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MMAMANTSWE RESERVE CLARIFICATION

African Energy Resources acquired the Mmamantswe Coal Project from Aviva Corporation in April 2013.

In various ASX announcements since the acquisition, African Energy Resources has reported a Probable Reserve based upon the results of a scoping study that was prepared for Aviva Corporation and first announced to ASX in 2009. The Reserve was reported under JORC Code (2004 edition).

Each of the quarterly reports issued since the introduction of the JORC Code (2012 edition) have inadvertently stated the Probable Reserve at Mmamantswe Coal Project.

African Energy Resources does not consider that the work performed in the 2009 Scoping Study was sufficient to continue to report a Probable Reserve under the requirements of JORC Code (2012 edition) that was introduced on 1 December 2013.

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 was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. References to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code (2004 edition).

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 that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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.

For any further information, please contact the Company directly on +61 8 6465 5500.