

9 September 2011

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

*Via electronic lodgement*

Dear Sir/Madam,

## **MEASURED RESOURCE DRILLING UNDERWAY AT SESE**

- **Detailed infill drilling has commenced at the Sese coal project in Botswana to provide information suitable for classifying a Measured Resource in the northern half of Block-B and part of Block-C (the two areas with the lowest stripping ratios).**
- **Five drill rigs are currently working at Sese on the infill drilling.**
- **The Measured Resource drilling programme comprises:**
  - **98 core holes on a 500m x 500m grid**
  - **6 large diameter core holes (200mm core) to collect samples for additional test work**
  - **A minimum of 8 reverse circulation (RC) percussion holes to provide structural information in key areas.**
- **Indicated Resource delineation drilling at the Sese coal project was completed in August.**
- **The Company expects to announce an upgrade for the deposit to an Indicated Resource in the fourth quarter of 2011.**
- **It is expected that a Measured Resource for Block-B (northern half) and part of Block-C will be announced in the second quarter of 2012.**

**African Energy  
Resources Limited**

**ASX : AFR**

**Issued Capital  
326,376,735**

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Executive Chairman

**Frazer Tabcart**  
Managing Director

**Bill Fry**  
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## **BACKGROUND TO PROJECT**

The Sese Coal project comprises one wholly owned prospecting licence and a number of prospecting licence applications located in northeast Botswana, approximately 50km southwest of the town of Francistown. The project is situated close to the sealed highway between Francistown and Gaborone and is easily accessible. Rail, road and power infrastructure is close to the project area.

African Energy discovered a large deposit of thermal coal at Sese in June 2010 and announced an initial resource estimate of 2.73 billion tonnes of coal within Prospecting Licence PL96/2005 (0.5 billion tonnes Indicated Resource and 2.23 billion tonnes Inferred Resource) in May 2011.

## **RESOURCE DELINEATION PROGRAMME: INDICATED RESOURCE UPDATE**

All infill drilling to a 1km x 1km drill pattern suitable for the delineation of an Indicated Resource was completed across the entire deposit in August. Samples from this programme of drilling have been submitted for proximate analysis, with further analytical work (washing test-work plus analysis of physical properties of the coal) to be completed in due course. Once these results have been received, the Company will be able to update the entire resource to the Indicated Resource category. It is expected that this will be completed in the fourth quarter of 2011.

## **MEASURED RESOURCE DELINEATION PROGRAMME**

Infill drilling to a 500m x 500m core drilling pattern is now underway in Block-B and will commence in part of Block-C in October. This density of drilling has been deemed to be suitable for a Measured Resource estimate by the Company's independent consulting resource geologists. The Company currently has four diamond drill rigs and one RC percussion rig operating at Sese. The following programme is scheduled for completion within three months:

- 98 triple-tube HQ diameter diamond drill holes on a 500m x 500m grid in the northern half of Block-B and part of Block-C.
- 6 large-diameter (200mm/8 inch) diamond drill holes to collect larger diameter cores for additional test work. Three of these holes will be drilled in each of Block-B and Block-C.
- A minimum of 8 reverse circulation (RC) percussion holes to provide structural information in key areas.

This programme will permit the classification of a Measured Resource in two areas, thereby providing optionality in selecting initial mining sites for future production. It is expected that the Measured Resource estimation will be completed in the second quarter of 2012. The Measured Resource is a critical step in the establishment of future mining reserves.

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*



# AFRICAN ENERGY

*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 Dr Frazer Tabcart (an employee and the Managing Director of African Energy Resources Limited) who is a member of The Australian Institute of Geoscientists. Dr Tabcart 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. Dr Tabcart consents to the inclusion of the data in the form and context in which it appears.*