



ARBN 123 316 781

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**For the Annual General Meeting to be held on Thursday, 17 November 2011
at 3.00pm (Western Standard Time)
at Level 1, 8 Colin Street, West Perth, 6005, Western Australia**

**and also via phone link at the Company's registered office
Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS
commencing at 7.00am (Guernsey time) on Thursday, 17 November 2011**

***This is an important document. Please read it carefully and in its entirety.
If you do not understand it please consult your professional advisers.***

***Please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.***

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

This Annual General Meeting of the Shareholders of African Energy Resources Limited will be held at:

**Level 1
8 Colin Street
West Perth 6005
Western Australia**

**Commencing
at 3.00pm (Western Standard Time)
on Thursday, 17 November 2011**

And also via phone link at our registered office, Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS which will commence at 7.00am (Guernsey time) on Thursday, 17 November 2011.

The Directors have set a date to determine the identity of those entitled to attend, speak and vote at the Meeting. The date is 15 November 2011 at 3.00pm (Western Standard Time).

How you will be able to vote depends on if you a Shareholder or a Chess Depositary Interest (CDI) holder. The majority of voters will be CDI holders. Both methods are listed below:

Shareholders

Ordinary Shareholders may vote by attending the Meeting in person, by proxy or by authorised representative.

Shareholders of the Company, entitled to attend, speak and vote are entitled to appoint one or more proxies to attend, speak and vote at this Meeting. The completion and return of a valid form of proxy will not prevent holders of ordinary Shares from attending, speaking and voting in person at the Meeting if so desired. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.

Voting in Person

To vote in person you need to attend the Meeting on the date and at the place (in Australia or Guernsey) set out above. The meeting will commence at 3.00pm (Western Standard Time).

The phone link with our registered office, at Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS will commence at 7.00am (Guernsey time) on Thursday, 17 November 2011.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and return to the company as per the information outlined below.

Attendance at Meeting

All holders of Shares appearing in the Company's Register of Shareholders at 3.00 pm (WST) on Tuesday, 15 November 2011 will be entitled to attend and vote at the Meeting.

CHESS Depositary Interests

Holders of CHESS Depositary Interests (CDI) are invited to attend and speak at the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, CDI holders must complete, sign and return the Voting Instruction Form (as enclosed with the Notice of General Meeting) as per the information below so that CHESS Depositary Nominees Pty Ltd (CDN) can vote the underlying Shares on their behalf.

Proxy and Voting Instruction forms

To be effective, the proxy must be received by the Company no later than 3:00pm (WST) on Tuesday, 15 November 2011. The following methods of delivery for proxies are specified:

By post: Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235

By facsimile: +61 2 9287 0309

By delivery: Link Market Services Limited
 Level 12, 680 George Street
 Sydney NSW 2000

Your proxy form or Voting Instruction form is enclosed with this notice, depending on your holder status.

AFRICAN ENERGY RESOURCES LIMITED
ARBN 123 316 781

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of African Energy Resources Limited will be held at Level 1, 8 Colin Street, West Perth, Western Australia on Thursday, 17 November 2011 at 3.00pm (Western Standard Time) and also via phone link at our registered office, Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS which will commence at 7.00am (Guernsey time) on Thursday, 17 November 2011 for the purpose of transacting the business set out below.

The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

GENERAL BUSINESS

Resolution 1 – Receipt of Financial Statements and Reports

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the Company consider and receive the profit and loss account and the balance sheet of the Company for the financial year ended 30 June 2011 and the reports of the Directors and Auditors thereon."

Short Explanation: The Articles require that a profit and loss account, a balance sheet, a report of the Directors and a report of the Auditors be laid before the Company as its ordinary general meeting each year.

Resolution 2 – Re-election of Director – Charles Tabeart

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Charles Tabeart, who retires by rotation in accordance with article 129 of the Articles of Association of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Short Explanation: Dr Tabeart has been a Director of the Company since 1 November 2007. Dr Tabeart is presented for re-election in accordance with the rotation requirements of the Articles.

Resolution 3 – Re-election of Director – Philip Clark

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Philip Clark, who was appointed during the year and retires in accordance with article 127 of the Articles of Association of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Short Explanation: Mr Clark was appointed as Director of the Company during the year and is presented for election in accordance with the casual vacancy provisions of the Company's Articles of Association.

SPECIAL BUSINESS

Resolution 4 – Ratification of Macquarie Options Issue

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules and for all other purposes, the Company ratify the allotment and issue of 4,843,230 unlisted options exercisable at \$1.03 and expiring on 31 December 2012 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Short Explanation: ASX Listing Rule 7.1 allows the Company to issue equity securities in any 12 month period representing up to 15% of its ordinary share capital on issue at the commencement of that period without Shareholder approval. By obtaining ratification of shareholders under ASX Listing Rule 7.4 to the issue of the options, the Company will obtain relevant approval for the purposes of ASX Listing Rule 7.1 and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold. Please refer to the Explanatory Statement for details.

The Company will disregard any votes cast on this Resolution by a person who participated in the issue that is the subject of this Resolution and any associates of those persons. However, the Company will not disregard a vote cast on this Resolution if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of Share Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.4 of the Listing Rules of the ASX Limited and for all other purposes, the Company approves and ratifies the issue of 30,000,000 fully paid ordinary shares in the capital of the Company at 50 cents each on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: ASX Listing Rule 7.1 allows the Company to issue equity securities in any 12 month period representing up to 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. By obtaining ratification of shareholders under ASX Listing Rule 7.4 to the issue of the securities to the allottees, the Company will obtain relevant approval for the purposes of ASX Listing Rule 7.1 and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold. Please refer to the Explanatory Statement for details.

The Company will disregard any votes cast on this Resolution by a person who participated in the issue that is the subject of this Resolution and any associates of those persons. However, the Company will not disregard a vote cast on this Resolution if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 6 – Ratification of Helmsec Options Issue

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules and for all other purposes, the Company ratify the allotment and issue of 782,499 unlisted options exercisable at 62.5 cents and expiring on 25 July 2014 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Short Explanation: ASX Listing Rule 7.1 allows the Company to issue equity securities in any 12 month period representing up to 15% of its ordinary share capital on issue at the commencement of that period without Shareholder approval. By obtaining ratification of shareholders under ASX Listing Rule 7.4 to the issue of the options, the Company will obtain relevant approval for the purposes of ASX Listing Rule 7.1 and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold. Please refer to the Explanatory Statement for details.

The Company will disregard any votes cast on this Resolution by a person who participated in the issue that is the subject of this Resolution and any associates of those persons. However, the Company will not disregard a vote cast on this Resolution if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 7 – Amendment to the Articles of Association

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, pursuant to section 42 of The Companies (Guernsey) Law, 2008 (as amended) and for all other purposes, the Articles of Association of the Company be amended with immediate effect by deleting clause 45(c)."

Short Explanation: ASX has recently amended ASX Listing Rules 8.14 with the effect that a listed entity may now charge a reasonable fee for registering paper-based transfer in registrable form. The transfers are also referred to as "off-market transfers". The effect of this rule change is that some investors may be asked to pay a reasonable fee if they submit an off-market transfer form to the Company for registration. This rule change has been made so that listed entities and registries can enhance their fraud detection practices specific to off-market transfers. The Company proposes to amend its Articles so that they are consistent with ASX Listing Rule 8.14.

BY ORDER OF THE BOARD



Daniel Davis
Company Secretary
Dated: 14 October 2011

AFRICAN ENERGY RESOURCES LIMITED
ARBN 123 316 781

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

RESOLUTION 1 – RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

The Company's 2011 Annual Report contains the financial statements of the Company for the financial year ended 30 June 2011. It also contains a report by the Directors and the Company's auditors.

Pursuant to article 83 of the Articles, the ordinary business of an Annual General Meeting of the Company is to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the auditors. Article 206 requires a balance sheet and profit and loss to be laid before the Company at its Annual General Meeting each year together with a report by the Directors and a report by the Company's auditors.

The Directors recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – CHARLES TABEART

Dr Tabeart was appointed to the Board of Directors of the Company on 1 November 2007.

Pursuant to article 129 of the Articles, Dr Tabeart, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Dr Tabeart are set out in the 2011 Annual Report for the Company.

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – PHILIP CLARK

Mr Clark was appointed a director of the Company on 5 April 2011.

Pursuant to article 127 of the Articles, Mr Clark was appointed as a Director of the Company until the next annual general meeting and, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Clark are set out in the 2011 Annual Report for the Company.

RESOLUTION 4 – RATIFICATION OF MACQUARIE OPTIONS ISSUE

The Options, the subject of Resolution 4, were issued on 7 March 2011 to Macquarie Bank Limited as part of the convertible loan facility agreement provided by Macquarie Bank Limited as announced to ASX on 7 March 2011.

ASX Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides, subject to certain exceptions, without Shareholder approval, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue.

ASX Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and Shareholders subsequently approve it.

The Company issued the 4,823,230 Options within its 15% capacity under Listing Rule 7.1. The Company now seeks Shareholder approval to ratify this issue and refresh the 15% capacity.

Information for Shareholders

For the purposes of ASX Listing Rule 7.5, the following information is provided to Shareholders:

- a) The number of securities allotted is a total of 4,843,230 unlisted Options, exercisable at \$1.03 and expiring 31 December 2012;
- b) The Options were issued for nil consideration and therefore no funds were raised from the issue of the Options;
- c) The Options were issued to Macquarie Bank Limited, an unrelated party of the Company; and
- d) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

RESOLUTION 5 – RATIFICATION OF SHARE PLACEMENT

Background

On 25 July 2011, the Company issued 30,000,000 Shares at 50 cents each to raise \$15,000,000 using the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1. Resolution 5 seeks to ratify this private placement of securities.

The Company issued 30,000,000 Shares under the placement within its 15% capacity under Listing Rule 7.1. The Company now seeks Shareholder approval to ratify this issue under Listing Rule 7.4 and refresh the 15% capacity.

Information for Shareholders

For the purposes of ASX Listing Rule 7.5, the following information is provided to Shareholders:

- a) The number of securities allotted is 30,000,000 Shares.
- b) The Shares were issued at an issue price of 50 cents each.
- c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- d) The allottees of the Shares were investors entitled to accept offers of securities under section 708 of the Corporations Act being institutional and sophisticated investors. None of the allottees are related parties of the Company.
- e) The Company will utilise the funds raised from the issue of Shares to conduct infill drilling and advance feasibility studies at the Sese Coal Project in Botswana.

RESOLUTION 6 – RATIFICATION OF HELMSEC OPTIONS ISSUE

Background

The Company appointed Helmsec Global Capital Limited (“Helmsec”) as lead manager to the placement of 30,000,000 Shares which were issued on 25 July 2011. In consideration for these services, the Company was required to issue 782,499 Options to Helmsec (or Helmsec’s nominee/s) to acquire ordinary shares in the Company at an exercise price of 62.5 cents and an expiry date of 3 years from the date of issue (being 25 July 2014).

The Company issued the 782,499 Options within its 15% capacity under Listing Rule 7.1. The Company now seeks Shareholder approval to ratify this issue and refresh the 15% capacity.

Information for Shareholders

For the purposes of ASX Listing Rule 7.5, the following information is provided to Shareholders:

- a) The number of securities allotted is 782,499 unlisted Options, exercisable at 62.5 cents and expiring 25 July 2014;
- b) The Options were issued for nil consideration and therefore no funds were raised from the issue of the Options;
- c) The Options were issued to nominees of Helmsec, in each case an unrelated party of the Company; and
- d) The terms and conditions of the Options are set out in Annexure B to this Explanatory Memorandum.

RESOLUTION 7 – AMENDMENT TO THE ARTICLES OF ASSOCIATION

Resolution 7 is a special resolution proposing to amend the existing Articles of Association to ensure it reflects a recent amendment to the ASX Listing Rules pertaining to the Transfers and Registrations. The Directors believe that it is preferable in the circumstances to delete sub clause 45(c) of the Articles which reads “a fee shall not be charged on the registration of a transfer of Shares or other securities,” to ensure the Articles reflect the revised ASX Listing Rule.

On 24th January 2011 the amended ASX Listing Rule 8.14 came into effect providing for a listed entity to charge a reasonable fee for registering paper-based transfers in registrable form. These transfers are also referred to as “off market transfers”. The effect of this rule change is that some investors may be asked to pay a reasonable fee if they submit an off-market transfer form to a listed entity or registry for registration.

This rule change has been made so that listed entities and registries can enhance their fraud detection practices specific to off-market transfers.

Directors recommend Shareholders vote in favour of Resolution 7.

AFRICAN ENERGY RESOURCES LIMITED
ARBN 123 316 781

GLOSSARY

In this Explanatory Statement, the following expressions have the following meanings:

"Annual General Meeting" means this Meeting.

"Articles" means the Articles of Association of the Company as amended from time to time.

"ASX" means the ASX Limited, ABN 98 008 624 691.

"ASX Listing Rules" or **"Listing Rules"** means the listing rules of the ASX.

"Board" means the Board of Directors of the Company.

"Company" or **"AFR"** means African Energy Resources Limited (ARBN 123 316 781).

"Directors" means the directors of the Company from time to time.

"Explanatory Statement" means this explanatory statement.

"Meeting" means the meeting convened by this Notice.

"Notice" or **"Notice of Meeting"** means the notice of meeting that accompanies this Explanatory Statement.

"Option" means an option to subscribe for a Share.

"Resolution" means a resolution contained in the Notice.

"Share" means a fully paid ordinary Share in the capital of the Company.

"Shareholder" means a registered holder of a Share in the Company.

"WST" means Western Standard Time, Perth, Western Australia.

Annexure A

1. No consideration is payable by the Option holder for the issue of the Options.

2. Each Option entitles the Option holder to one Share in the Company.

3. The exercise price of the Options is AUD \$1.03 per Option.

4. The expiry date of the Options is 31 December 2012 (Expiry Date).

5. The Optionholder may exercise the Options at any time (including on multiple occasions, if it so determines) before 5.00pm (Perth time) on the Expiry Date.

6. The Options will vest immediately upon issue.

7. In order to Exercise, the Optionholder must deliver to the registered office of the Company in Australia a notice in writing in the form set out in Annexure B of the Facility Agreement stating the Optionholder's intention to Exercise all or a specified number of Options ("Notice of Exercise").

8. Any Notice of Exercise must:

a. if clause 9.5(2) of the Facility Agreement applies, incorporate an undertaking by the Option holder to promptly remit, to an account nominated by the Company, payment in the amount of that part of the aggregate Exercise Price for those Options that are to be Exercised which will not be Converted under clause 9.5(1) of the Facility Agreement; or

b. if clause 9.5(1) of the Facility Agreement applies, incorporate a written statement from the Optionholder that the aggregate Exercise Price for those Options will be Converted under clause 9.5(1) of the Facility Agreement.

9. The Optionholder may at its discretion Exercise only some of the Options and may do so in any multiple it chooses. If it does so, this will not affect any of the Optionholder's rights relating to the balance of the Options held by the Optionholder. The Company must issue to the Optionholder a replacement holding statement for the balance of any unexercised Options, and must provide this to the Option holder by no later than the date falling 3 Business Days after the date of the relevant Exercise.

10. Following any Exercise, the Company must:

a. immediately issue to the Optionholder (or its nominee) the resultant Shares (free of Encumbrances) that are the subject of that Exercise;

b. either:

i. execute and lodge with ASX a notice under section 708A(5)(e) of the Corporations Act in respect of the Shares

issued on Exercise (Cleansing Notice) within 3 Business Days after the issue of the Shares; or

ii. if the Company is unable to issue a Cleansing Notice for whatever reason, within 5 Business Days after the issue of the Shares, execute and lodge with ASIC and ASX a prospectus which complies with Chapter 6D of the Corporations Act in accordance with the requirements of section 708A(11), to ensure that all Share issued upon Exercise are freely tradeable;

c. deliver to the Optionholder a holding statement for the resultant Shares by 5pm (Perth time) 2 Business Days after the issue of the Shares; and

d. apply to ASX for quotation of the Shares by no later than the earlier of:

i. 5pm (Perth time) 3 Business Days after the date of Exercise; and

ii. the time required by the Listing Rules.

11. All Shares issued upon the exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.

12. In the event of any re-organisation of the issued share capital of the Company including by way of consolidation, subdivision, reduction, return or cancellation, the rights of the Optionholder in respect of the Options will be changed to the extent necessary to:

a. comply with the applicable Listing Rules governing reorganisations in force at the time of the reorganisation in which case the terms and conditions applicable to the Options as contained in this Option Certificate will be construed accordingly; and

b. ensure that, following that re-organisation, the Option holder's rights in respect of the Options will not be adversely affected (including by way of issuing further options) so that the proportion the Options bear to the re-organised share capital of the Company is the same as the proportion the Options would have borne to the share capital of the Company had that re-organisation not occurred.

13. The Optionholder is entitled to participate in the issue of new Shares, or any other class of securities offered to shareholders of the Company, to the extent that the Optionholder has Exercised at any time before either the record date for the purposes of determining entitlements to any such issue (Record Date) or the closing date for the relevant issue, whichever is applicable (Relevant Date). The Company must give the Option holder at least 15 Business Days' written notice prior to the Relevant Date for any such offer of securities which, for the avoidance of doubt, includes any pro-rata issue of Shares, Bonus Issues and any other issues of Shares (however described)) in order to

enable the Optionholder to Exercise prior to that Relevant Date and participate in the issue or offering at its discretion.

14. If the Company offers Shares by way of a pro-rata issue (except a Bonus Issue) to shareholders, the Exercise Price of an Option that is not exercised prior to the Record Date will be reduced in accordance with the formula set out in Listing Rule 6.22.2.

15. If there is a Bonus Issue to the holders of Shares then the number of Shares over which each Option that is not Exercised prior to the Record Date is exercisable will be increased by the number of Shares that the Optionholder would have received under the Bonus Issue if the Option had been Exercised before the Record Date for the Bonus Issue.

16. The Company must ensure that sufficient nominal but unissued share capital is available at all times to enable the Option holder to Exercise.

17. The Company warrants that section 708A(5) of the Corporations Act will apply to offers of the Shares issued on Exercise for re-sale and that those Shares will be freely tradeable and the issue of the Options will not contravene or result in a breach of Chapter 7 of the Listing Rules.

18. The Optionholder may at any time and in its absolute discretion assign or otherwise transfer any or all of the Options without the consent of the Company, provided that the offer or invitation giving rise to the assignment or transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Part 6D.2 of the Corporations Act.

In these terms "Facility Agreement" means the Convertible Loan Facility Agreement between African Energy Resources Limited and Macquarie Bank Limited signed 4 March 2011.

Annexure B

The terms of the issue of the Options are:

1. The Options will be issued for no consideration.
2. Each Option entitles the holder to one Share in the Company.
3. The exercise price of the Options is AUD 62.5 cents each.
4. The expiry date of the Options is 25 July 2014.
5. The Options will vest upon issue.
6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). Subject to any vesting criteria, Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the secretary of the Company to be received prior

to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.

7. All Shares issued upon the exercise of the Options will rank *pari passu* in all respects with the Company's then issued Shares. The Company must apply within seven business days or the time period specified by the relevant stock exchange after the date of issue to the relevant exchange for all Shares issued pursuant to the exercise of Options to be admitted to quotation.
8. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure, for the purposes of determining entitlements to any issue, that Option holders will be notified of a proposed issue after the issue is announced –. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
9. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.
10. If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company ("**Bonus Issue**"), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) that number of securities which would have been issued to him or her under that bonus issue if the Options had been exercised before the record date for the Bonus Issue.
11. In the event of any pro-rata issue of securities (except a Bonus Issue) the exercise price of the Options will be adjusted to reflect the change in accordance with the ASX Listing Rules.

LODGE YOUR VOTE



By mail:

African Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street,
Sydney NSW 2000



All enquiries to: Telephone: 1300 554 474 **Overseas:** +61 2 8280 7111

VOTING INSTRUCTION FORM

STEP 1

DIRECTION TO CHESS DEPOSITORY NOMINEES PTY LTD

I/We being a holder of CHESS Depository Interests (CDI) of African Energy Resources Limited (the Company) hereby direct CHESS Depository Nominees Pty Ltd (CDN) to vote the shares underlying my/our CDI holding at the Annual Meeting of the Company to be held at **3:00pm (WST)** on **Thursday, 17 November 2011** at **Level 1, 8 Colin Street, West Perth, Western Australia** and at any adjournment of that meeting, in the manner set out below.

Voting instructions will only be valid and accepted by CDN if they are signed and received no later than **48 hours** before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING INSTRUCTIONS

Resolution 1	For	Against	Abstain*	Resolution 5	For	Against	Abstain*
Receipt of Financial Statements and Reports	☐	☐	☐	Ratification of Share Placement	☐	☐	☐
Resolution 2				Resolution 6			
Re-election of Director - Charles Tabcart	☐	☐	☐	Ratification of Helmsec Options Issue	☐	☐	☐
Resolution 3				Resolution 7			
Re-election of Director - Philip Clark	☐	☐	☐	Amendment to the Articles of Association	☐	☐	☐
Resolution 4							
Ratification of Macquarie Options Issue	☐	☐	☐				



If you do not mark either the "FOR", "AGAINST" and "ABSTAIN" box your vote will be cast in favour of the Resolution(s).

STEP 3

SIGNATURE OF CDI HOLDERS - THIS MUST BE COMPLETED

CDI Holder 1 (Individual)

Sole Director and Sole Company Secretary

Joint CDI Holder 2 (Individual)

Director/Company Secretary (Delete one)

Joint CDI Holder 3 (Individual)

Director

This form should be signed by the CDI Holder in accordance with the instructions overleaf.

AFR PRX101



HOW TO COMPLETE THIS VOTING INSTRUCTION FORM

Your Name and Address

This is your name and address as it appears on the company's CDI register. If this information is incorrect, please make the correction on the form. CDI Holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your CDI's using this form.**

Direction to CHESS Depository Nominees Pty Ltd

Each CHESS Depository Interest (CDI) is evidence of an indirect ownership in a Common Share. The underlying Common Shares are registered in the name of CHESS Depository Nominees Pty Ltd (CDN). As holders of CDI's are not the legal owners of the Common Shares, CDN is entitled to vote at meetings of shareholders on the instruction of the registered holder of the CDI's. For voting purposes each CDI is equivalent to one Common Share.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either CDI Holder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Lodgement of a Voting Instruction Form

This Voting Instruction Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (WST) on Tuesday, 15 November 2011**, being not later than 48 hours before the commencement of the meeting. Any Voting Instruction Form received after that time will be invalid.

Voting Instruction Forms may be lodged using the reply paid envelope or:



by mail:

African Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.