

# Africa Energy Corp. Announces First Quarter 2025 Results and Corporate Update

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[Africa Energy Corp.](#) (TSXV: AFE) (Nasdaq First North: AEC) ("Africa Energy" or the "Company"), an oil and gas exploration company, announces corporate update and financial and operating results for the three months ended March 31, 2025. [View PDF Version](#)

On March 31, 2025, the Company closed a non-brokered private placement of common shares and a shares-for-debt transaction, which significantly improved the Company's financial position. These transactions allowed the Company fully repay its debt, which consisted exclusively of obligations under the existing promissory note, and to provide it with an additional \$2.9 million after debt repayment for general working capital purposes and to advance the development of the Company's interest in Block 11B/12B offshore South Africa.

## HIGHLIGHTS

- At March 31, 2025, the Company had US\$4.7 million in cash, US\$4.2 million of working capital and no debt compared to US\$2.3 million in cash, US\$8.2 million of working capital deficiency and US\$10.4 million promissory note debt obligations at the end of 2024.
- On April 28, 2025, the Company hired Dr. Phindile Masangane as Head of Strategy and Business Development and appointed Dr. Masangane to the Company's Board of Directors. Dr. Masangane's experience in the energy sector, which includes serving as the Chief Executive Officer of The Petroleum Agency of South Africa, will be instrumental in assisting Africa Energy as we work to move Block 11B/12B to the development phase and bring our world class gas and condensate discoveries to market. Her vast experience in energy infrastructure development, policy and regulation, along with project finance expertise, will play a pivotal role in shaping the strategic direction of the Company.
- Main Street 1549 Pty. Ltd. ("Main Street 1549"), appointed operator of Block 11B/12B in November of 2024, submitted a new Environmental Authorization ("EA") application with a revised project scope on February 28, 2025 and expects to submit a new Environmental and Social Impact Assessment ("ESIA") in advance of the revised deadline in September of 2025. The approval of the Production Right application will not occur until after the Block 11B/12B joint venture receives EA approval in respect of the revised ESIA.
- The Company has also committed to completing a consolidation of the Company's shares on a 5:1 basis by June 29, 2025, which was approved by shareholders at a special meeting on March 27, 2025, but is still subject to TSX Venture Exchange approval.

## OUTLOOK

Subject to all relevant regulatory approvals by South African authorities in respect to the withdrawal of the joint venture partners in Block 11B/12B<sup>1</sup> and completion of the restructuring of Main Street 1549, the Company expects to hold 75% direct interest in Block 11B/12B. Despite the challenges and delays encountered so far, the Company remains confident that the Block 11B/12B resources are capable of being commercially developed. The Brulpadda and Luiperd discoveries are the largest discoveries of natural gas resources in South Africa and if developed could supply a significant portion of the country's energy needs as it seeks to transition to lower carbon energy sources. The Company will be focused on obtaining the 11B/12B Production Right approval and securing offtake customers, and the Company anticipates that its current financial position should be sufficient to achieve these objectives.

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<sup>1</sup> Main Street 1549 currently holds a 10% participating interest in Block 11B/12B, offshore South Africa.

## FINANCIAL INFORMATION

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

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Operating expenses	675	23,832
Net loss	(958)	(24,087)
Net loss per share (basic and diluted)	(0.00)	(0.02)
Weighted average number of shares outstanding (basic and diluted)	1,418,790	1,407,812
Number of shares outstanding	1,418,790	1,407,812
Cash flows provided by (used in) operations	(199)	(216)
Cash flows provided by (used in) investing	(359)	(173)
Cash flows provided by (used in) financing	2,858	315
Total change in cash and cash equivalents	2,382	(86)
Change in share capital	17,671	-
Change in contributed surplus	(3,956)	375
Change in deficit	958	24,087
Total change in equity	12,757	(23,712)
	March 31, 2025	December 31, 2024
Cash and cash equivalents	4,687	2,305
Total assets	45,250	42,577
Total liabilities	571	10,655
Total equity attributable to common shareholders	44,679	31,922
Net working capital	4,207	(8,229)

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, 2025 (the "Financial Statements"), which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.africaenergycorp.com](http://www.africaenergycorp.com).

#### EARNINGS TREND AND FINANCIAL POSITION (Unaudited; US dollars)

Operating expenses decreased by \$23.2 million for the three months ended March 31, 2025, compared to the same period in 2024. The Company recorded a \$23.1 million non-cash loss on revaluation of the financial asset during the first quarter of 2024. The non-cash loss on revaluation of the financial asset related

to the Company's investment in Block 11B/12B and was due mainly to changes in base assumptions for discount rate, development costs and operating expenditures.

At March 31, 2025, the Company had cash of \$4.7 million and working capital of \$4.2 million compared to cash of \$2.3 million and working capital deficiency of \$8.2 million at December 31, 2024. The increase in cash and working capital since December 31, 2024, can be mainly attributed to the completion of the non-brokered private placement of common shares and a shares-for-debt transaction on March 31, 2025.

## CORPORATE UPDATE

The Company announces the resignation of Pascal Nicodeme from his role as a member of the Board of Directors and Chairman of the Audit Committee. Mr. Nicodeme has served in this capacity with dedication and expertise, contributing significantly to the company's financial oversight and governance. The Board expresses its sincere gratitude for his invaluable contributions and wishes him success in his future endeavors.

In his place, the Board has appointed Larry Taddei, a seasoned financial expert with extensive experience in corporate governance and financial management. Mr. Taddei will assume the role of Chairman of the Audit Committee, bringing a wealth of knowledge and strategic insight to further strengthen the Company's financial reporting and compliance practices.

The Board of Directors has approved the grant of 3,500,000 incentive stock options. The options will be granted on May 16, 2025, at an exercise price per share that will be equal to the higher of the closing trading price of the Company's shares on the TSX Venture Exchange on that day and \$0.05 Canadian dollars. The options will be exercisable, subject to vesting provisions, over a period of four and a half years.

## NEXT EARNINGS REPORT RELEASE

The Company plans to report its results for the six months ended June 30, 2025 on August 14, 2025.

## About Africa Energy Corp.

Africa Energy Corp. is a Canadian oil and gas exploration company focused on South Africa. The Company is listed in Toronto on TSX Venture Exchange (ticker "AFE") and in Stockholm on Nasdaq First North Growth Market (ticker "AEC").

## 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 15, 2025, at 5:30 p.m. ET.

The Company's certified advisor on Nasdaq First North Growth Market is Bergs Securities AB, +46 739 49 62 50, [rutger.ahlerup@bergssecurities.se](mailto:rutger.ahlerup@bergssecurities.se).

## 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, drilling and development related 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 satisfactory terms, outcome of commercial negotiations with government and other regulatory authorities, 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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