

4th November 2009

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir/Madam,

FURTHER HIGH GRADE SOIL SAMPLING RESULTS AT NAMAKANDE PROSPECT

HIGHLIGHTS:

- **Infill soil sampling has been completed at the Namakande prospect, located in the Kariba Valley Joint Venture.**
- **The sampling has confirmed a further three significant uranium anomalies, Target Areas D, E and F, which increase the cumulative strike length at Namakande to in excess of 20km.**
- **Assays within Target Area D has identified mineralised outcrop which contains up to 2,950 ppm eU₃O₈, the highest surface value recorded to date on the Company's Zambian projects.**
- **Geological mapping indicates that the anomalies occur on repetitions of the same stratigraphic unit as that which hosts the Company's Njame uranium deposit in the Chirundu JV.**
- **Reverse circulation percussion drill testing of these areas will commence in early November.**
- **Drill testing of the Namakande targets is part of a larger programme of drilling designed to increase the resource base in the Chirundu JV and Kariba Valley JV projects, funded from the recently completed AUD \$4 million capital raising.**

African Energy
Resources Limited

ASX : AFR

Issued Capital
254,767,152

Directors:

Alasdair Cooke
Executive Chairman

Frazer Tabearth
Managing Director

Bill Fry
Executive Director

Mike Curnow
Non-Executive Director

Valentine Chitalu
Non-Executive Director

Level 1, 8 Colin Street
West Perth WA 6005

Tel: +61 8 6465 5500
Fax: +61 8 6465 5599

ARBN 123 316 781

www.africanenergyresources.com
info@africanenergyresources.com

OVERVIEW

The Directors of African Energy Resources Limited are pleased to announce that field evaluation of key target areas in the Namakande prospect in southern Zambia has been completed. A further three main uranium geochemical anomalies have been defined, with the largest measuring over 1km in length. The total prospective strike length of Namakande is now in excess of 20km. Each anomaly is associated with gritty sandstones in contact with siltstones, similar to positions which host the uranium mineralisation at the Company's Njame deposit. Systematic assays of rocks exposed at surface within the uranium anomalies have identified a number of mineralised samples, with peak values of up to 2,950 ppm eU₃O₈ (0.29%).

These surveys confirm and enhance the prospectivity of the uranium anomalies at Namakande, where six main anomalies have now been identified by soil sampling. Reverse circulation drill testing of the anomalies has commenced.

GEOCHEMICAL SOIL SAMPLING PROGRAMME

The Namakande prospect is located within the Kariba Valley joint venture project in southern Zambia, approximately 80km southwest of the Company's Njame uranium deposit (Diagram 1). The prospect was identified from a historical ground radiometric survey completed by Italian petroleum company AGIP in the 1970's. Subsequent follow-up by African Energy highlighted high-grade anomalous uranium responses over sedimentary rocks that are interpreted to be the same stratigraphic units as the mineralised sandstones and siltstones at Njame. A limited reverse circulation drilling programme completed in late 2007 confirmed the prospectivity of the area.

Field evaluation of the prospect commenced in late August 2009 and included geological mapping and an assessment of uranium content of the soils on a 400m x 25m grid pattern. The uranium content in soils was established at each grid point using a calibrated RS-125 spectrometer in assay mode. Initial results were very encouraging, and the sampling identified coherent anomalism at three main locations within Target Areas A, B and C as described by the Company in a market release dated 30 September 2009.

Ongoing sampling using the same techniques as described above have identified a further 3 significant soil anomalies described as Target Areas D, E and F (Diagram 2). The largest anomaly measures approximately 1km in length and the total strike length of prospective stratigraphy at the prospect area is now in excess of 20km.

At Target Area D a series of soil anomalies have been defined, aligned along a particular stratigraphic horizon comprising sandstone and siltstone units with shallow dips to the southeast. The most prominent anomaly in the centre of the sample grid (Diagram 3) shows continuity over 600 metres and contains a number of high grade assays, up to 1,800 ppm eU₃O₈ (0.18%), recorded on outcropping sandstone units. The same rocks can be traced 1km to the southwest, where previous soil sampling recorded assays up to 154 ppm U₃O₈. Furthermore, the anomalous unit also extends 1.5km to the

northwest where outcropping units locally show mineralisation up to 2,950 ppm eU₃O₈ (0.29%). The anomaly at Target Area D has been traced further to the southwest, beyond the main area of interest, and further soil anomalism has also been identified in this area.

Target Area E is highlighted by a coherent anomaly over about 2km of strike and trends southwest - northeast (Diagram 4). The mineralisation associated with this anomaly outcrops on the face of an interpreted fault scarp and locally shows high grade assays up to 304 ppm eU₃O₈.

Target Area F is located approximately 1km to the southeast of Target Area E and contains another mineralised horizon characterised in the field by outcropping, shallowly dipping sandstone terraces topped by fine sandstone or siltstone units. The mineralised units strike parallel to the units identified at Target Area E but are interpreted to be higher in the stratigraphic package and not an uplifted fault repetition. The best anomalism was identified on the northeast corner of the sampling grid, coincident with outcropping sandstone units that returned assays of up to 274 ppm eU₃O₈.

FORWARD EXPLORATION PROGRAMME

The field evaluation of the Namakande targets is part of a systematic programme of exploration which has commenced in the Chirundu JV and Kariba Valley JV in southern Zambia. A reverse circulation drilling programme to test the anomalies defined at the Namakande prospect is scheduled to commence in early November 2009.

BACKGROUND TO PROJECT

The Kariba Valley joint venture project is the Company's second joint venture with Albidon Limited (ASX:ALB), and contains the high-priority Chisebuka and Namakande prospects. The Kariba Valley joint venture project is approximately 250km from Lusaka by road, and occurs 50km to the south-west of Denison Mines' tenement that contains the Dibwe and Mutanga uranium deposits. African Energy can earn up to a 70% interest in this project by completing a prefeasibility study and delivering an Indicated resource.

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code.

Information in this report relating to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr Lachlan Reynolds (an employee of African Energy Resources Limited) who is a member of The Australasian Institute of Mining and Metallurgy. Mr Reynolds has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reynolds consents to the inclusion of the data in the form and context in which it appears.

For any further information, please refer to the Company's website or contact the Company directly on +61 8 6465 5500.

For and on behalf of the board

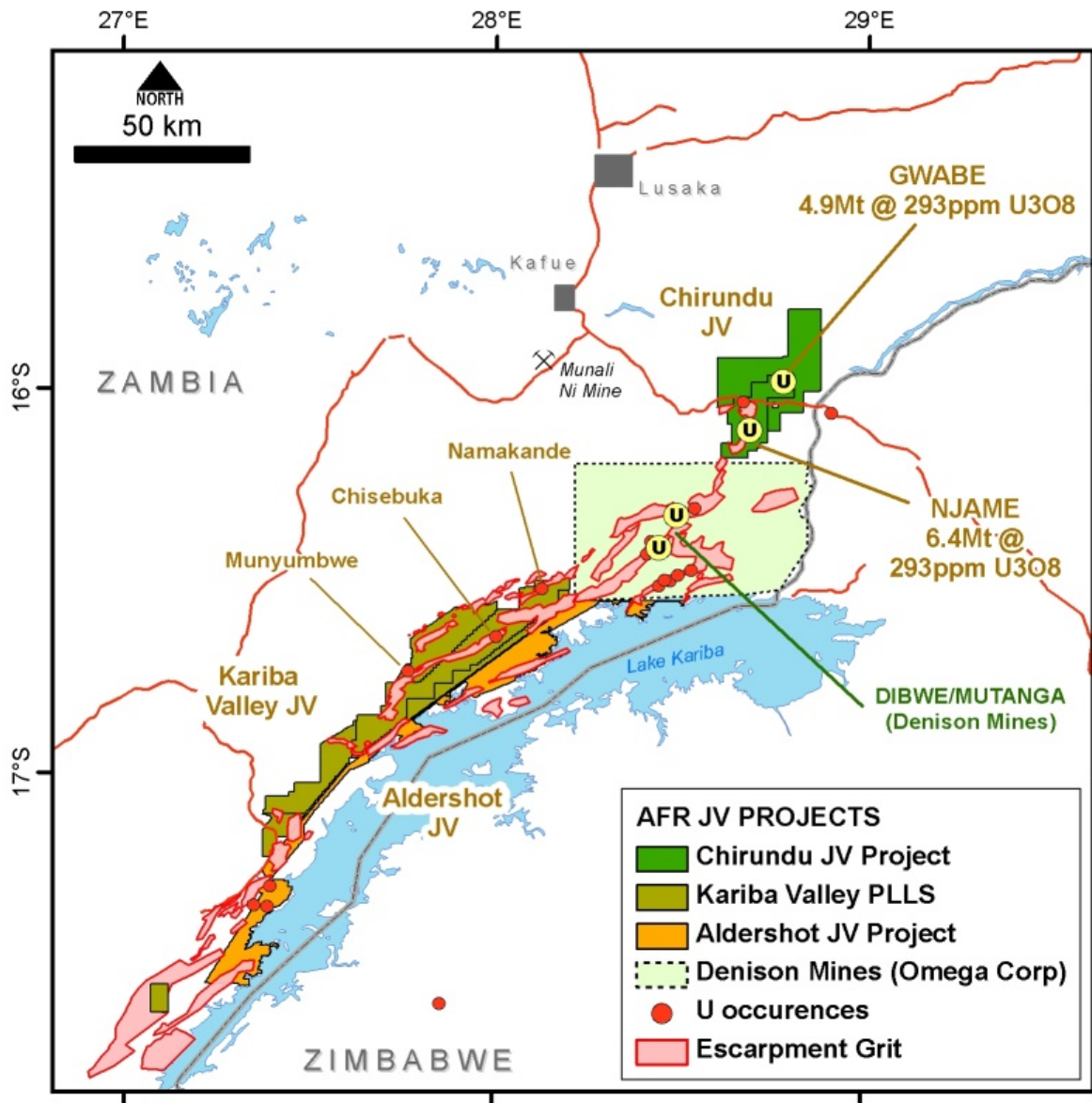


Diagram 1: Location of the Namakande prospect area, within the Kariba Valley JV in southern Zambia.

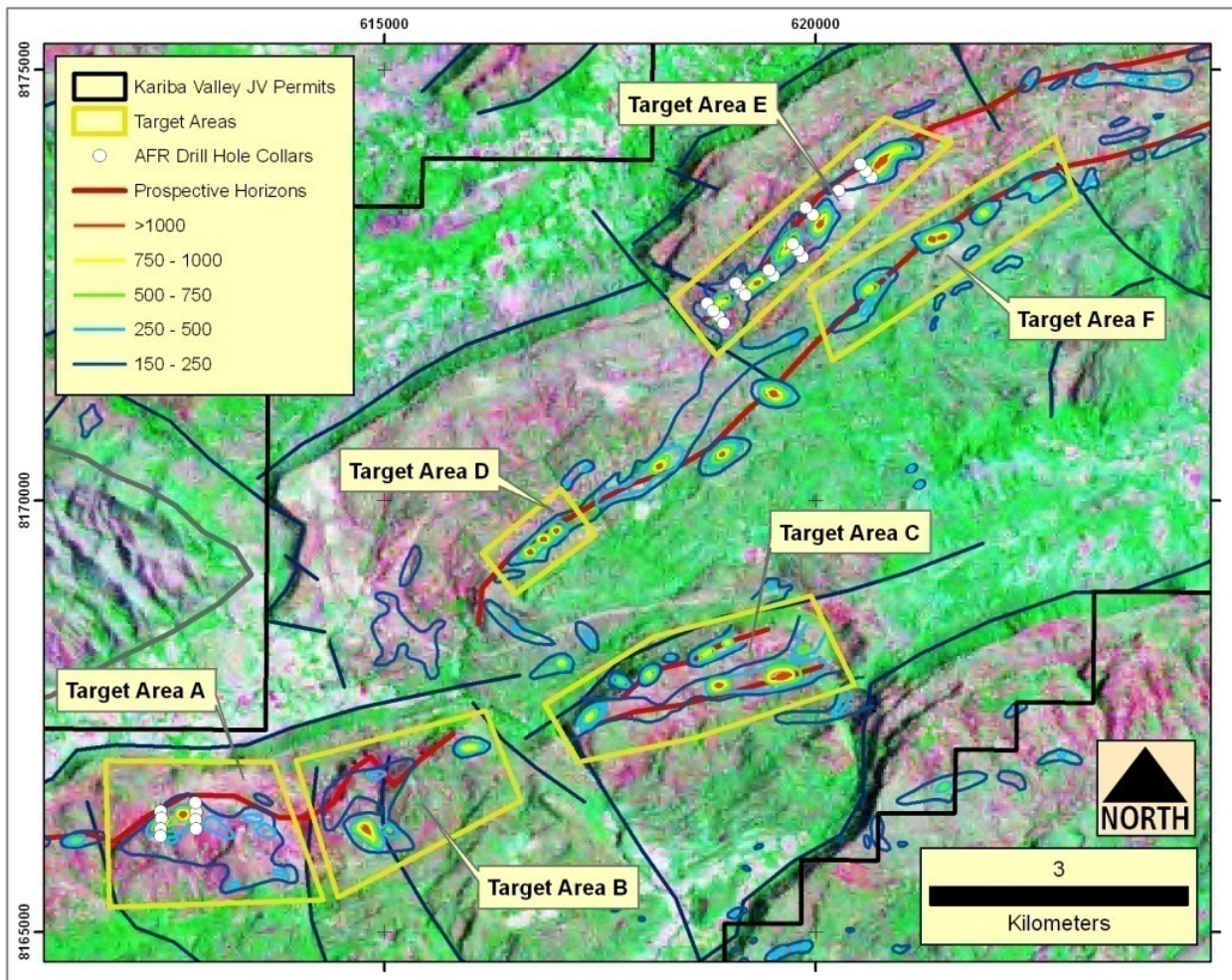


Diagram 2: Namakande prospect Target Areas showing ground radiometric contours overlain on false-colour Landsat image. All Target Areas have now been tested with spectrometer soil sampling and geological mapping.

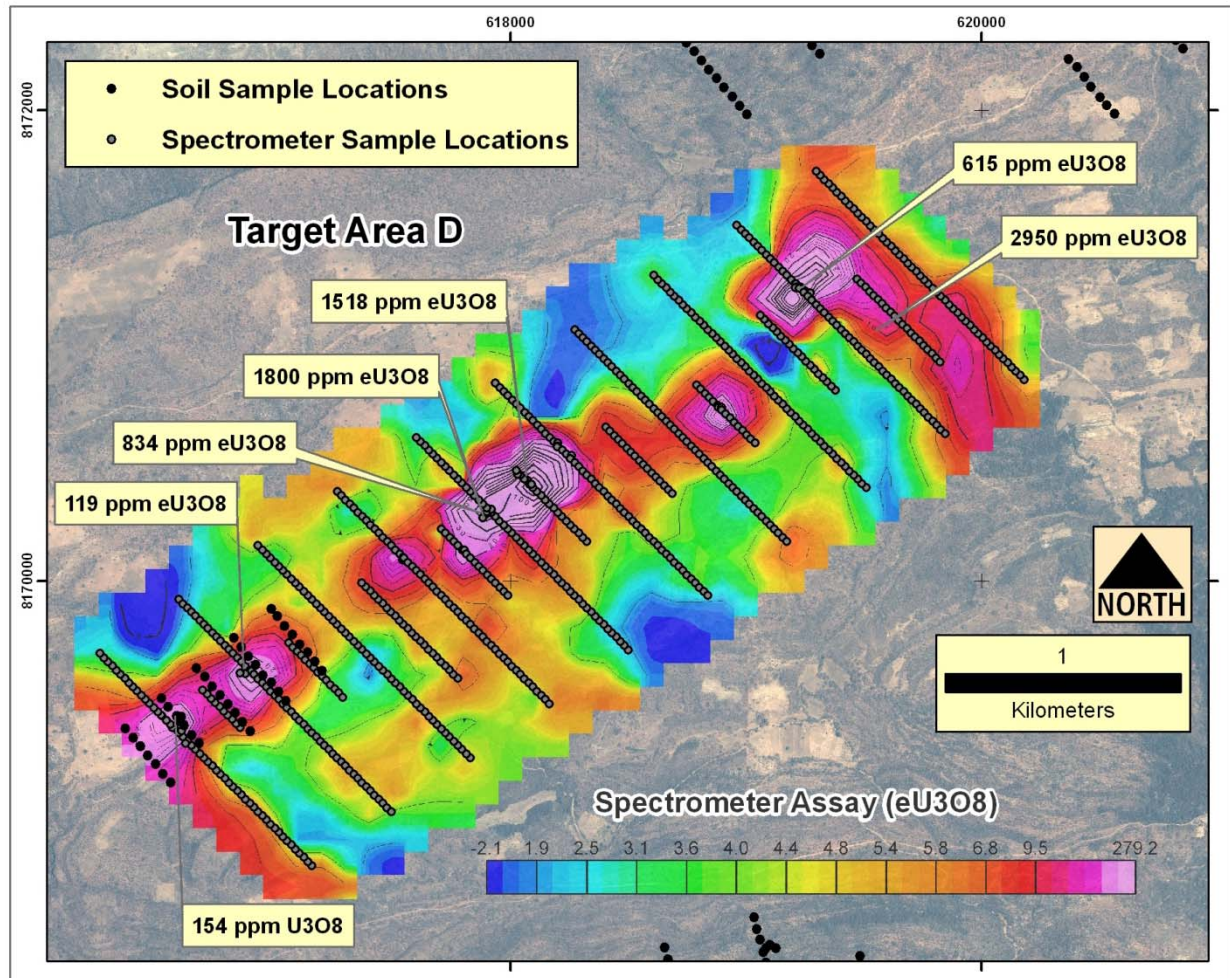


Diagram 3: Contoured soil geochemical results for Target Area D, Namakande prospect, with selected rock outcrop values. Results shown in eU₃O₈ (spectrometer) and U₃O₈ (soil sample).

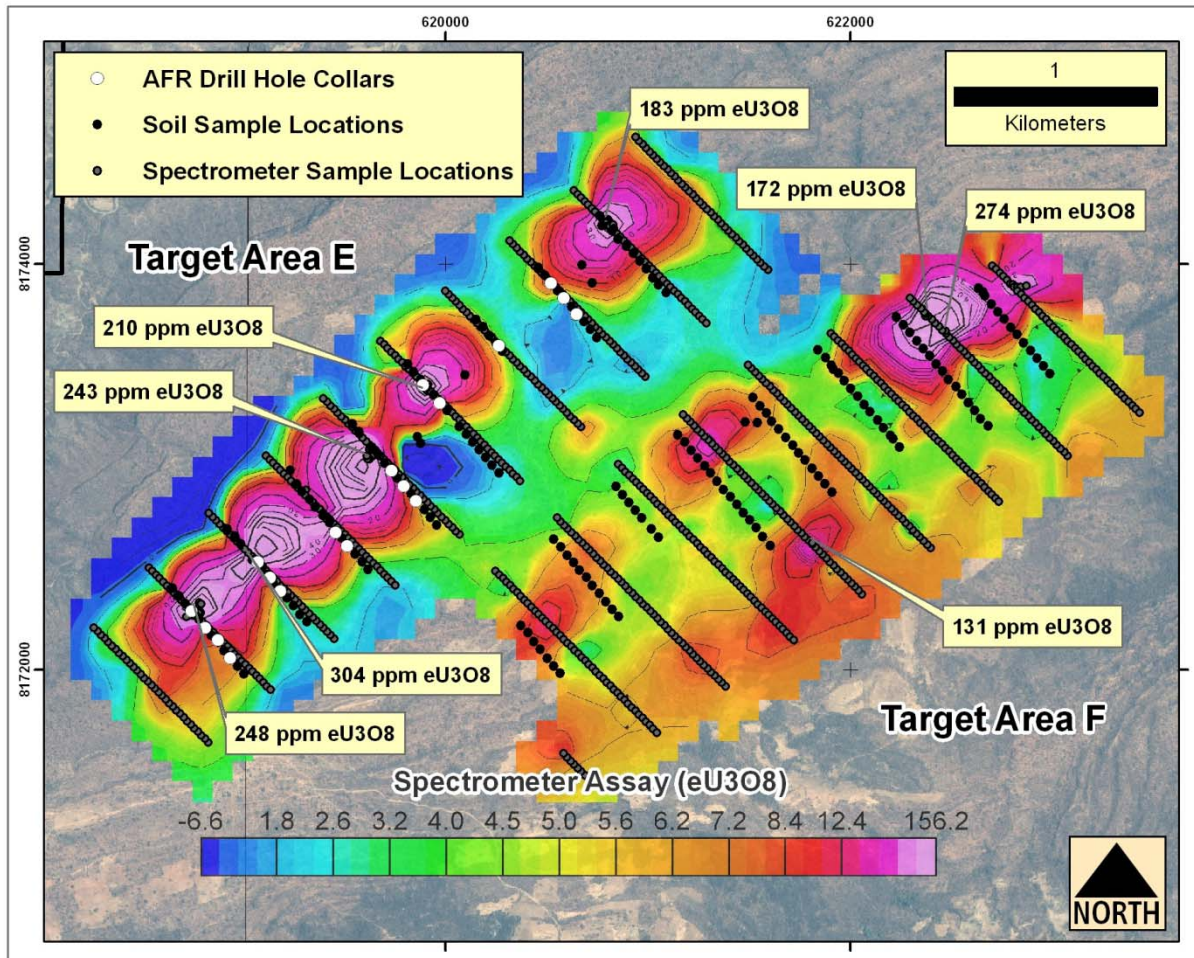


Diagram 4: Contoured soil geochemical results for Target Areas E and F, Namakande prospect, with selected rock outcrop values. Results shown in eU₃O₈ (spectrometer) and U₃O₈ (soil sample).