



ARBN 123 316 781

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

**For the General Meeting to be held on Monday, 27 May 2013
at 2:30pm (Western Standard Time)
at Level 1, 8 Colin Street, West Perth, 6005, Western Australia**

**also via phone link with our Botswana office
Unit 9 Kgale Mews, Gaborone International Financial, Gaborone, Botswana
which will commence at 8:30am (Central Africa Time) on Monday, 27 May 2013**

**and also via phone link at the Company's registered office
Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS
which will commence at 7:30am (British Summer Time) on Monday, 27 May 2013**

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

***If you are unable to attend the Meeting, please complete the proxy form
enclosed and return it in accordance with the instructions set out on that form.***

AFRICAN ENERGY RESOURCES LIMITED
ARBN 123 316 781

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

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

Level 1	Commencing at 2:30pm Western Standard Time (WST)
8 Colin Street	on 27 May 2013
West Perth	
Australia	

Also via phone link with our Botswana office, Unit 9 Kgale Mews, Gaborone International Financial, Gaborone, Botswana which will commence at 8:30am Central Africa Time (CAT) on 27 May 2013.

And also via phone link with our registered office, Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS which will commence at 7:30am BST on 27 May 2013.

The Directors have set a date to determine who is entitled to attend, speak and vote at the Meeting. The date is on 25 May 2013 at 2:30pm WST.

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

CHESS Depositary Interests

CDI Holders 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.

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, Botswana or Guernsey) set out above. The meeting will commence at 2:30pm WST.

The phone link with our Botswana office, at Unit 9 Kgale Mews, Gaborone International Financial, Gaborone, Botswana will commence at 8:30am CAT.

The phone link with our registered office, at Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS will commence at 7:30am GMT.

Attendance at Meeting

All holders of Shares appearing in the Company's Register of Shareholders at 2:30pm WST on 25 May 2013 will be entitled to attend and vote at the Meeting.

Proxy and Voting Instruction forms

To be effective, the proxy must be received by the Company no later than 2:30pm (WST) on 25 May 2013. The following methods of delivery for proxies are specified:

- Online: Visit www.linkmarketservices.com.au Select 'Investor Login' and enter African Energy Resources Limited or the ASX code (AFR) in the Issuer name field, your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Voting Instruction Form if you lodge it in accordance with the instructions given on the website, so that it is received not later than 2:30 pm (WST) on 25 May 2013.
- By post: African Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
- By facsimile: +61 2 9287 0309
- By delivery: Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

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 GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of African Energy Resources Limited will be held at Level 1, 8 Colin Street, West Perth, Western Australia on 27 May 2013 at 2:30pm WST; Also via phone link at our Botswana office, at Unit 9 Kgale Mews, Gaborone International Financial, Gaborone, Botswana which will commence at 8:30am CAT 27 May 2013; Also via phone link at our registered office, Granite House, La Grande Rue, St Martin, Guernsey GY1 3RS which will commence at 7:30am BST on 27 May 2013 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 - Ratification of 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 41,666,667 fully paid ordinary shares in the capital of the Company at 12 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, 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 the sole subscriber to the issue, Sentient Executive GP IV, Limited ("Sentient") and any associate of Sentient.

BY ORDER OF THE BOARD

Daniel Davis
Company Secretary
8 May 2013

AFRICAN ENERGY RESOURCES LIMITED
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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.

1. RESOLUTION 1 – RATIFICATION OF SHARE PLACEMENT

Background

On 29 April, the Company announced it had executed a binding share subscription deed with Sentient Executive GP IV, Limited ("Sentient") to subscribe for up to AUD \$8.5M in the Company's shares at AUD 12c per share. This subscription comprises an initial unconditional tranche of \$5M and a second tranche of \$3.5M, conditional upon the acquisition of Mmamantswe by African Energy and African Energy's shareholders refreshing the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

On 30 April 2013, the initial tranche was completed and the Company issued 41,666,667 Shares to Sentient and banked proceeds of \$5,000,000.

Resolution 1 seeks Shareholder approval to ratify the tranche 1 issue under Listing Rule 7.4 and refresh the 15% placement capacity.

The Directors of African Energy recommend Shareholders vote in favour of Resolution 1 and confirm they will vote any Shares held by them or entities controlled by them in favour of Resolution 1 at the Shareholders' Meeting.

Information for Shareholders

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

- The number of securities issued is 41,666,667 Shares.
- The Shares were issued at an issue price of 12 cents each.
- The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- The Shares were issued to Sentient who is able to accept offers of securities under section 708 of the Corporations Act being an institutional investor. Sentient is not a related party of the Company.
- The Company will utilise the funds raised from the issue of Shares to advance the Sese Coal & Power Project in Botswana and for ongoing working capital.

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GLOSSARY

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

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

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

"**Board**" means the board of directors of the Company.

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

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Statement**" means this explanatory statement.

"**Meeting**" means the meeting convened by this Notice.

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

"**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 Shares in the Company.

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



ARBN 123 316 781

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



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, 1A Homebush
Bay Drive, Rhodes NSW 2138



All enquiries to: Telephone: +61 1300 554 474

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 General Meeting of the Company to be held at **2:30pm (WST) on Monday, 27 May 2013 at Level 1, 8 Colin Street, West Perth, 6005, 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

Ratification of Placement

For

☐

Against

☐

Abstain*

☐

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 PRX301



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 **2:30pm (WST) on Saturday, 25 May 2013**, 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:



ONLINE



www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, CDI Holders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



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, 1A Homebush Bay Drive, Rhodes NSW 2138.