African Energy Resources Ltd

AGM Technical Presentation

23 November 2010

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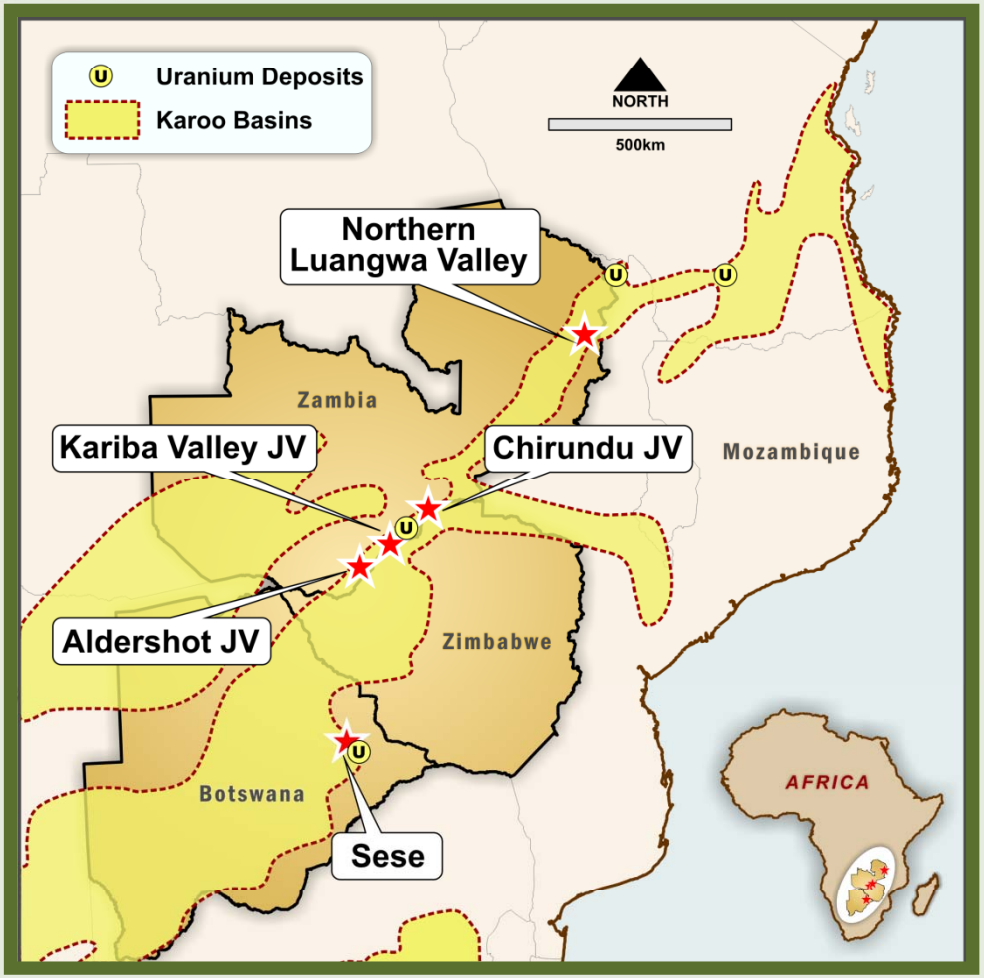
The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to "Measured Resources", "Inferred Resources" and "Indicated 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 Tabeart (an employee of African Energy Resources Limited) who is a member of The Australian Institute of Geoscientists. Dr Tabeart 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 Tabeart consents to the inclusion of the data in the form and context in which it appears.

This presentation refers to an Exploration Target in respect of the potential tonnage range and quality range for the coal deposit at Sese. The Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the determination of a Mineral Resource. There is currently insufficient data to define a JORC compliant mineral resource for the Exploration Target.

Project locations in southern Africa



- Exploring the Karoo Basins of southern Africa – known for coal and uranium endowment
- 11.1 Mlb U_3O_8 resource at Chirundu JV project in southern Zambia, currently at feasibility study stage
- Major discovery of thermal coal in Botswana in June 2010 by AFR, potential for >>1 billion tonne resource
- Initial JORC inferred resource on coal in early 2011

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Current capital structure and management

CAPITAL STRUCTURE (ASX):

Ordinary Shares:	292,874,650
Options:	18,055,066
Market Cap:	A$ 83 million (22 Nov ‘10)
Cash position:	A$ 4.0 million (31 Oct ‘10)
Debt:	A$ none

BOARD:

Alasdair Cooke, Executive Chairman

Frazer Tabeart, Managing Director

Bill Fry, Executive Director

Valentine Chitalu, Non-executive Director

Michael Curnow, Non-executive Director

MAJOR SHAREHOLDERS:

Energy Ventures Ltd	~ 34% to be redistributed to EVE shareholders on a 1 for 4 basis
Management	~ 5%
Stanlib	~ 5%
Independent Asset Mgmt	~ 5%

Top 20 shareholders currently own ~ 65% of company

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Overview of the Sese coal project

- Exploration Target* 1.0 to 1.5 billion tonnes of 4,000kcal/kg to 5,000kcal/kg unwashed coal
- Initial JORC Inferred Resource due in early 2011
- Excellent results to date from resource drilling, exceeding expectations
- Amenable to very low cost open-pit extraction
- Limited washing data indicates that raw coal can be readily upgraded to >5,300 kcal/kg steaming coal
- Scoping study to commence in early 2011 to evaluate 3-5 Mtpa start-up operation

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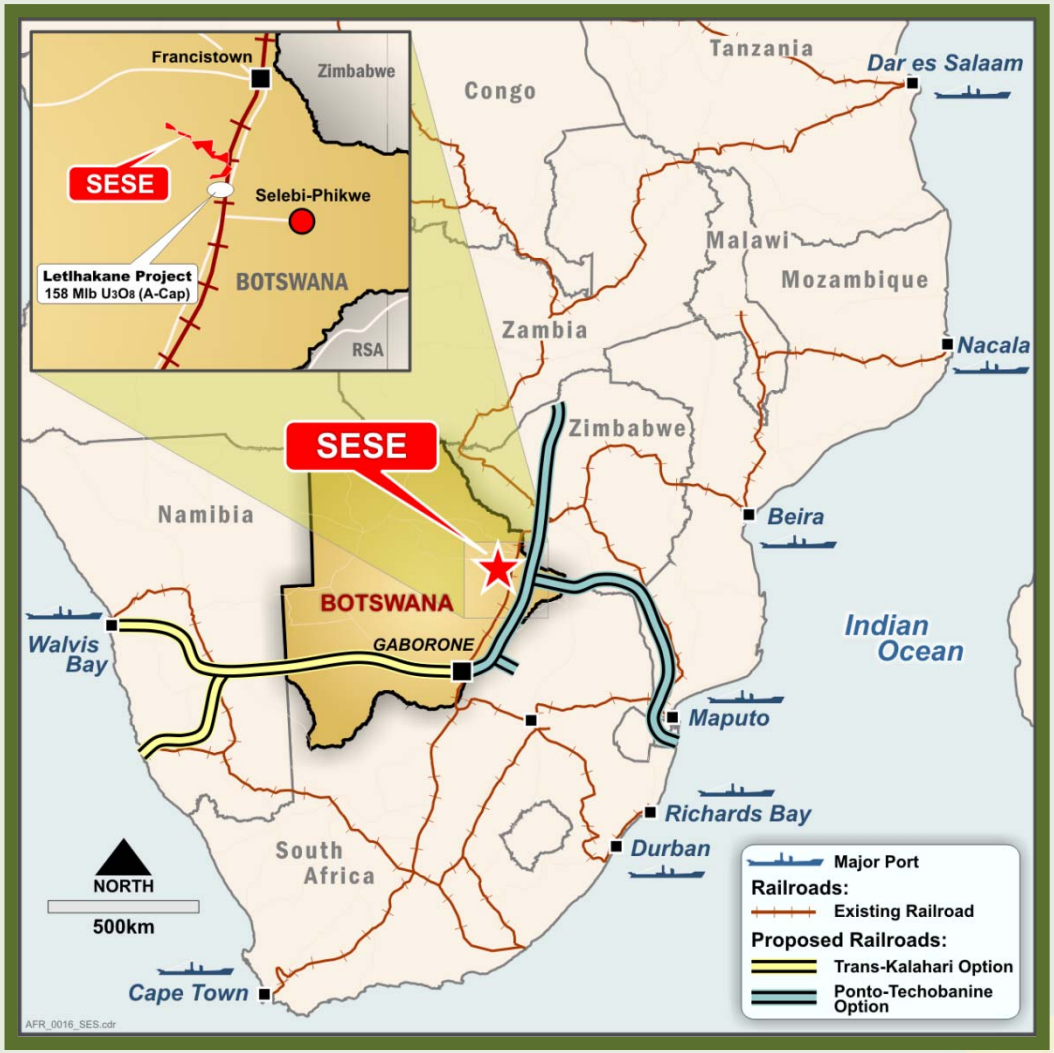
The Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the determination of a Mineral Resource. There is currently insufficient data to define a JORC compliant mineral resource for the Exploration Target.

Sese project location



- Botswana is the most stable democracy in Africa
- African Energy owns 100% of the Sese tenement
- Scoping study to commence in early 2011 to assess initial 3-5 Mtpa operation
- Export of 20-30 Mtpa ultimately possible, requires new rail/port infrastructure such as proposed Trans-Kalahari or Ponto Techobanine transport corridors

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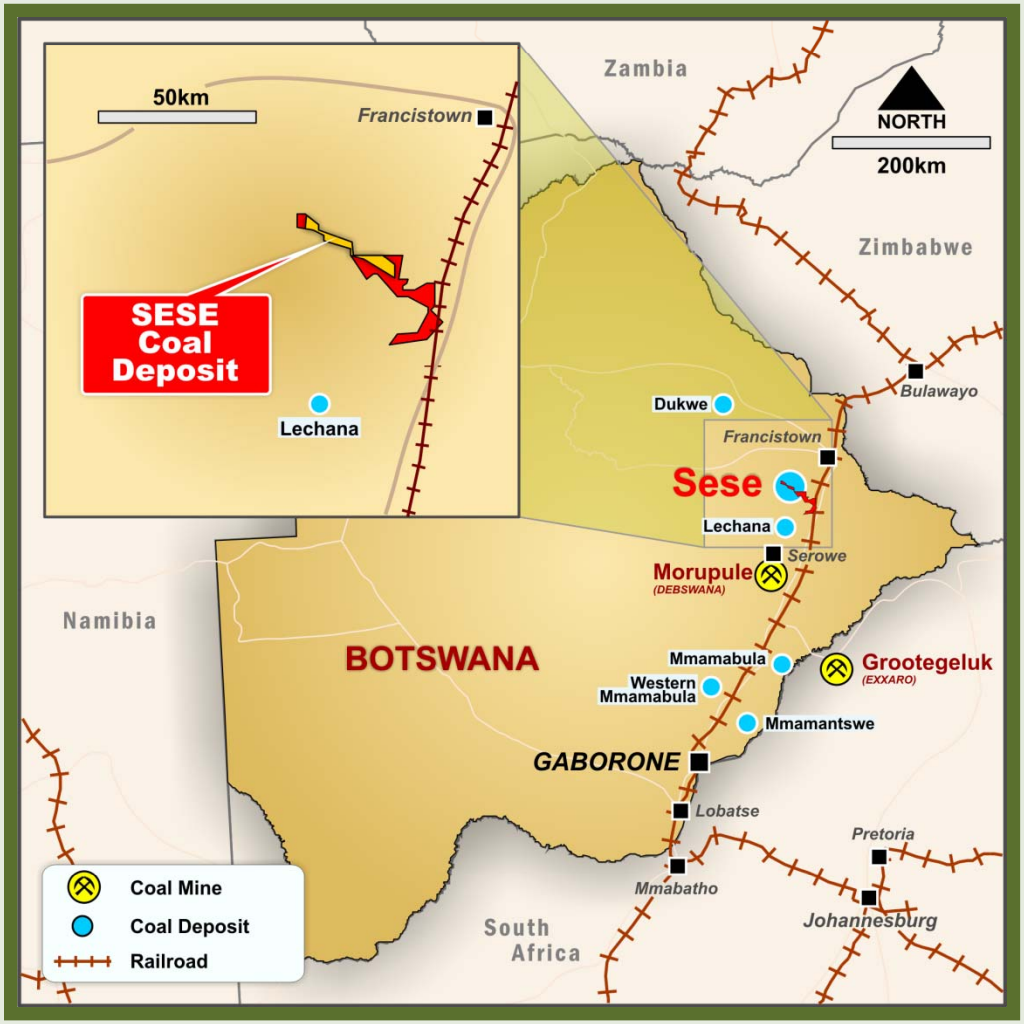
Sese project overview map



- 50km south of Francistown, major highway, railway, power along eastern project boundary
- Coal covers >35km strike length, >90km^2 area
- Average 12m thick seam from 25-65m depth
- Exploration Target of 1.0 to 1.5 billion tonnes, all amenable to very low strip-ratio open-pit mining

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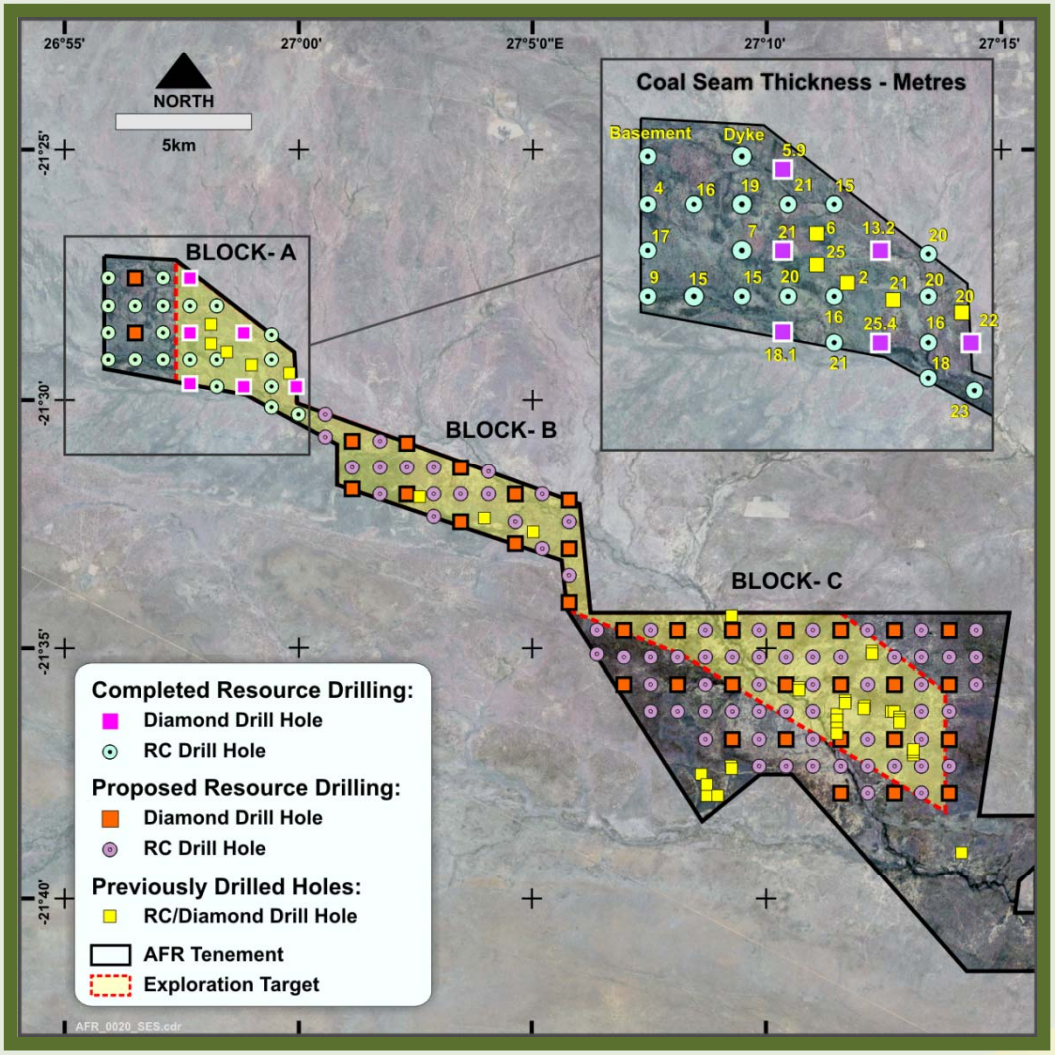
Sese coal project – resource drilling



- Inferred resource by end Q1 2011:
  - 2km x 2km diamond drilling grid
  - 1km x 1km RC percussion infill
  - Down-hole geophysics in all holes
- Thicker and more extensive coal than anticipated in Block-A (indicating potential to exceed Exploration Target tonnage)
- Block-A average coal thickness is 16.3m from an average depth of 45m (strip ratio <3:1)

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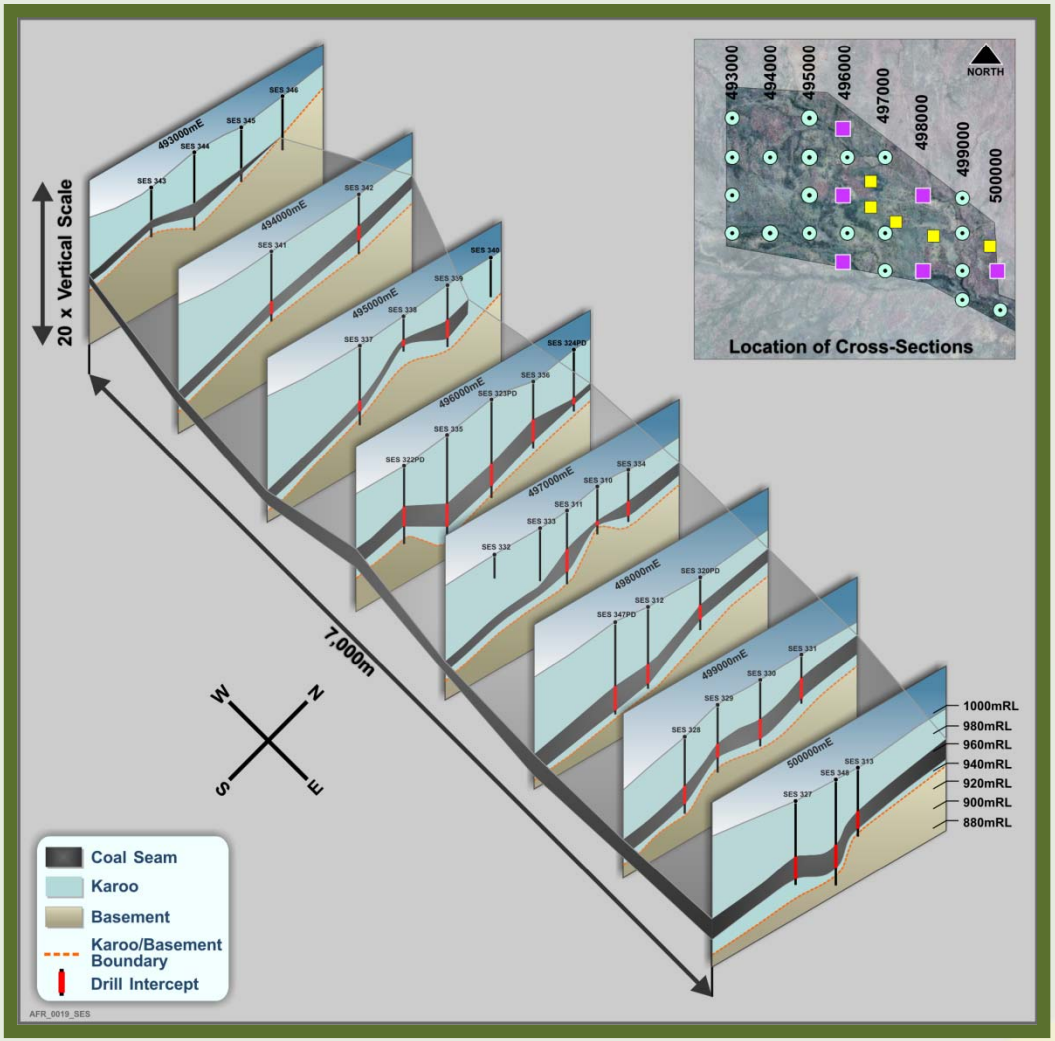
Sese coal project – Block-A results



- Extremely good seam continuity between holes and between sections
- Potential for initial open pit at approx 1:1 strip ratio, increasing to 3:1
- Block-A is only a small proportion of the entire system (about 20% of strike length of whole system)
- Site visit completed by independent resource evaluation team (Coffey Mining)
- Four rigs now working on Block-C

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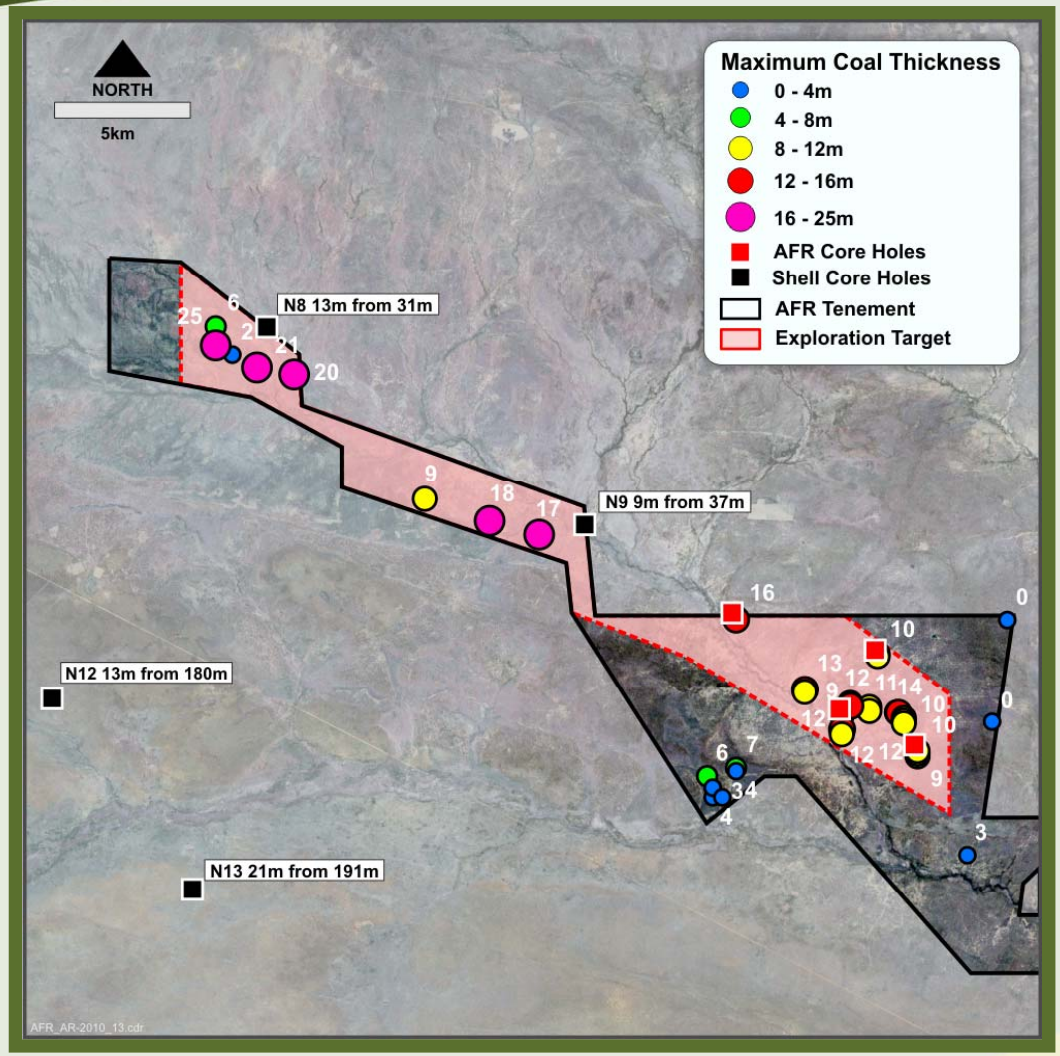
Raw coal sampling programme



- Four original core holes drilled by AFR in July 2010 to collect material for coal quality analysis ("proximate analysis")
- Data located for 1976 Shell Coal Botswana drilling with proximate analysis on two holes (N8, N9)
- Note extensive down-dip continuation of coal seam to SW as evidenced by Shell holes N12 and N13

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Sese coal – proximate analyses

HOLE ID	From (m)	True Width (m)	Yield %	Inherent Moisture %	Ash %	Calorific Value MJ/kg	Calorific Value kcal/kg	Total sulphur %
RAW COAL, AIR DRIED BASIS								
SES 299RD	39.00	5.90	100.00	8.27	28.48	18.06	4,313	2.21
SES 300RD	35.30	7.72	100.00	7.65	31.11	16.81	4,014	0.83
SES 301RD	30.66	8.39	100.00	7.54	32.60	16.80	4,012	1.69
SES 318RD	64.87	16.03	100.00	9.35	22.84	20.51	4,898	2.04
SHELL N8	37.68	7.72	100.00	4.25	25.90	20.87	4,984	1.81
SHELL N9	37.12	7.28	100.00	7.54	23.88	19.75	4,716	1.92
AVERAGE		**8.84**	**100.00**	**7.71**	**26.80**	**19.06**	**4,552**	**1.78**
WASHED COAL, AIR DRIED BASIS, S.G. = 1.60								
SHELL N8	37.68	7.72	60.11	4.59	19.52	22.51	5,376	0.39
SHELL N9	37.12	7.28	60.14	7.86	16.04	22.06	5,269	0.30
AVERAGE		**7.50**	**60.12**	**6.18**	**17.83**	**22.29**	**5,323**	**0.35**

- Ranges from 4,000 kcal/kg to 5,000 kcal/kg
- Resource drilling may define zones with intrinsically higher raw coal quality
- Limited washing data suggest yield of 60% at SG of 1.60 produces a higher value >5,300 kcal/kg coal
- Opportunity for variety of marketable products

Valuation – recent project valuations

- Competing Indian bids for acquisition of CIC Energy values Mmamabula thermal coal deposit (200km south of Sese) at approximately US $0.20 to $0.29/tonne (Measured and Indicated Resource)
- Southern African in-situ thermal coal transaction average over last 2-3 years is US $0.17/tonne, ranging from US $0.14 (inferred resources) to $0.36/tonne (measured resources) for undeveloped projects
- Current AFR valuation (AUD $0.28/share):
  - Uranium portfolio accounts for approx $30M of Market Cap
  - Coal project is therefore currently valued at approx $53M on basis of Market Cap
  - Equates to <$0.04/tonne if Sese Exploration Target is converted to inferred resource

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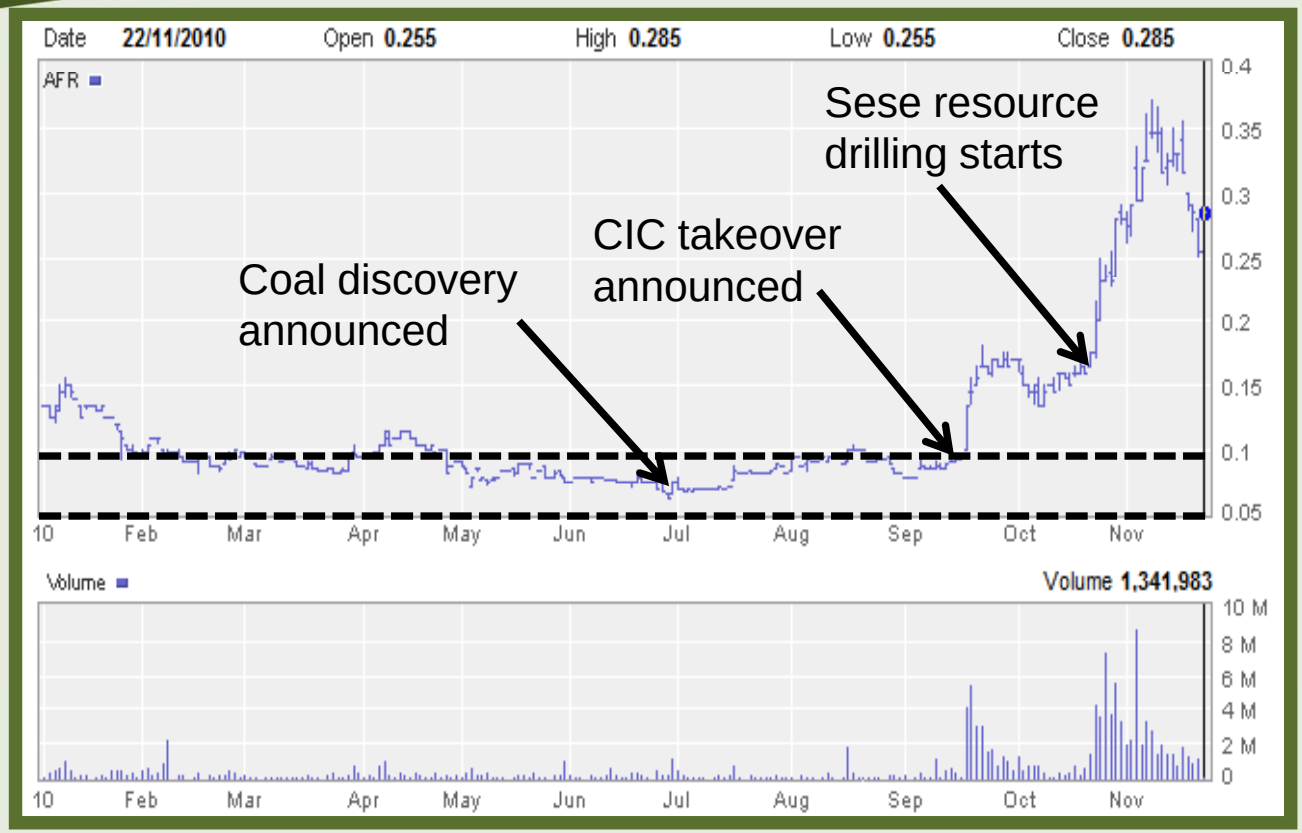
Valuations – uranium and coal



COAL VALUE: $53m

Based on share price increase since discovery

Equates to $0.035/t, significantly lower than $0.14 to $0.36 range

URANIUM VALUE: $30m

Based on average of $0.10/share over last year

Equates to $4/lb U_3O_8, close to global average

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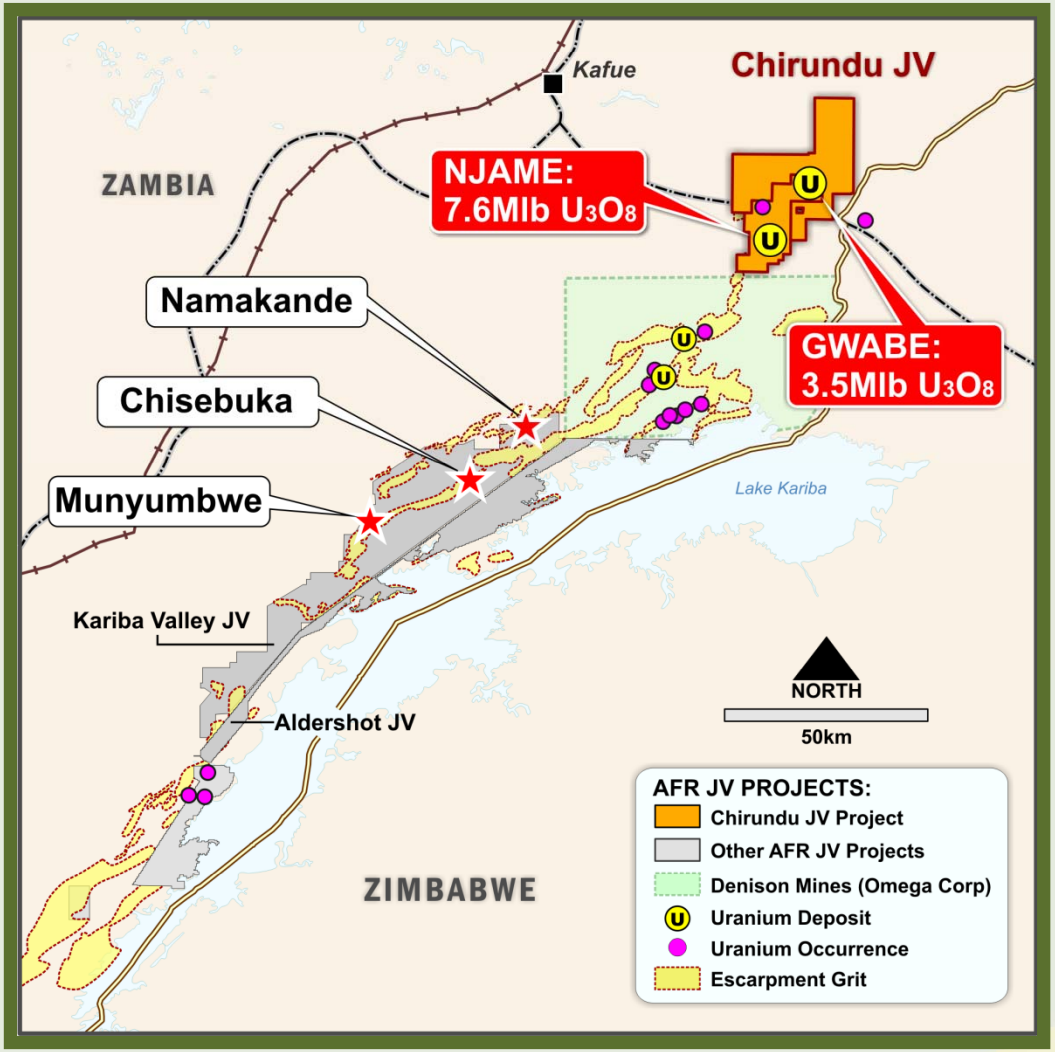
Conclusion – Sese thermal coal project

- Potential for very large tonnage (>>1.0 to 1.5 billion tonnes)
- Thick main seam which is very close to surface – potentially the lowest raw coal mining costs in region through low-strip ratio (<4:1) open-pit methods
- Raw coal analyses and washing results compare well with other deposits
- Constant news flow of drilling results, JORC resource in Q1 2011
- Strong interest in Botswana coal from India as evidenced by CIC Energy bids
- Scoping study in early 2011 to assess 3-5 Mtpa start-up operation
- Potential to become one of Botswana's largest exporters of thermal coal

Southern Zambian uranium projects



- 11.1 Mlb U_3O_8 in measured, indicated and inferred resources at Chirundu JV (AFR 70%)
- Potential for additional deposits in Chirundu JV, Kariba Valley JV or Aldershot JV
- All within economic trucking radius of Chirundu
- Simple sandstone-type deposits with local potential for unconformity style mineralisation

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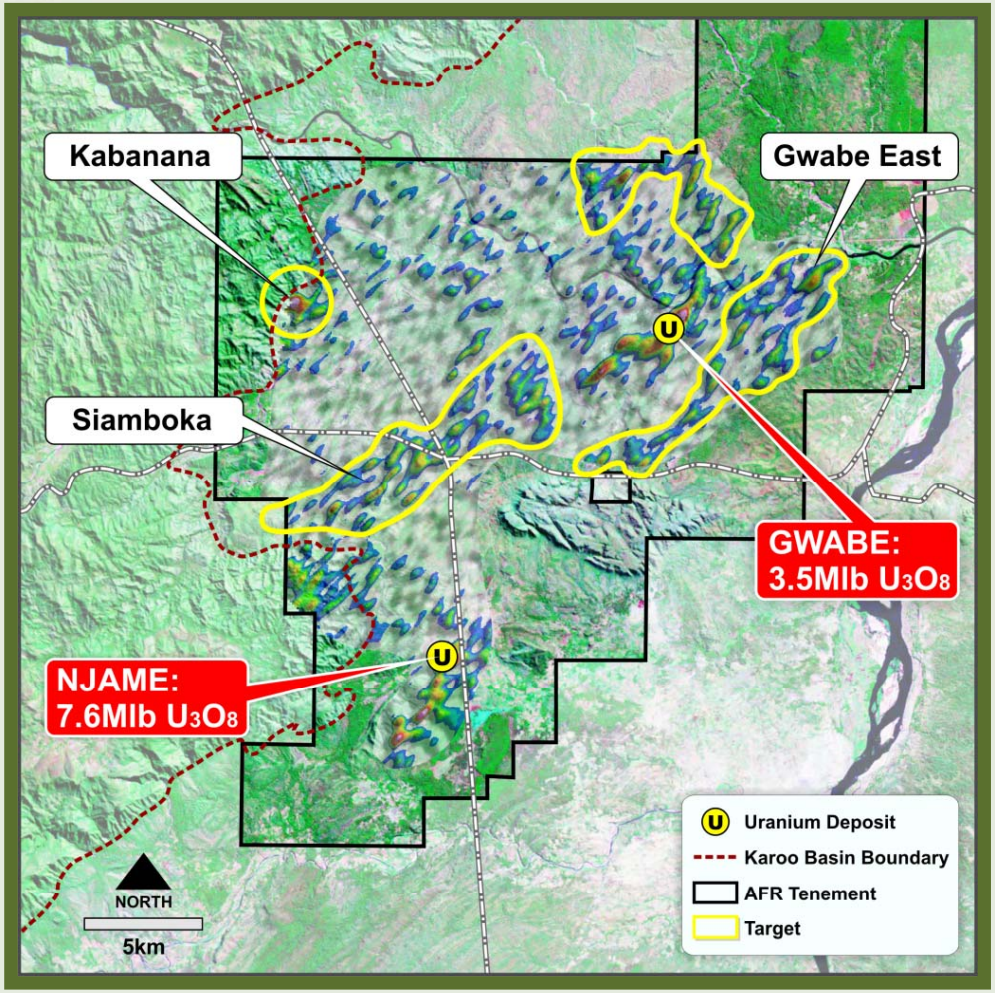
Chirundu JV Summary



- Simple uranium deposits amenable to low cost open pit mining and acid heap leach
- Low opex (targeting US $22-25/lb after optimisation) and low Capex (US $108M)
- Mining Licence has been granted
- Engineering component of BFS on hold during resource expansion work, seeking >10 year life (15-20 Mlb)

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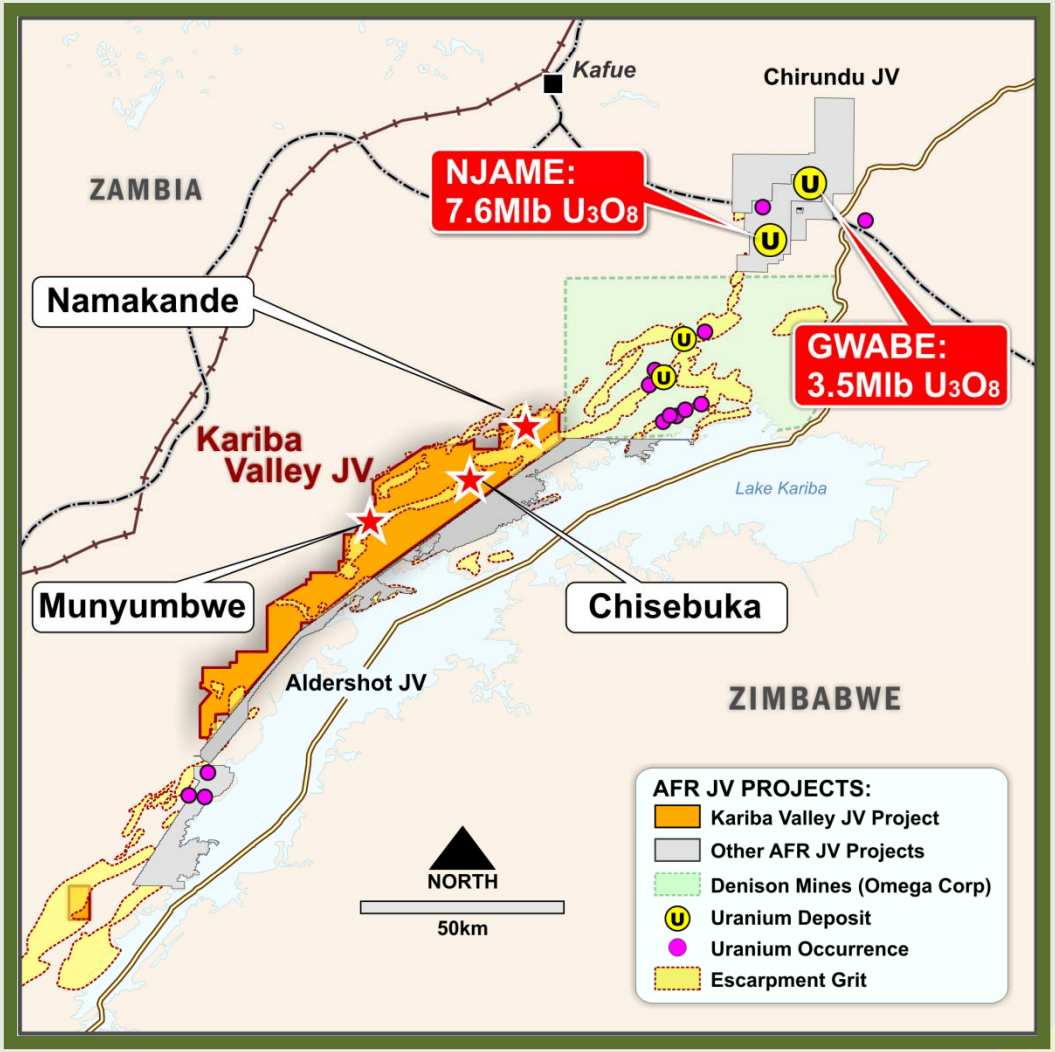
Programme to deliver a mining operation



- Increase resource to >15 Mlb U_3O_8
- Drilling programmes completed at five prospects, with encouraging results from two:
  - Kabanana, Chirundu JV – 4m @ 293 ppm U_3O_8, follow-up required
  - Chisebuka, Kariba Valley JV – known mineralisation extended, follow-up required
- Subject to results, recommence feasibility study (6-9 months would be required to complete the study)

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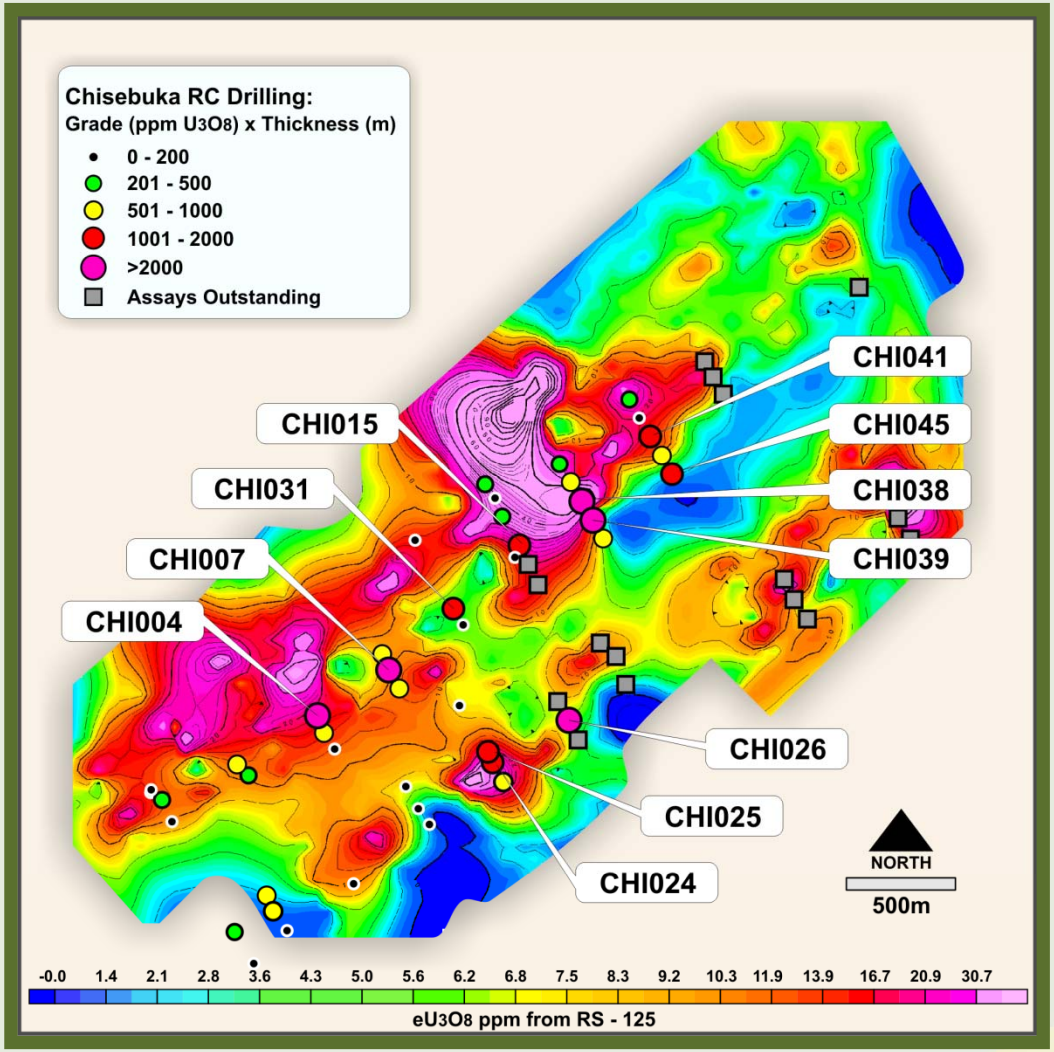
Kariba Valley JV – Chisebuka prospect



- Mineralised system now >2,000m
- 3D modelling has determined that economic strip ratios are possible
- Requires follow-up drilling in 2011 for initial JORC inferred resource
- Recent results:

Hole ID	Width (m)	U3O8 (ppm)
CHI038	13	271
CHI038	3	199
CHI039	7	424
CHI039	4	217
CHI039	4	296
CHI041	4	263
CHI045	2	567

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Concluding summary

- African Energy has discovered a major deposit of near-surface thermal coal in Botswana, where recent drilling has exceeded expectations
- Maiden thermal coal resource to be delivered in Q1 2011
- African Energy has outlined 11.1 Mlb U_3O_8 at the Chirundu JV, Zambia
- There are uranium targets within trucking radius of Chirundu that could increase resources to over 15 Mlb, which would justify completion of BFS
- AFR has diversified into two energy commodities and is highly leveraged to global increase in electricity demand

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