

28th March 2013

COKING COAL DISCOVERY CONFIRMED AT SINAZONGWE, ZAMBIA

The Directors are pleased to report that recently received analytical data for its Sinazongwe coal project has confirmed the potential for medium to hard coking coal fractions in the coal seams at Sinazongwe in southern Zambia. The key aspects of this new discovery are as follows:

- Sinazongwe occurs in the Gwembe Valley, Zambia's only coal producing region and where a 300MW power station is currently under construction to provide electricity for the Zambian domestic market.
- Previously announced reconnaissance drilling by African Energy discovered the presence of multiple coal seams (up to 3 seams, each being 1-7m thick) in 8 holes drilled at Sinazongwe (refer to Diagram 1).
- Analysis of the raw coal in these seams indicated calorific values of up to 26.2 MJ/kg (6300 kcal/kg) on an air-dried basis, with localised bright vitrinite bands. These vitrinite rich bands have been selectively sampled and analysed for their coking potential.
- Results for 19 samples collected from the first 4 holes (holes SNZ001, SNZ002, SNZ004, SNZ005) have been received to date.
- 17 of the samples were determined to have a Free Swelling Index (FSI) above 4.5. Maximum FSI was 8.5, with a mean FSI of 6.1, indicating some potential for medium to hard coking coal.
- FSI analyses of the coal seams in the remaining 4 holes are expected in the coming weeks and will be reported once received.
- The Sinazongwe coal deposit occurs in prospecting licence 13646-HQ-LPL, which was recently renewed for a further two-year term.

The Directors are highly encouraged by these results, which suggest that it may be possible to derive a medium to hard coking coal primary product and a thermal coal middling by washing the coal. Further drilling, proximate analyses and washing tests will be required to evaluate the full potential of this project.

For and on behalf of the board.

For any further information, please refer to AFR's website or contact us directly on +61 8 6465 5500.

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, Indicated and Inferred 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 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.

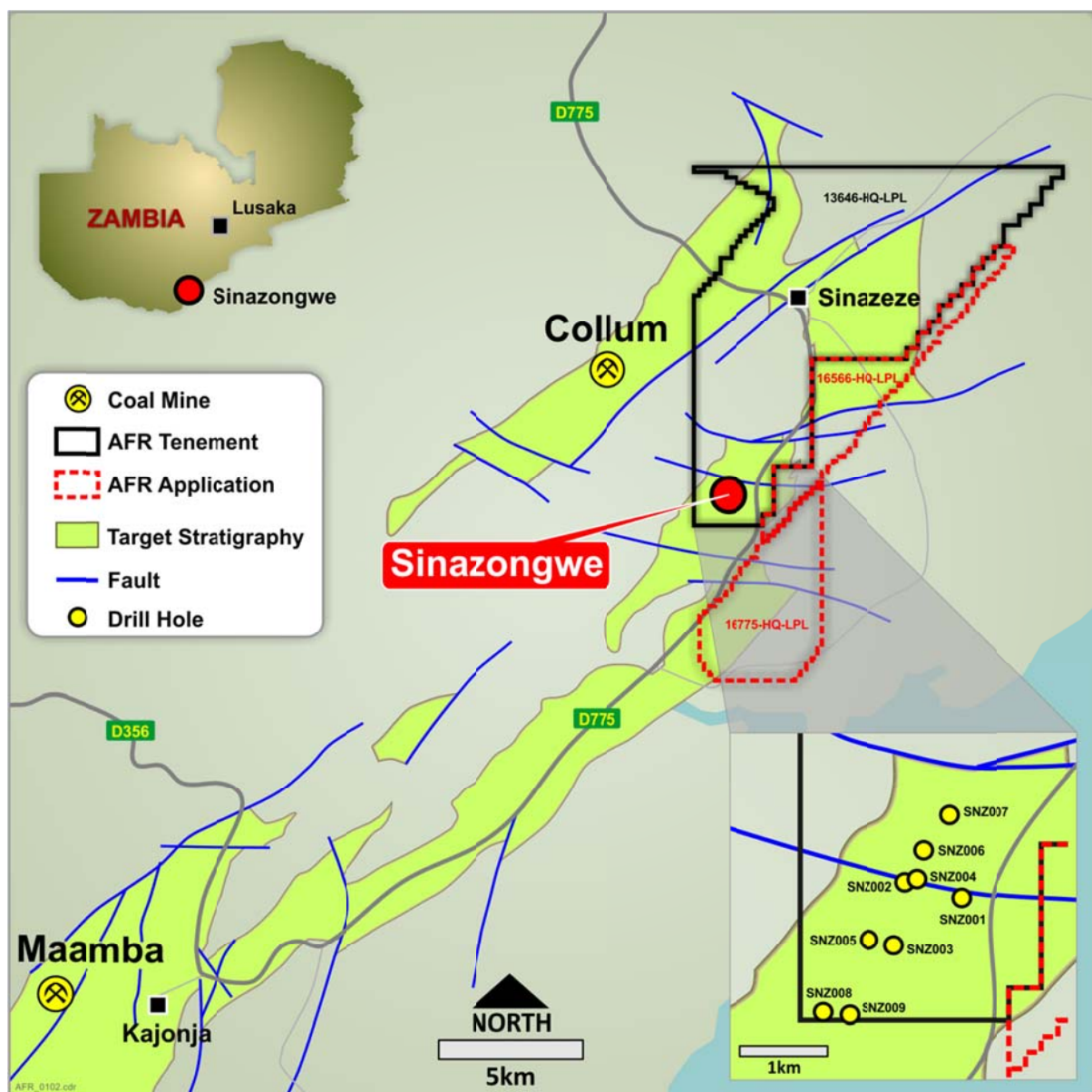


Diagram 1. Location map showing Sinazongwe drilling and the extent of African Energy's tenement holdings in the Gwembe Valley.