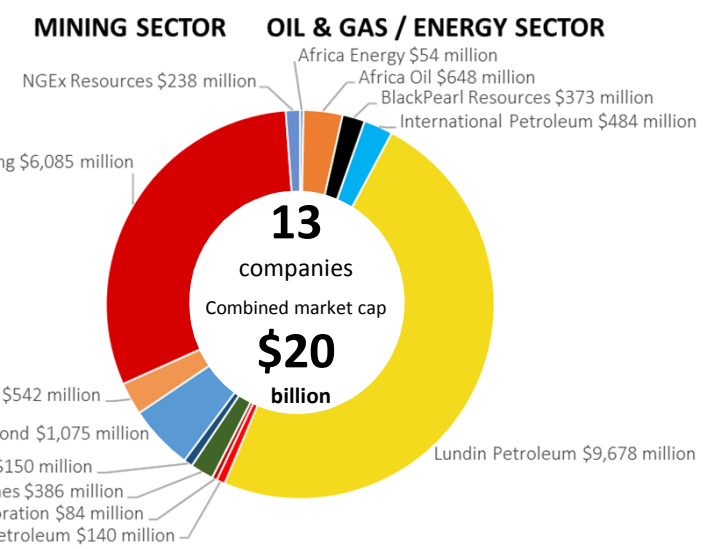


Corporate Snapshot

TSX-V:AFE	Ticker
\$0.195	Share Price at Jan 9, 2018 (C\$)
319.2	Shares Outstanding (million)
16.1	Stock Options (million)
335.3	Fully Diluted Share Position (million)
\$62.2	Market Capitalisation (C\$ million)
\$0	Debt (US\$)
\$4.6	Cash at Sept 30, 2017 (US\$ million)
13	Number of Employees

Research coverage: Pareto Securities, London, Shahin.Amini@paretosec.com.
 Institutional shareholders include Henderson, Artemis and Colonial First State.
 *Subject to closing.

Lundin Group of Companies



Core shareholder with global footprint

Group market cap information shown in CAD as of December 31, 2017.

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



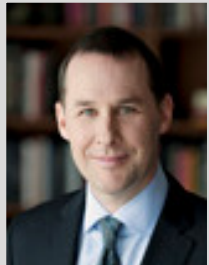
Keith Hill, Director

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



John Bentley, Director

- Deputy Chairman of Wentworth Resources Ltd. and Director of several other oil and gas companies
- 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



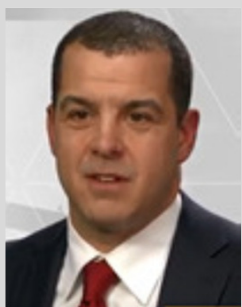
Garrett Soden, President, CEO and Director

- 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 Africa at Tullow Oil plc and Energy Africa Ltd.



Jeromie Kufflick, Chief Financial Officer

- 18 years financial experience in the oil & 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

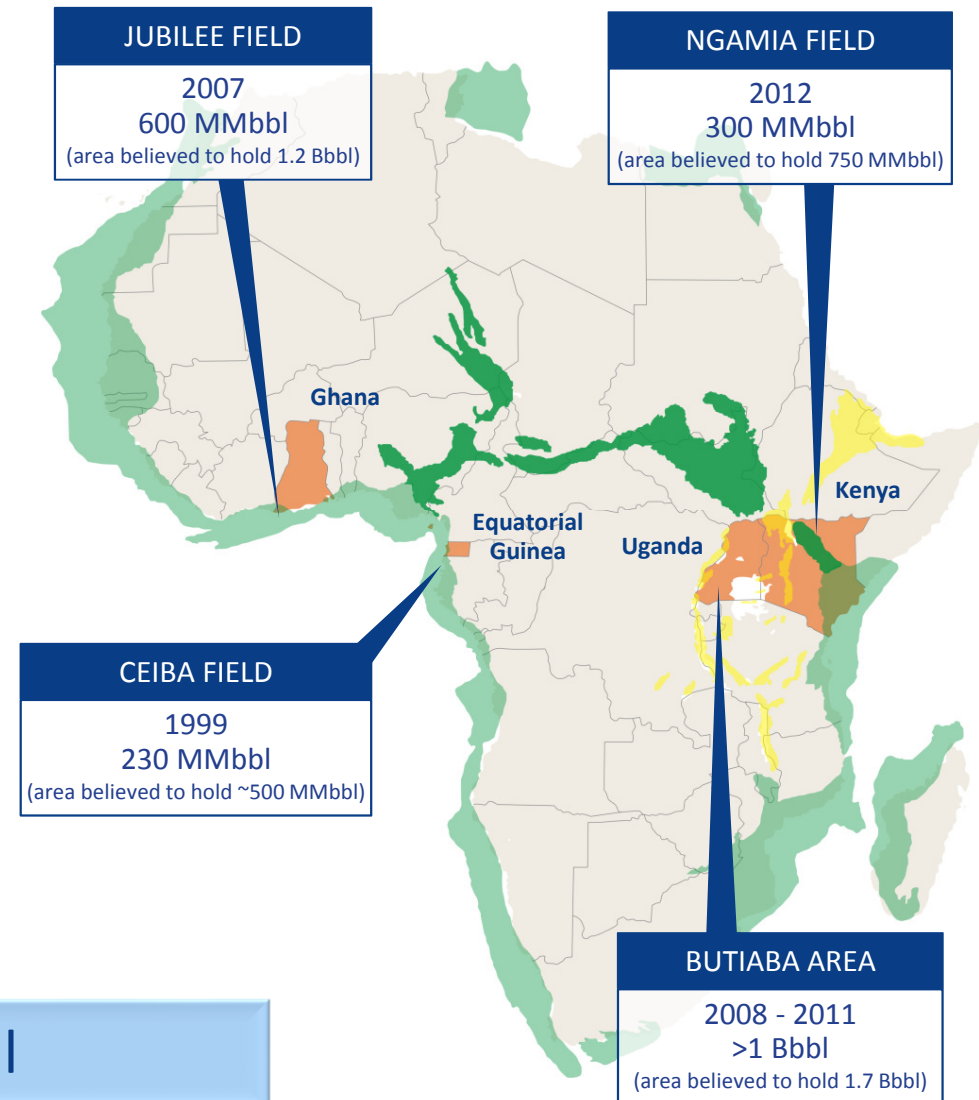
Technical Team's Past Success

Stratigraphic Trap Play Type:

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

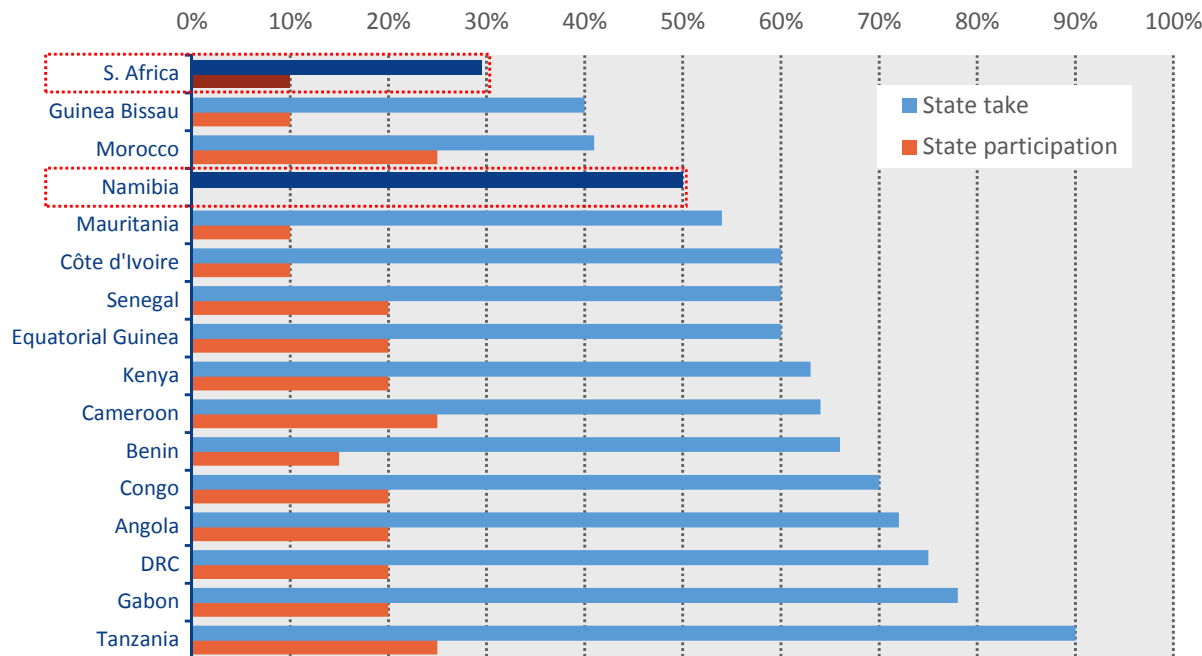


A team that knows how to find oil

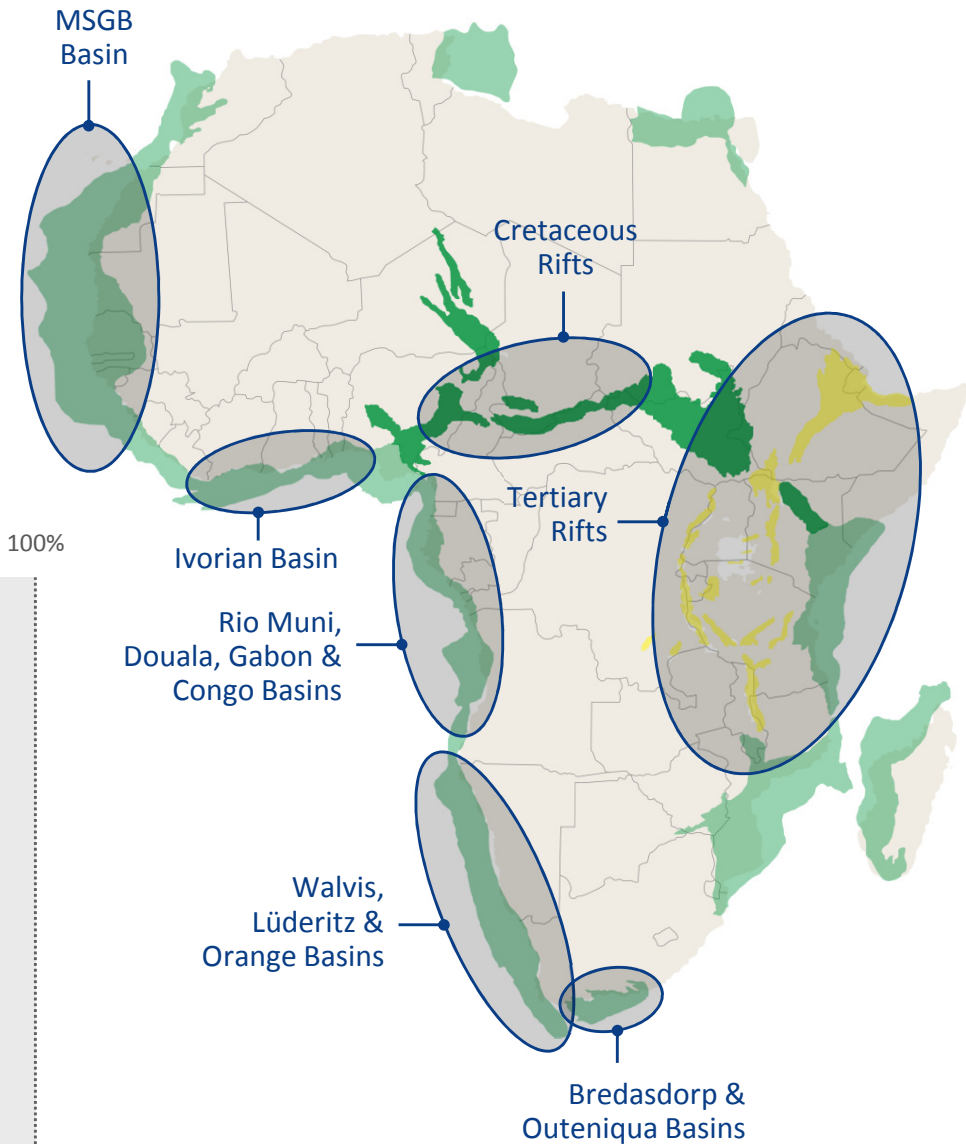
Building a Regional Champion

- Africa is an under-explored continent
- Oil price environment creates unique opportunities
- Building high-quality exploration portfolio with regional expertise
- Also looking to acquire producing assets
- Targeting stable countries with solid commercial terms

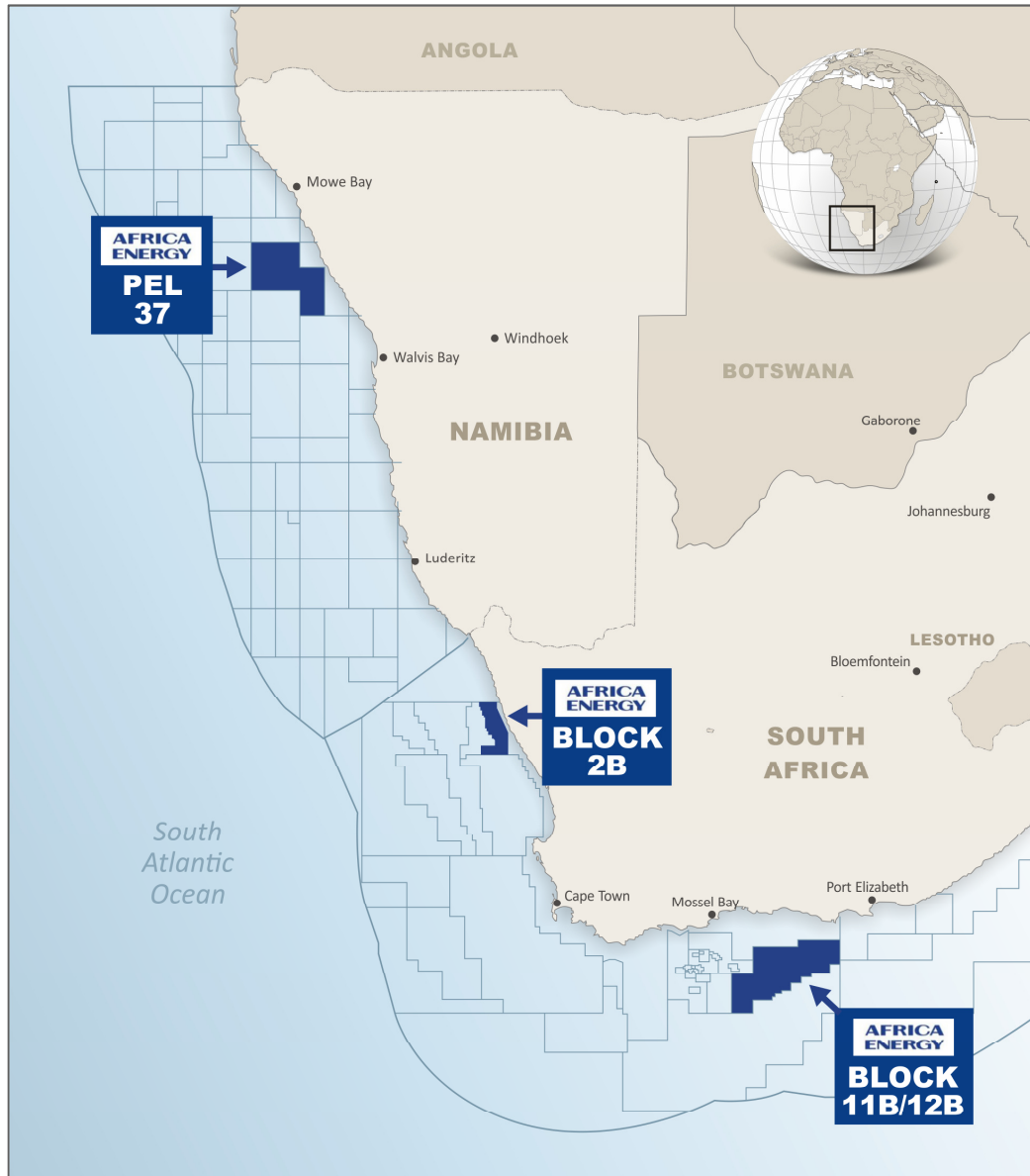
Net State Take & Participation by Country



Company estimates.



Asset Overview – Three Drill-Ready Prospects



Block 11B/12B, offshore South Africa

- 4.9% effective interest
- Operated by Total SA
- Huge resource potential with high chance of success
- Drilling of Brulpadda Prospect expected Q4-2018

Block 2B, offshore South Africa

- 90% participating interest
- Operated by Africa Energy
- Proven oil basin with existing discovery
- Drill-ready Gazania Prospect

PEL 37, offshore Namibia

- 10% effective interest
- Operated by Tullow Oil
- Significant resource potential
- Drilling of Cormorant Prospect planned for Q3-2018

South Africa Overview

Attractive Location / Fiscal Terms



State Take < 30%

Royalty: 0.5-5%

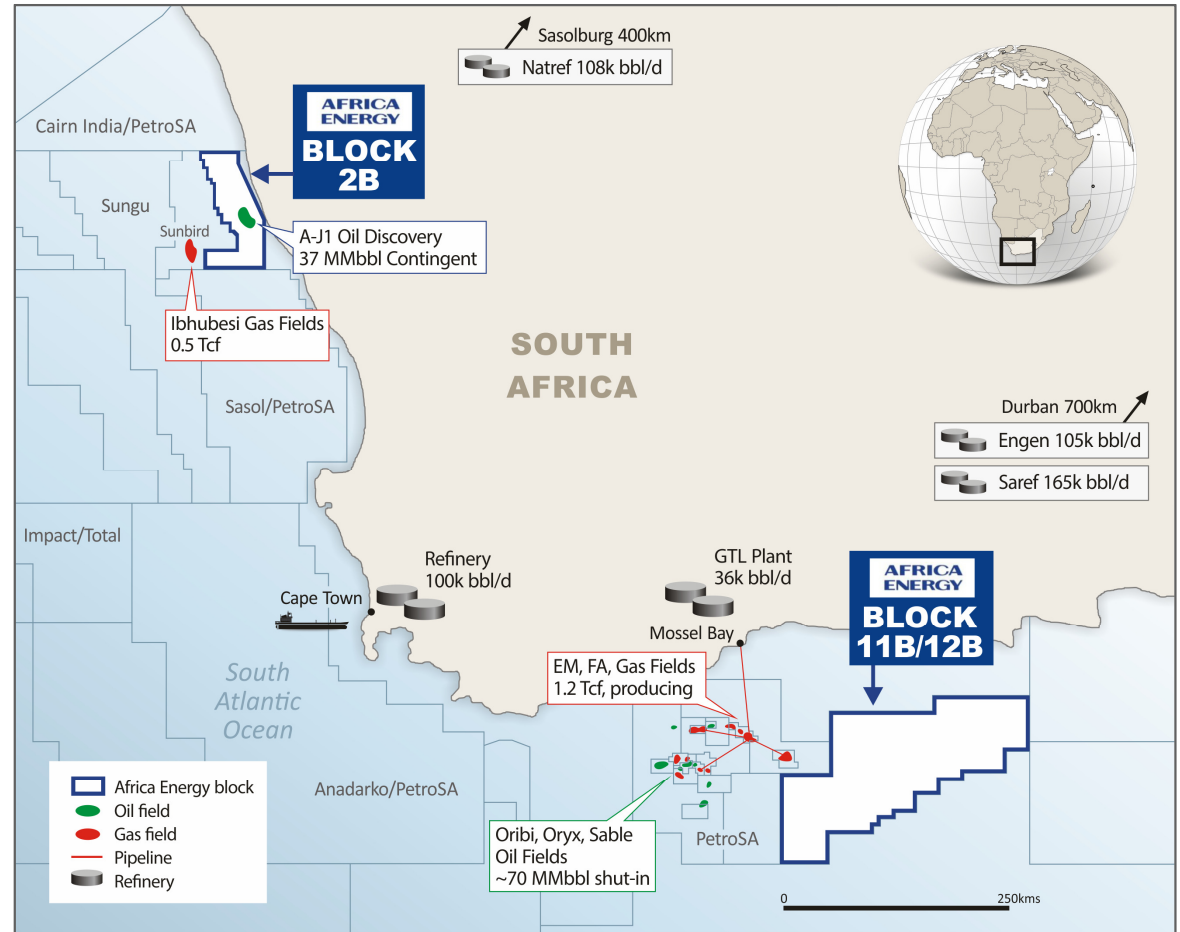
Income Tax: 28%

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

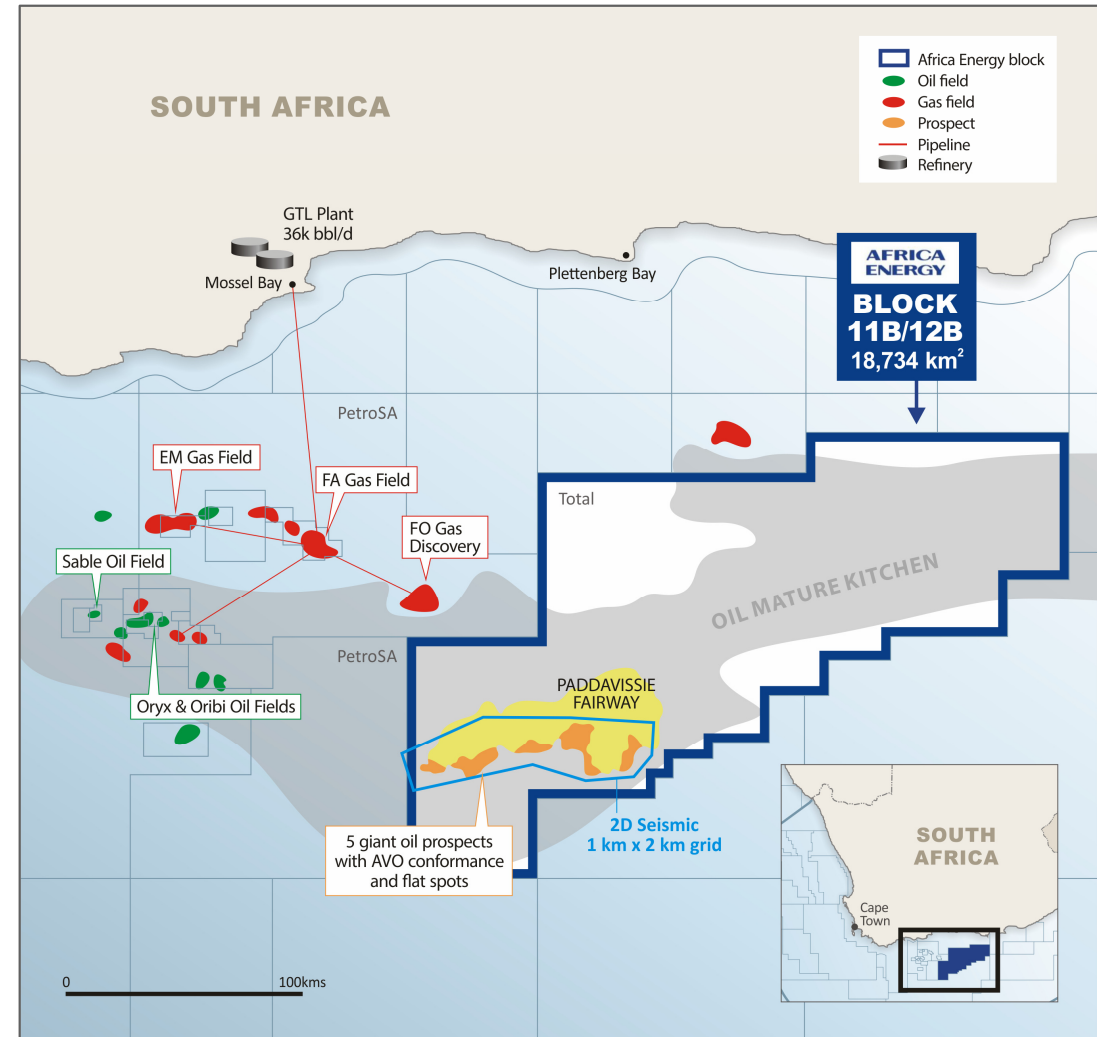
Subject to final MPRDA approval.

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

South Africa Block 11B/12B

Huge Resource Potential with High Chance of Success

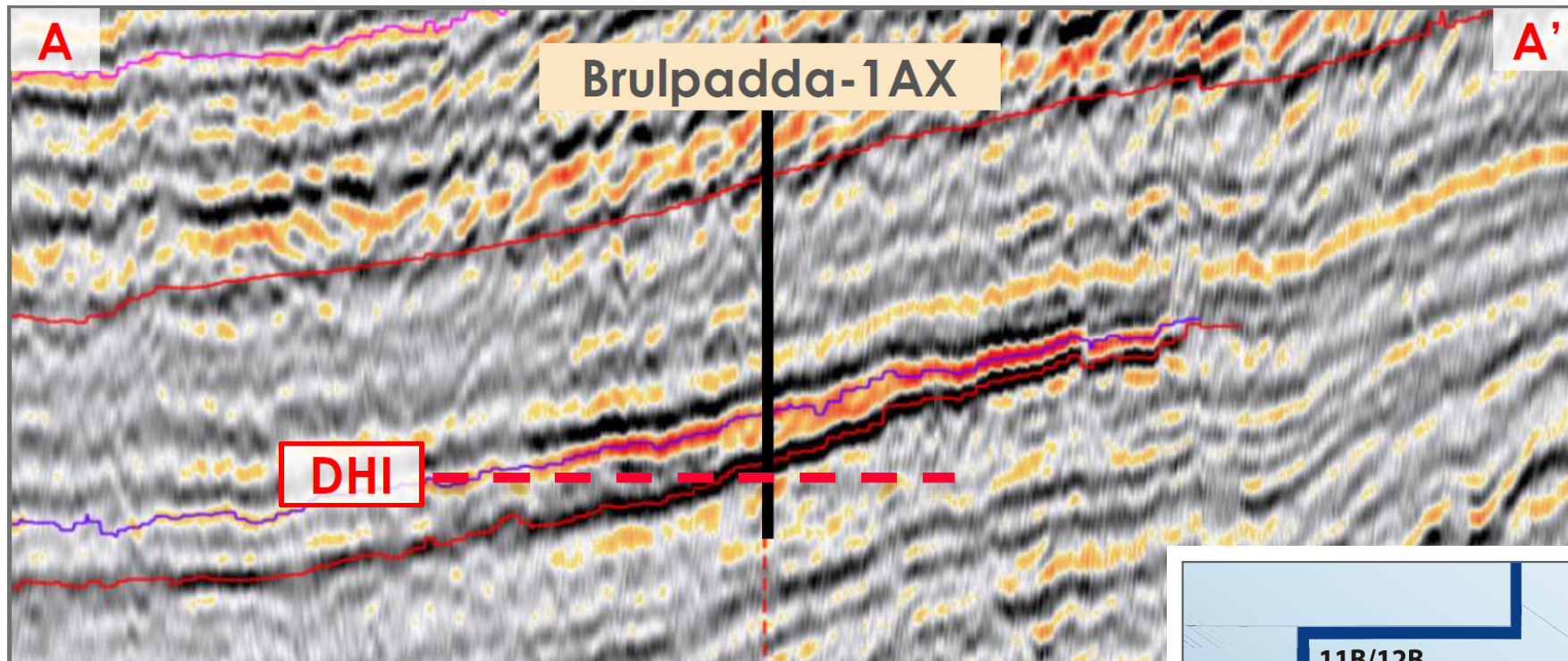
- 4.9% effective interest in Block 11B/12B (Outeniqua Basin)*
- Partners: Total (operator with 45%) and CNRL (45%)
- Expect to drill Brulpadda 1-AX re-entry well in Q4-2018 (1,431m water depth)
- Multi-billion barrel prospectivity
- High likelihood of oil success:
 - Clear amplitude anomalies with excellent structural conformance and flat spots
 - Effective oil petroleum system proven by nearby Oribi, Oryx and Sable Oil Fields
- If gas discovery, existing gas-to-liquids plant nearby with attractive pricing and ample spare capacity



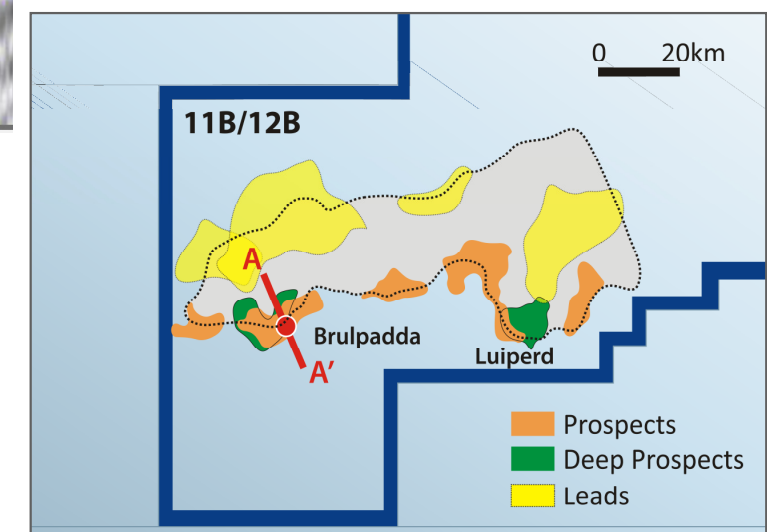
*Africa Energy owns 49% of an entity holding 10% interest in Block 11B/12B. Closing subject to standard conditions, including Government approval.

South Africa Block 11B/12B

Five Giant Oil Prospects with Seismic Flat Spots



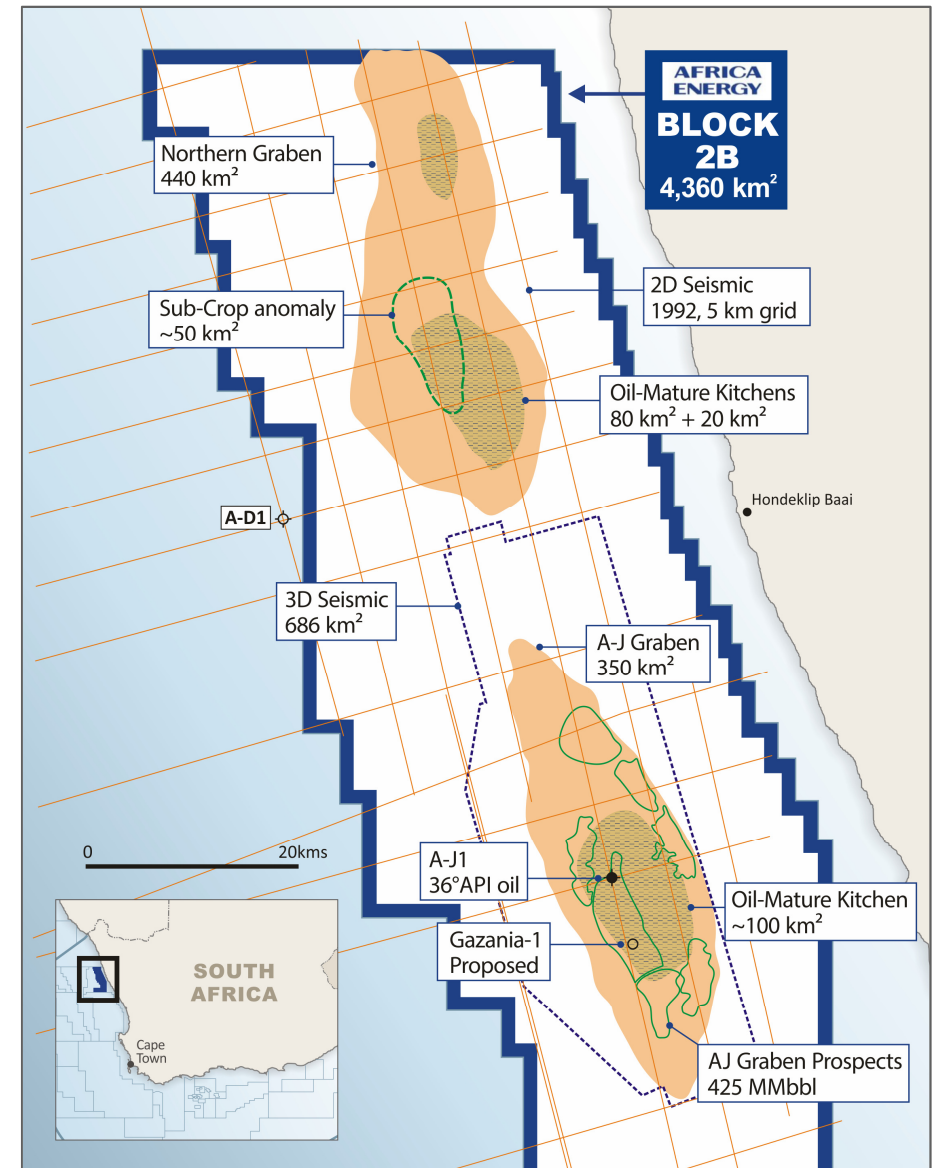
- Direct Hydrocarbon Indicators (DHI) on seismic data
- Seismic amplitude change consistent with response from hydrocarbon contact
- Amplitude Variations with Offset (AVO) suggest presence of trapped hydrocarbons



South Africa Block 2B

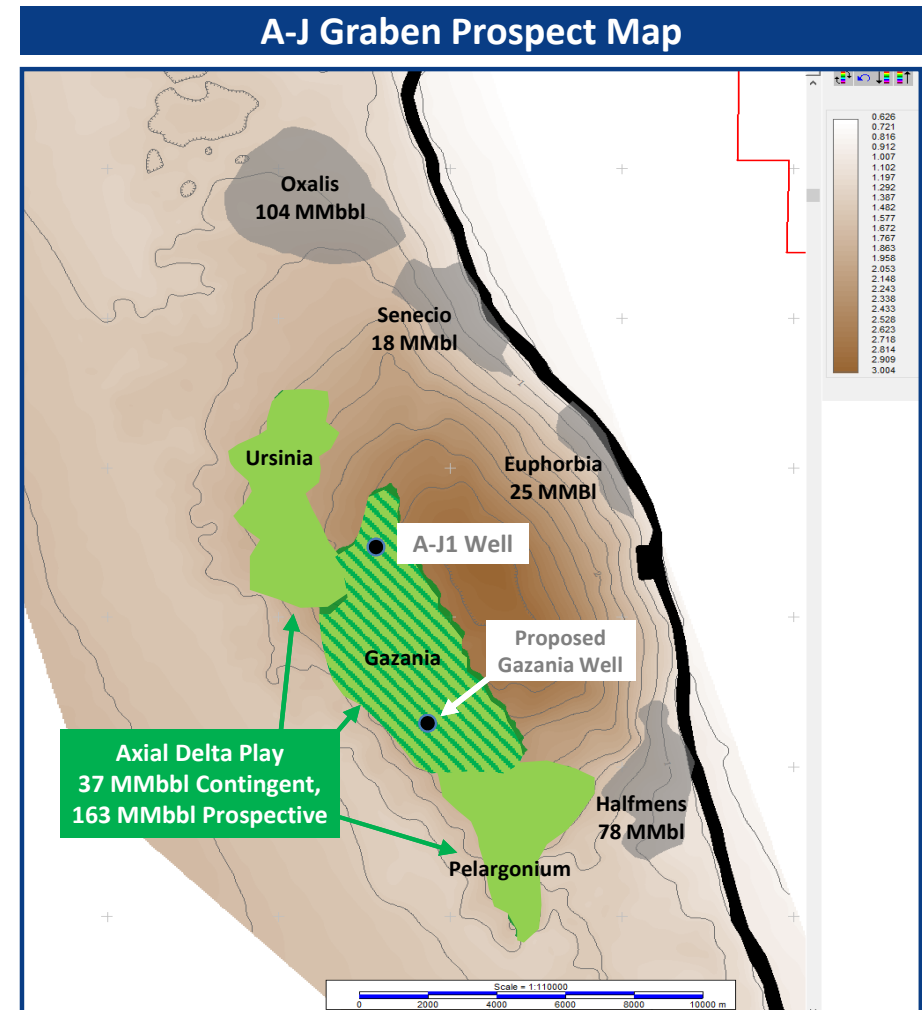
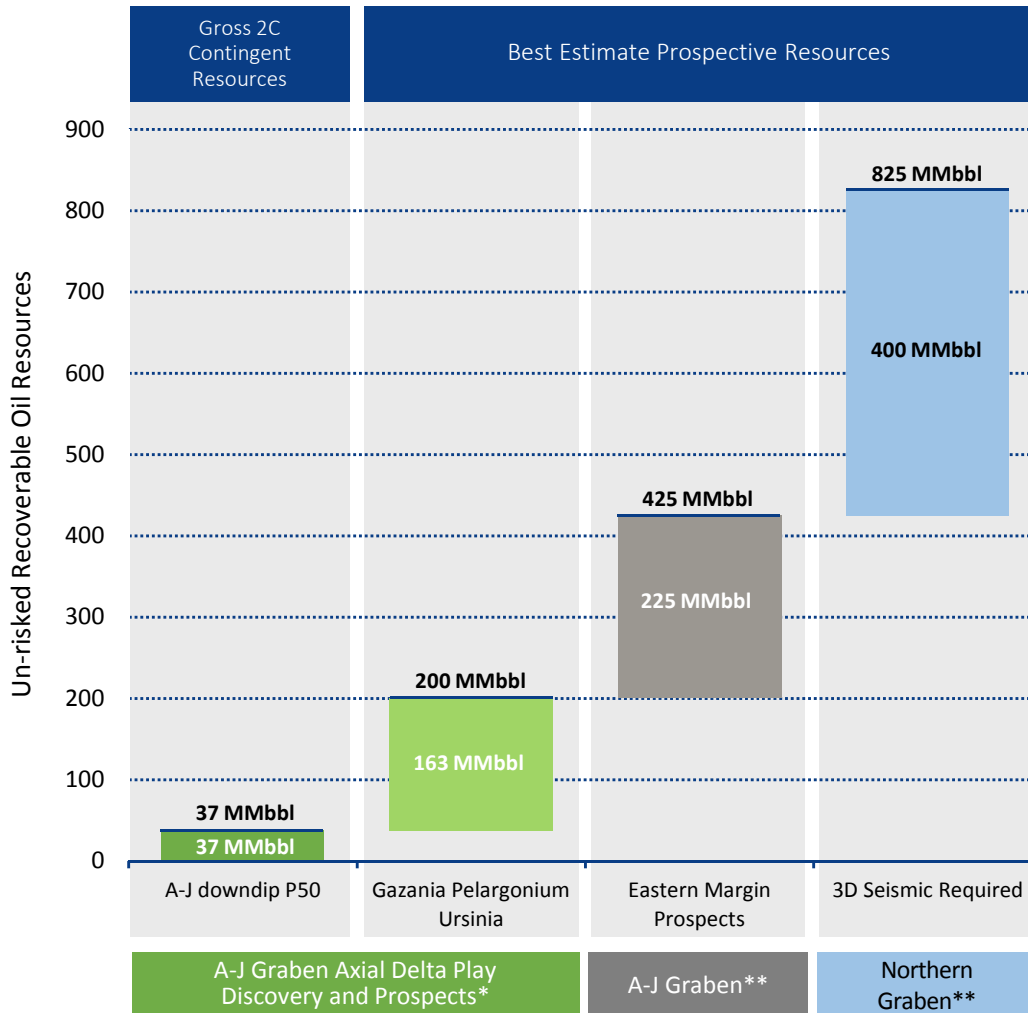
Proven Oil Basin

- Operator with 90% participating interest in Block 2B (Orange Basin)
- Running farm-out process to share costs
- Near-term low-risk exploration well planned (~\$25 MM)
- Shallow water (~150m) near shore (~25 km)
- Existing oil discovery A-J1 from 1988 where high-quality oil flowed to surface (36° API)
- Porosity improvement anticipated up-dip from A-J1, supported by seismic amplitude
- Best Estimate Prospective Resources of over 800 MMbbl for A-J1 Graben and Northern Graben combined*
- Analogous to South Lokichar Basin in Kenya and Albertine Graben in Uganda
- Easy access to market



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

South Africa Block 2B Contingent & Prospective Resources

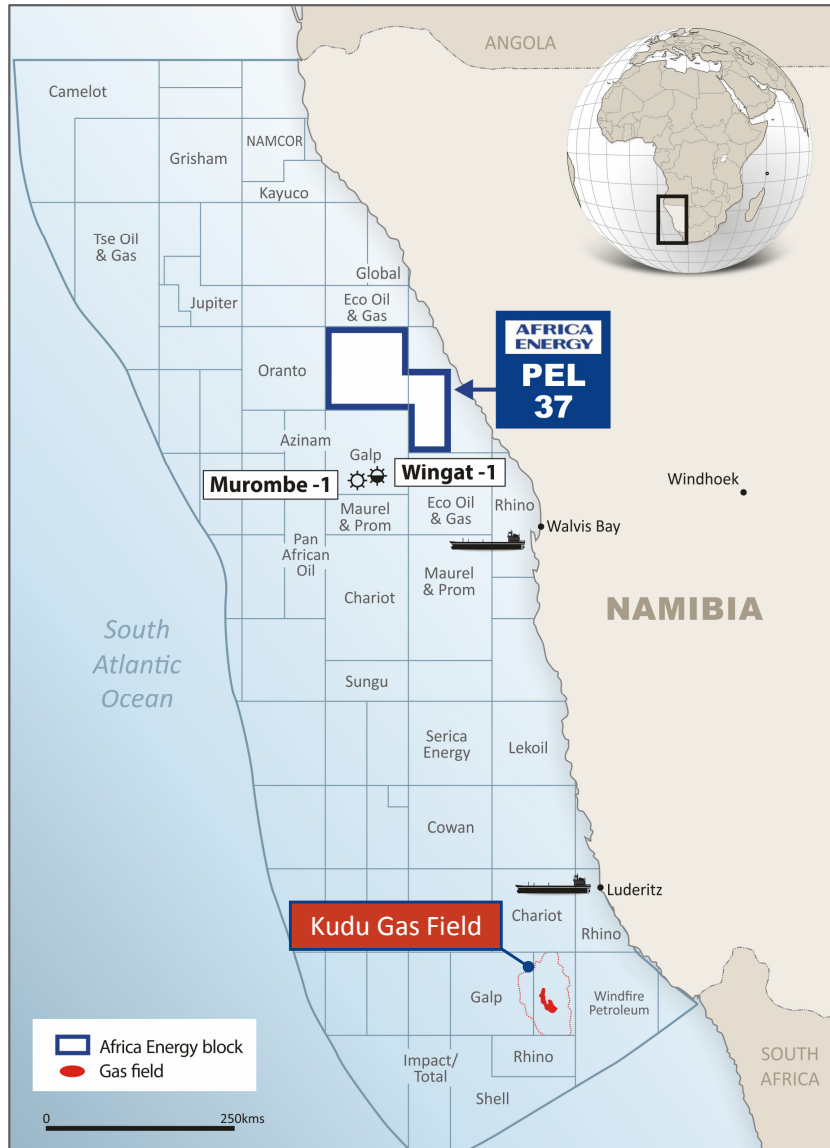


* These volumes have been subject to a resource assessment by a qualified third party resource auditor. These volumes have been disclosed as an arithmetic sum of multiple estimates of contingent and prospective resource, which statistical principles indicate may be misleading as to volumes that may actually 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 Unclassified.

** These volumes are Company estimates and have not been subject to assessment by a qualified third party resource auditor. The Company intends to undertake necessary activities to include these volumes in its resource base audited by a qualified resource auditor, but currently this is work in progress.

Namibia Overview

Attractive Location / 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

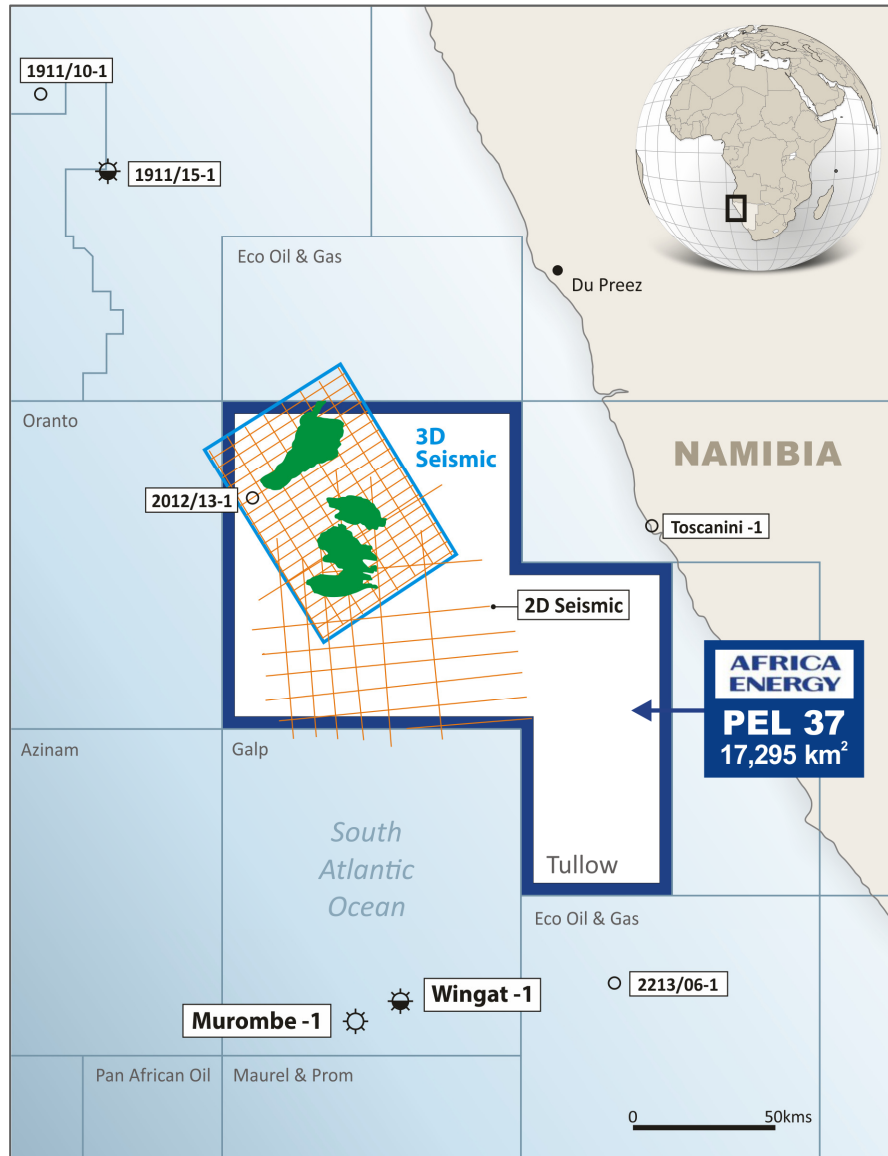
Other key terms:

- No state participation
- No carry-forward limitation on losses

PEL 37 prospects located near shore in modest water depths 400m to 600m

Namibia PEL 37

Significant Resource Potential



- 10% effective interest in PEL 37 (Walvis Basin)*
- Partners: Tullow (operator with 35%), ONGC (30%), Pancontinental (effective 20%) and Paragon (5%)
- Cormorant exploration well planned for Q3-2018 (550m water depth)
- Four Cretaceous-age fans with anomalously soft amplitude response
- Proven source rock in the Aptian sequence in both Murombe-1 and Wingat-1 wells (Wingat-1 recovered light oil)
- Best Estimate Prospective Resources of 915 MMbbl with upside potential to 1.5 Bbbl
- Further prospectivity defined to the south from 1,000 km of 2D seismic

**Africa Energy acquired 33% of Pancontinental Namibia, which holds 30% interest in PEL 37. Resource numbers obtained from third party and have not been subject to independent audit by the Company.*

Summary – Platform for Growth

Near-Term, High-Impact Exploration Wells

- Block 11B/12B - Multi-billion barrel prospectivity with high chance of success
- Block 2B - Proven oil basin with existing discovery
- PEL 37 – Large upside potential with over a billion barrels

Team of Proven Oil Finders

- Experienced senior management and board with track records of creating value
- Technical team with significant exploration success in Africa (Tullow Oil / Energy Africa)

Strong Shareholders

- Access to capital with support of major shareholders (Lundin Group)

Good Timing

- Current oil price environment creates unique opportunities to acquire quality assets



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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

CONTACT DETAILS

Sophia Shane

Investor Relations

Email: info@africaenergycorp.com

Tel: +1 (604) 689-7842



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