

20 June 2007

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir/Madam,

INFILL DRILLING PROGRAM COMMENCES AT GWABE, ZAMBIA

- **First pass drilling completed at Gwabe North uranium prospect.**
- **Infill drilling to commence immediately based on positive scintillometer (gamma log) measurements from drill cuttings.**

First pass RC and aircore drilling has been completed at the Gwabe North uranium prospect, testing a large radiometric target in similar geological setting as the companies Njame uranium deposit 15km to the south-west.

The company has decided to immediately commence an infill drilling program following review of scintillometer (gamma log) measurements from the drill cuttings which show strong downhole radioactivity. Final assay results from the initial drilling phase are expected in July.

On completion of the infill drilling program at Gwabe, the drill rig will move 15km south-west to the Njame uranium deposit where it will undertake a program of extensional drilling around the known Inferred Resource (5.5Mt @ 400 ppm U_3O_8 for a contained total of 4.8 Mlb of U_3O_8).

Both the Gwabe uranium target and the Njame uranium deposit are located approximately 80km south-east of Lusaka, the capital of Zambia, and form part of African Energy's Chirundu Joint Venture Project with Albidon Limited.

For any further information, please refer to the Company's website www.africanenergyresources.com.au or contact the Company directly on +61 8 9324 1177.

For and on behalf of the board

Information in this report relating to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Dr Frazer Tabcart (an employee of African Energy Resources Limited) who is a member of The Australian Institute of Geoscientists. Dr Tabcart has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Tabcart consents to the inclusion of the data in the form and context in which it appears.