

17 November 2009

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

*Via electronic lodgement*

Dear Sir/Madam,

## **FURTHER DRILLING RESULTS FROM SESE PROJECT, BOTSWANA**

### **HIGHLIGHTS:**

- Assay results have been received for 21 reverse circulation drill holes at the Gojwane prospect.
- Results confirm widespread anomalous uranium mineralisation.
- Assays are awaited for a further 61 drill holes.
- The Company is assessing infill drilling requirements that would support the preparation of a resource estimate for the mineralisation.

## African Energy Resources Limited

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Issued Capital  
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## OVERVIEW

Further assay results have been received for a programme of reverse circulation (RC) percussion drilling that was completed at the Gojwane prospect, within the Sese project in Botswana (Diagram 1). The prospect is located approximately 100km south of Francistown and is immediately north of the A-Cap Resources Ltd (A-Cap) Letlhakane project. The drilling programme completed in early November 2009 comprised a total of 92 drill holes on a broad-spaced grid, for a total of 4,512 metres drilling.

These assay results confirm that the drilling has intersected a wide zone of anomalous uranium mineralisation, though the current grid spacing is considered too broad to adequately assess the size and continuity of the mineralised zones. In this regard, the mineralisation appears to be similar to the style and grade of the Letlhakane uranium resource that A-Cap has defined immediately to the south of African Energy's tenement boundary.

## ASSAY RESULTS

Assay results have been received for a further 21 of the completed RC percussion drill holes. Selected results are shown in Table 1 and significant intersections are provided in Appendix I. All assays were by the pressed-pellet XRF method at ALS Chemex in Johannesburg, South Africa.

Table 1: Gojwane prospect selected significant intersections

Hole ID	From (m)	To (m)	Interval (m)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)
SES167	21	23	2	264
	29	31	2	432
SES169	34	39	5	168
	43	46	3	128
SES170	33	35	2	174
	38	40	2	135
SES173	47	48	1	124
	58	59	1	217
SES174	25	26	1	150
	34	37	3	154
SES177	35	39	4	156
SES178	41	43	2	176
SES179	23	24	1	216
SES181	25	27	2	142
	33	34	1	215
SES187	23	25	2	139
SES188	28	29	1	180
	36	37	1	314

## **INTERPRETATION**

Uranium mineralisation at Gojwane is associated with sub-horizontal, intercalated sandstone and siltstone units of the Karoo Group sedimentary rocks, which unconformably overlie older crystalline basement rocks comprised of quartz-feldspar schists. These units are all concealed beneath a veneer of black soils that make airborne radiometrics unreliable for targeting mineralisation.

Results received to date indicate that anomalous uranium mineralisation occurs over a broad area (Diagram 2). The wide drill spacing used in this phase of exploration is not considered sufficient to define the overall grade and continuity of the mineralisation, which varies between the drill holes (200m to 400m apart).

Spectrometer readings taken on each 1m drill sample indicate that the mineralisation is likely to extend over an area of 3km by 2km and these further assays have increased the Company's confidence in the spectrometer readings. However, further assays are required to confirm the grade and continuity of the mineralisation and results to date may not be indicative of the overall zone.

The style, grade and continuity of mineralisation intersected by this drilling programme is considered by the Company to be similar to the uranium mineralisation reported by A-Cap Resources on their Letlhakane Project, which is located immediately to the south of the Gojwane prospect. Significantly more detailed drilling has been required to evaluate this uranium deposit and the Company expects that the Gojwane prospect will require a similar level of work.

## **FORWARD EXPLORATION PROGRAMME**

As previously reported, the Company is currently waiting on all assay results from the current drilling programme before making an assessment of the infill drilling required to support an initial resource estimate for the prospect area. Infill drilling is likely to commence in early 2010, once seasonal rains have eased in the Sese project area and drill rig access is viable.

## **BACKGROUND TO PROJECT**

The Sese uranium project comprises two 100% owned prospecting licences located in northeast Botswana, approximately 50km southwest of the town of Francistown. The project is situated close to the sealed highway between Francistown and Gaborone and is easily accessible. The Sese Project covers an area of Karoo sediments where very high background uranium levels have been observed in publicly available regional radiometric data. The Karoo sediments form a band approximately 5km to 10km wide, occupying a position between older basement gneisses to the east and younger, flat lying Kalahari Sand cover to the west. Calcrete horizons are locally developed immediately above the Karoo sediments in this part of Botswana.

A-Cap Resources Ltd has recently completed a large drilling programme at their Letlhakane Project which has identified widespread and continuous uranium mineralisation in the calcrete and in the underlying Karoo-aged sandstones, resulting in an Inferred Resource containing 98 million lb U<sub>3</sub>O<sub>8</sub> at an average grade of 158 ppm U<sub>3</sub>O<sub>8</sub>. This resource covers a large area, and extends to the tenement boundary with African Energy's Sese prospecting licence.

*The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code.*

*Information in this report relating to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr Lachlan Reynolds (an employee of African Energy Resources Limited) who is a member of The Australasian Institute of Mining and Metallurgy. Mr Reynolds 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. Mr Reynolds consents to the inclusion of the data in the form and context in which it appears.*

For any further information, please refer to the Company's website or contact the Company directly on +61 8 6465 5500.

*For and on behalf of the board*

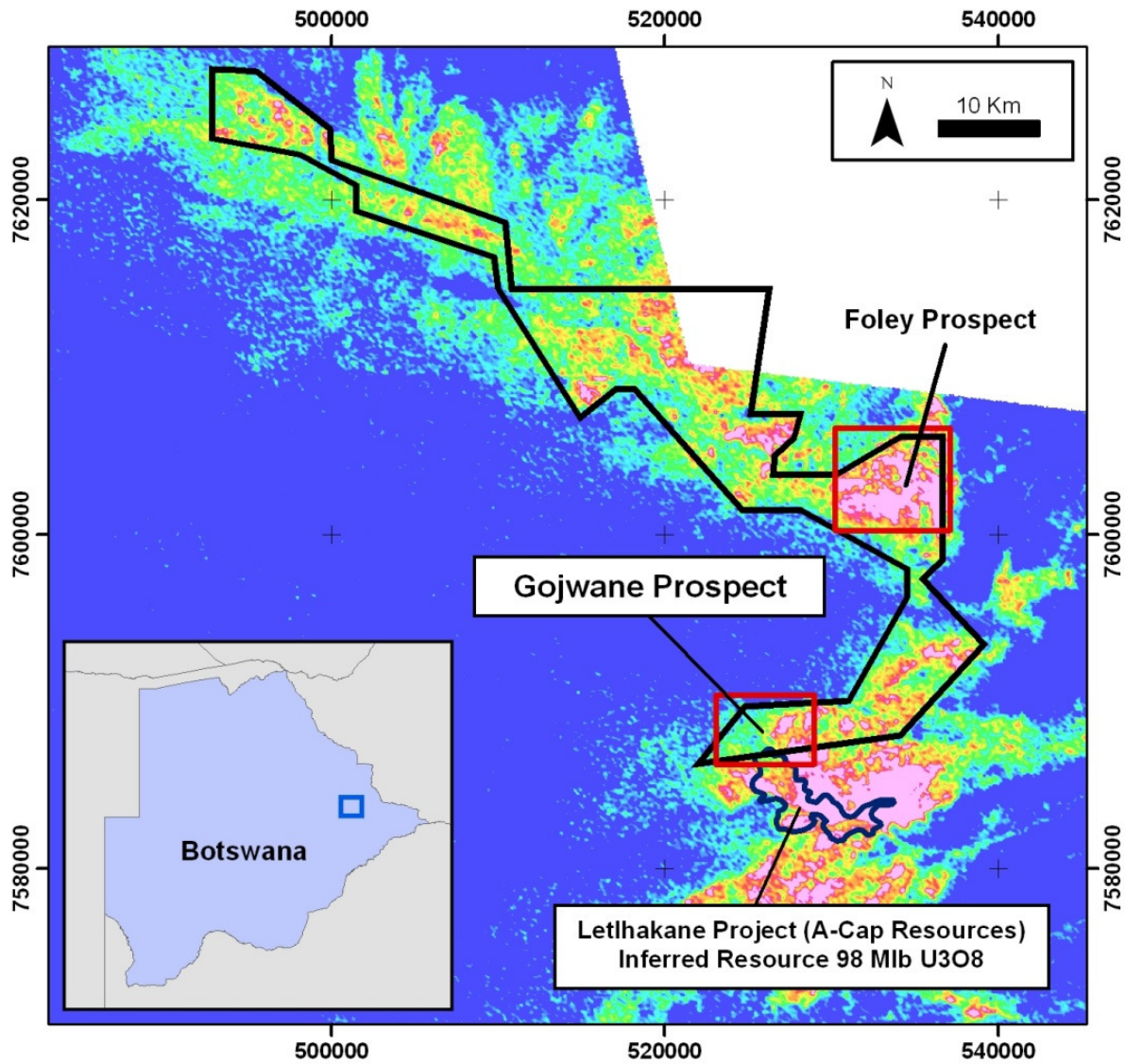


Diagram 1: Location of the Gojwane prospect area, within the Sese project, Botswana. Elevated uranium anomalies on radiometric image shows exposures of prospective Karoo sedimentary rocks.

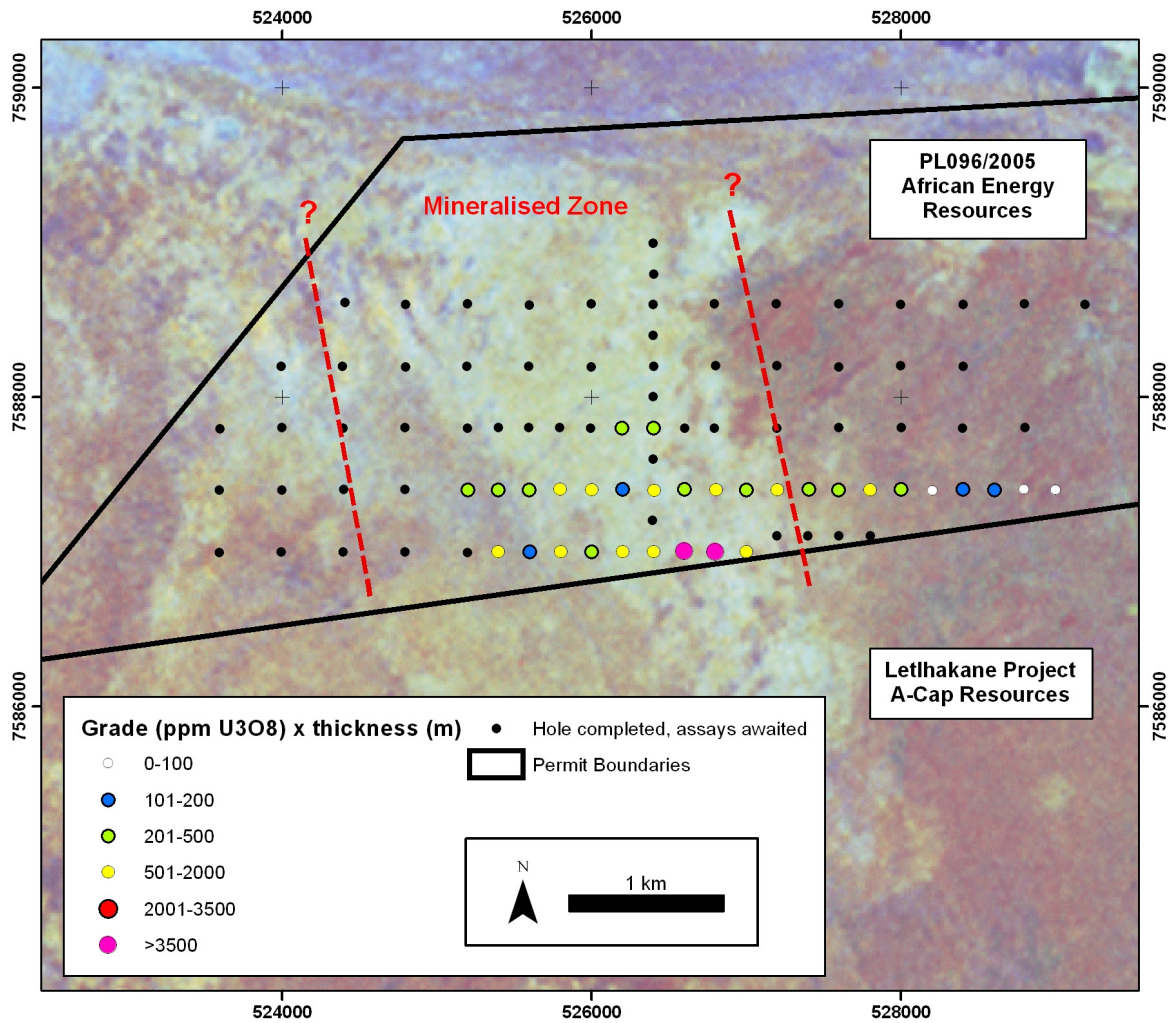


Diagram 2: Drill status plan for the Gojwane prospect shown on false-colour Landsat ETM image (regolith ratio bands 5/7, 4/7, 4/2 as RGB)

**Appendix I Gojwane Prospect Significant Intersections**

Hole ID	From (m)	To (m)	Interval (m)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Grade*Interval
SES167	11	12	1	146	146
	21	23	2	264	527
	29	31	2	432	863
	35	36	1	146	146
SES168	33	34	1	183	183
SES169	28	29	1	108	108
	34	39	5	168	840
	43	46	3	128	384
SES170	33	35	2	174	348
	38	40	2	135	269
SES171	28	30	2	132	264
SES172	24	25	1	105	105
	49	51	2	132	264
SES173	47	48	1	124	124
	58	59	1	217	217
SES174	25	26	1	150	150
	34	37	3	154	462
SES175	20	21	1	224	224
	30	33	3	115	344
	45	46	1	136	136
SES176	22	23	1	130	130
	25	26	1	131	131
	38	39	1	162	162
	47	49	2	143	286
SES177	35	39	4	156	624
SES178	41	43	2	176	352
SES179	23	24	1	216	216
SES181	25	27	2	142	284
	33	34	1	215	215
SES182	No significant results				
SES183	19	20	1	132	132
SES184	12	13	1	147	147
SES185	No significant results				
SES186	No significant results				
SES187	23	25	2	139	277
SES188	28	29	1	180	180
	36	37	1	314	314

Intersections are calculated for a cut off grade of 100 ppm U<sub>3</sub>O<sub>8</sub> and incorporate a maximum of 1m internal waste.