



ASX: EAF

1 May 2012

Share Purchase Plan to raise up to \$1,563,131 by issue of up to 19,539,134 shares

East Africa Resources Limited ("**East Africa**" or the "**Company**") is pleased to announce the offer of 19,539,134 shares to current shareholders pursuant to the Company's Share Purchase Plan ("SPP"). The shares offered under each proposal will be issued at a price of 8 cents each and will raise \$1,563,131 if fully subscribed. The funds raised will be used to fund the Company's Tanzanian uranium exploration activities and also to supplement the working capital of the Company.

Share Purchase Plan

This will enable all shareholders, irrespective of the number of shares held in the Company, the opportunity to purchase up to \$15,000 worth of shares direct from the Company:

- at an issue price of 8 cents per share (subject to rounding) representing a discount of approximately 11% to the current market price; and
- free from brokerage, commission and stamp duty.

It will also provide an opportunity for shareholders with small shareholdings to increase those holdings into more meaningful and financially viable parcels.

The right to participate in the offer of East Africa shares under the SPP is available exclusively to persons who were registered as holders of fully paid ordinary shares in the Company at 5.00pm (Western Standard Time "WST ") on 30 April 2012 and whose registered address is in Australia or in any other jurisdiction in which it is lawful for the Company to offer shares under the SPP. The offer is non-renounceable.

The price for each East Africa share issued under the SPP will be 8 cents per share (subject to rounding as set out in the terms and conditions). The last closing sale price of East Africa shares on the trading immediately prior to the date of this announcement was 9 cents per share.

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Key dates and further information

The timetable for the issue of shares pursuant to the SPP is:

Record date to determine entitlements 5.00pm WST 30 April 2012

Closing date for applications from
Shareholders 5.00pm WST 1 June 2012

This offer will raise a maximum of \$1,563,131. In the event that the value of applications at closing exceed \$1,563,131, then each application will be reduced proportionately and the resultant refund will be sent to the shareholder within 5 business days of the issue date.

Shares to be issued under the SPP will be allotted on 7 June 2012.

The Company will apply to the ASX for the shares issued pursuant to the SPP to be admitted to quotation.

The offer document, entitlement form and Terms and Conditions will be forwarded to Shareholders within the next five business days.

Section 708 Notice

The shares issued under the SPP may be subject to a subsequent offer for sale. The Company relies on Section 708A of the Corporations Act 2001 in relation to the initial sale. In accordance with Section 708A (6), the Company notifies the ASX that:

- (a) the securities will be issued without disclosure to investors under Part 6D.2;
- (b) this notice is given under paragraph 708A (5)(e); and
- (c) the Company has complied with Chapter 2M and section 674,

of the Corporations Act 2001.

There is no excluded information available for the purposes of Sections 708A (7) and (8) of the Corporations Act 2001.

For and on behalf of
East Africa Resources Limited



E A Myers
Company Secretary

For further information: please contact Peter Munachen or Ernie Myers on 08-9227 3270

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