14th January 2015

SESE JOINT VENTURE PROCEEDS

- ***All Conditions Precedent to the conclusion of the Sese JV Shareholders Agreement have been met.***
- ***FQM will now purchase a initial 51% stake in African Energy Holdings SRL (AFRH) for $8m and will become project manager for the Sese Project.***
- ***FQM will invest a further $12m within 18 months to earn an additional 24% stake in AFRH.***
- ***The $12m funding for AFRH will be used to immediately investigate the development of power generation projects at Sese.***
- ***Once FQM has earned its 75% stake, AFR's 25% interest will be funded by FQM and loan carried through to the start of commercial operations.***
- ***AFR's 25% carried interest will be financed under the same terms as FQM's majority stake, with FQM to arrange the full financing for each project.***
- ***On receipt of the $8m initial investment, AFR will have approximately $10m working capital and no debt, and a 25% carried interest in new power projects being developed at Sese.***
- ***AFR retains 100% ownership of the Mmamabula West and Mmamantswe coal and power projects in Botswana.***

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