

5 May 2015

CORPORATE COST REDUCTIONS

The Board of African Energy Resources has completed a market review of director's remuneration and implemented the following changes effective from 1 April 2015.

- Frazer Tabeart's total annual fixed remuneration as Managing Director has been reduced to AUD\$320,000, representing a 20% decrease. The term of Dr. Tabeart's executive services agreement has been extended to 31 March 2017.
- Bill Fry's total annual fixed remuneration as Executive Director has been reduced to AUD\$160,000, representing a 20% decrease. The term of Mr. Fry's executive services agreement has been extended to 31 March 2017.
- Alasdair Cooke's total annual fixed remuneration as Executive Chairman has been reduced to AUD\$85,000, representing a 15% decrease. The term of Mr. Cooke's executive services agreement has been extended to 31 March 2017.
- Non-executive Directors' fees have been reduced by 10% to AUD \$45,000 per annum.

The Company will save an additional ca. AUD\$950,000 per annum largely as a result of the Botswana salary and office administration costs for the Sese Integrated Power Project now being sole funded by the Joint Venture manager.

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