Africa Hydrocarbons Announces Closing of Brokered Private Placement and Second Tranche of Non-Brokered Private Placement

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Both Undertaken in Connection With Proposed Change of Business Transaction

CALGARY, April 04, 2018 - Africa Hydrocarbons Inc. (NEX:NFK.H) (OTC:KNPRF) (STU:KRL1) (the “Company”) is pleased to announce that it has closed its previously announced brokered private placement offering (the “Brokered Offering”) of 400,000 subscription receipts of the Company ("Subscription Receipts") at an issue price of $1.25 per Subscription Receipt, for aggregate gross proceeds of $500,000. In connection with the Brokered Offering, the Company entered into an agency agreement with Mackie Research Capital Corporation (the "Agent").

The Company is also pleased to announce that it has also closed the second tranche of its previously announced non-brokered private placement offering (the “Non-Brokered Offering”) of 70,000 Subscription Receipts at an issue price of $1.25 per Subscription Receipt, for aggregate gross proceeds of $87,500. The Company has raised in aggregate, approximately $3.669 million pursuant to the Non-Brokered Offering (see the Company’s January 19, 2018 press release for information about the first tranche of the Non-Brokered Offering).

The Brokered Offering and the Non-Brokered Offering are being completed in conjunction with the previously announced proposed “Change of Business” (“COB Transaction”) pursuant to the policies of the TSX Venture Exchange (the “Exchange”), with the result that the Company will become a blockchain technology company, listed on the Exchange. See the Company’s press releases dated November 23, 2017, January 5, 2018 and January 17, 2018 for further information regarding the COB Transaction.

In total, the Company has raised approximately $4.257 million in conjunction with the COB Transaction.

Each Subscription Receipt entitles the holder to receive, without further consideration or action, one (1) common share of the Company (“Common Share”) and one-half of one (1/2) Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"), upon satisfaction of certain release conditions, including the satisfaction of applicable conditions precedent of the COB Transaction (the “Release Conditions”). The gross proceeds from the sale of the Subscription Receipts are being held in escrow pending the completion of the Release Conditions, unless the Exchange grants a waiver for earlier release of such escrow. If the Release Conditions are not satisfied by 5:00 pm (Calgary time) on May 31, 2018 (unless otherwise extended in accordance with the terms of the subscription receipt agreements which govern the Subscription Receipts), then the Subscription Receipts will immediately become null and void and the escrow agent shall distribute the escrowed proceeds to the holders of the holders of the Subscription Receipts, together with their pro rata share of interest earned thereon.

Each Warrant will entitle the holder to purchase one (1) Common Share at an exercise price of $2.00 per Common Share for 12 months from the date of issuance (the “Time of Expiry”). The Warrants will contain an acceleration right in favor of the Company that will allow the Company to accelerate the Time of Expiry to a date that is a minimum of thirty (30) days following the delivery of the applicable acceleration notice to the holders of the Warrants, if at any time following the issuance of the Warrants, the VWAP is equal to or greater than $2.50 for a period of twenty (20) consecutive trading days on the Exchange.

All of the securities of the Company issued in connection with the conversion of the Subscription Receipts will be subject to a hold period of four months and a day.

The net proceeds of the Offerings will be used with a view to developing the business of the Company resulting from the COB Transaction and for general working capital purposes.

In connection with the Brokered Offering, the Agent is to receive as compensation (i) a corporate finance fee comprised of $52,500 (inclusive of taxes) and $25,000 (plus tax) worth of equity units, which equity units consist of 20,000 Common Shares, 10,000 Common Share purchase warrants that have the same terms of the Warrants and a cash payment of $1,250 representing the tax portion of the equity units, (ii) a cash

commission of seven percent (7%) of the gross proceeds raised pursuant to the Brokered Offering, (iii) a non-transferable broker’s warrant entitling the Agent to acquire up to 7% of the number of securities issuable upon exercise of the Subscription Receipts issued pursuant to the Brokered Offering, which broker’s warrant will have an exercise price of $1.25 per Subscription Receipt and a term of twenty four months from the closing of the Brokered Offering. The Company will also pay all reasonable out-of-pocket expenses incurred by the Agent in connection with Brokered Offering, including legal fees, up to a maximum of $35,000 plus disbursements and taxes.

In connection with the Non-Brokered Offering, the Company has agreed to pay to Corporate Resource Group OU a finder’s fee in connection with the second tranche of the Non-Brokered Offering comprised of a cash fee equal to 7% of the gross proceeds raised in respect of such second tranche.

To correct the Company’s January 19, 2018 press release announcing closing of the first tranche of the Non-Brokered Offering, the Company had also agreed to pay Corporate Resource Group OU a cash finder’s fee equal to 7% of the gross proceeds raised in respect of the aggregate sales to subscribers under the Private Placement that were introduced by Corporate Resource Group OU (up to $24,500).

The Company will issue additional press releases related to the COB Transaction, financing, sponsorship, the names and background of other proposed management and directors of the Company, its proposed name change and other material information as it becomes available.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Related Party Disclosure

Under the Offerings, Sergei Stetsenko, a director of the Company purchased 140,000 Subscription Receipts at a subscription price of $175,000. His participation in the Offerings constitutes a “related party transaction” as defined in Multilateral Instrument 61- 101 – *Protection of Minority Security Holders in Special Transaction* (“MI 61-101”), which has been adopted by the NEX / Exchange pursuant to its Policy 5.9 - *Protection of Minority Security Holders in Special Transaction*. This transaction is exempt from the formal valuation and minority shareholder approval requirements of such instrument and policy, pursuant to subsections 5.5(a), 5.5(c), 5.7(a) and 5.7(b) of MI 61-101 as the fair market value was not more than 25% of market capitalization, the distribution of securities was for cash and the fair market value not more than $2,500,000.

The Company did not file a material change report more than 21 days before the expected closing of the Offerings because the details of the participation therein by related parties of the Company were not settled until shortly prior to closing of such transactions and the Company wished to close on an expedited basis for sound business reasons.

ON BEHALF OF THE BOARD OF AFRICA HYDROCARBONS INC.

Douglas Wu
Director

For further information, please telephone: (403) 984-3194.

Completion of the COB Transaction is subject to a number of conditions, including but not limited to acceptance by the Exchange and if applicable pursuant to the Exchange requirements, majority of the minority shareholder approval. Where applicable, the COB Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the COB Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the COB Transaction, any information released or received with respect to the acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the COB Transaction and has neither approved nor

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

Cautionary Note Regarding Forward Looking Statements

This press release contains statements which constitute ”forward-looking statements”, including completion of the proposed COB Transaction, receipt of requisite approvals for a name change for the Company and other information concerning the intentions, plans and future action of the Company described herein. The words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company, are intended to identify such forward-looking statements. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the general risks of a public company, currently with limited business and financial resources, risks related to the Company’s inability to satisfy a condition precedent to the completion of the COB Transaction (including obtaining necessary regulatory approvals and completion of the financings thereon), as well as those risk factors discussed or referred to in the Company's continuous disclosure record available at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as otherwise required by applicable law.

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