

28 May 2013

PROGRESS ON ACQUISITION OF MMAMANTSWE COAL PROJECT

African Energy Resources Ltd ("African Energy" or the "Company") is pleased to announce that it has executed a formal Share Sale Deed for the acquisition of the Mmamantswe Coal Project (the "Project") from Aviva Corporation Ltd (ASX: AVA, "Aviva"). African Energy had previously announced on 29 April 2013 that it had entered into a Binding Terms Sheet with Aviva to acquire the Project for A\$3.5million.

Legal and technical due diligence was completed by African Energy on 24 May 2013 removing one of the conditions of the acquisition.

Tranche 1 of a A\$5 million placement to Sentient Executive GP IV was ratified at a general meeting of African Energy shareholders yesterday, cleansing this issue of shares for the purpose of ASX listing rule 7.1, and thereby allowing African Energy to proceed with tranche 2 and issue a further 29.16m shares at A\$0.12 to raise A\$3.5m. Tranche 2 of the placement will occur concurrently with the completion of the acquisition of the Project by African Energy.

The remaining conditions precedent to the complete the acquisition of the Project by African Energy are;

- Mmamantswe Coal (Pty) Ltd becoming the registered holder of 100% of PL69/2007 by no later than 26 July 2013.
- Approval of the transaction by Aviva's shareholders under the ASX Listing Rules at a General Meeting expected to be convened in July.

For any further information, please see the Company's announcement on 29 April 2013 or contact the Company directly on +61 8 6465 5500.

For and on behalf of the board