

18 July 2011

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

Via electronic lodgement

AFRICAN ENERGY RAISES A\$15M TO ACCELERATE SESE COAL PROJECT

The Directors of African Energy Resources Limited (“African Energy” or “Company”) are pleased to announce the Company has successfully placed 30 million new ordinary shares at a price of A\$0.50 per share to raise up to A\$15 million (“Institutional Placement”).

The new shares were primarily placed with institutional and sophisticated investors from Asia, Europe and Australia. Shareholder approval is not required for the Institutional Placement.

Helmsec Global Capital Limited acted as the lead manager for the capital raising under an exclusive mandate to provide financial and related marketing advice over a 12 month period.

The proceeds from the Institutional Placement will be used as follows:

Infill drilling at Sese project to Measured status	A\$2m
Sese trial pit & bulk samples	A\$1m
Feasibility Studies at the Sese coal project	A\$6m
Sese Environmental Impact Assessment	A\$1m
Working capital & transaction costs	A\$5m
Total	A\$15m

The capital raising was strongly oversubscribed despite difficult market conditions and is a testament to the quality of the Sese project. The funds raised will allow the Company to substantially advance the Sese coal project with a view to potential development in late 2012.

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
 Resources Limited**

ASX : AFR

Issued Capital
 296,326,735

Directors:

Alasdair Cooke
 Executive Chairman

Frazer Tabearth
 Managing Director

Bill Fry
 Executive Director

Mike Curnow
 Non-Executive Director

Valentine Chitalu
 Non-Executive Director

Phil Clark
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