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BOTSWANA GOVERNMENT APPROVES 2.4 BT MMAMABULA WEST ACQUISITION

- ***The Minister for Minerals Energy and Water Resources in Botswana has approved the transfer of title of the Mmamabula West prospecting licence to African Energy Resources Ltd, thereby satisfying the completion requirements of the Mmamabula West Sale Agreement.***
- ***Under the terms of the Sale Agreement, African Energy will now make a USD \$1 million cash payment to Asenjo Energy.***
- ***A final cash payment of USD \$1.5m will be made to Asenjo Energy once a retention licence has been granted over the project in mid-to late-2014.***
- ***Mmamabula West contains 892Mt of Indicated Resource and 1,541 Mt of Inferred Resource at an average in-situ raw CV of 4,800kcal/kg (20.1 MJ/kg), as previously reported by African Energy on 15th October 2013****
- ***Through completion of the transaction, African Energy has increased its total in-situ resources to over 6.2 billion tonnes of thermal coal in Botswana.***
- ***An Environmental Impact Assessment for an underground coal mine at Mmamabula West has commenced.***
- ***A feasibility study to assess the technical and economic viability of an underground coal mine at Mmamabula West will commence in January 2014 and will be used to support the application for a retention licence by 31st March 2014.***

For any further information, please contact the Company directly on +61 8 6465 5500.

For and on behalf of the board.

** African Energy Resources confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 15th October 2013, and that all material assumptions and technical parameters underpinning the resource estimation released to the market on October 15th 2013 continue to apply and have not materially changed.*

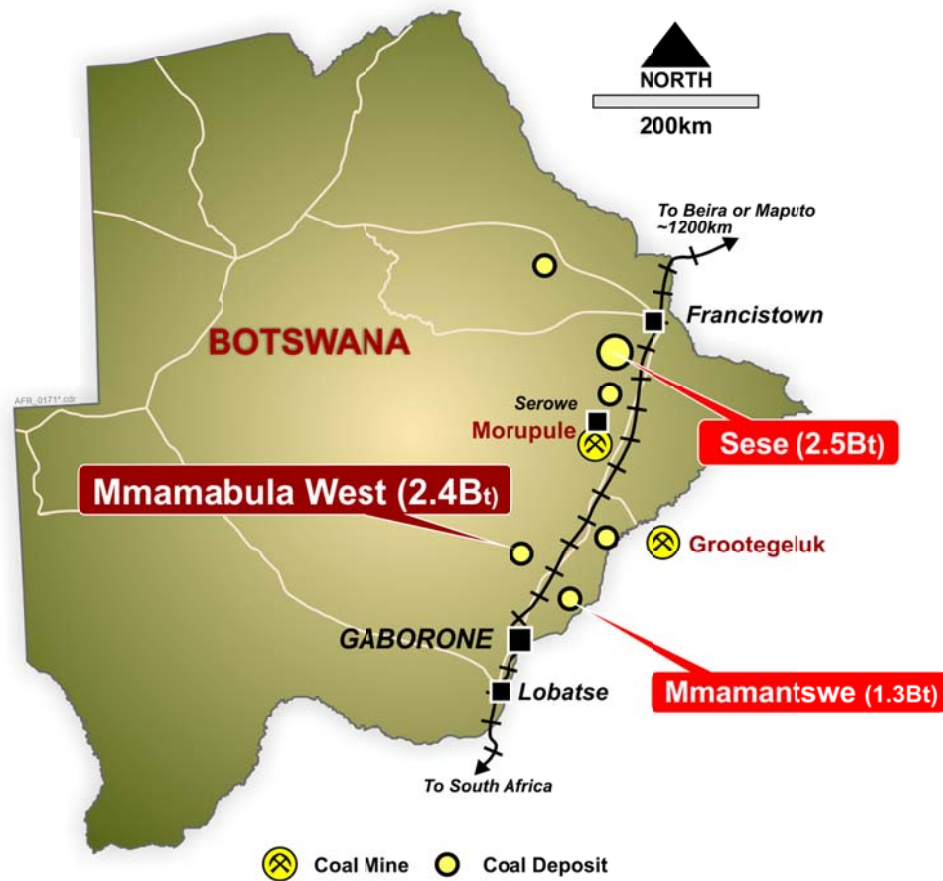


Diagram 1 – Location Map showing the location of the Mmamabula West Project and the Company's Sese and Mmamantswe coal deposits.