



AFRICAN ENERGY RESOURCES LIMITED

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31 May 2017

Mr Ben Secrett
Senior Adviser, ASX Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

by email: Ben.Secrett@asx.com.au

Dear Mr Secrett,

RE: PRICE AND VOLUME QUERY

I refer to your letter of 31 May 2017 and reply as follows;

1. ***Is AFR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?***

African Energy is not aware of any information not announced to the market which could explain the recent trading in its securities.

2. Not applicable.

3. ***If the answer to question 1 is "no", is there any other explanation that AFR may have for the recent trading in its securities?***

The Company has recently announced the award of a mining licence at Sese where joint venture partner, First Quantum Minerals, has been advancing the permitting of a 450MW power project. A Generation and Export License is the only major outstanding permit required before the project can commence.

In April, the Company announced that the Sese Power Project was awarded a Manufacturing Development Approval Order which sets the fiscal regime for the power project, including a 5-year tax holiday from commencement of operations and then a tax rate of 15%.

Furthermore, AFR Managing Director was recently in London for the 121 Mining Investment conference where the Company's progress was well received by institutional investors and analysts.

4. ***Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.***

The Company confirms it is in compliance with the listing rules, in particular listing rule 3.1.

5. ***Please confirm that AFR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AFR with delegated authority from the board to respond to ASX on disclosure matters.***

African Energy confirms that this response has been authorised and approved by an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters

Yours sincerely,



Daniel Davis
Company Secretary



31 May 2017

Daniel Davis
African Energy Resources Limited
Suite 1, 245 Churchill Avenue
SUBIACO WA 6008

By email

Dear Mr Davis

AFRICAN ENERGY LIMITED ("AFR"): ASX PRICE AND VOLUME QUERY

We note the change in the price of AFR's securities from an opening price of \$0.061 on Wednesday, 24 May 2017, to an intra-day high at the time of writing of \$0.11 today, Wednesday, 31 May 2017.

We also note a significant increase in the volume of AFR's securities traded today to a level well in excess of the average trading volume on days when AFR's securities are traded.

In light of this, ASX asks AFR to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Is AFR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is AFR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in AFR's securities would suggest to ASX that such information may have ceased to be confidential and therefore AFR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that AFR may have for the recent trading in its securities?
4. Please confirm that AFR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that AFR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AFR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 10.30am today, Wednesday, 31 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AFR's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AFR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be **sent to me by e-mail** at tradinghaltspert@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to AFR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AFR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in AFR's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance (Perth)