

20th March 2009

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

Via electronic lodgement

Dear Sir/Madam,

CONVERSION OF NJAME AND GWABE RESOURCES TO MEASURED AND INDICATED STATUS

HIGHLIGHTS:

- A conversion of Indicated and Inferred Resource to Measured, Indicated and Inferred Resource status has been completed for the Njame and Gwabe uranium deposits in the Chirundu Joint Venture Project, Zambia:

Njame Resource:		
Measured:	2.7Mt @ 350ppm U ₃ O ₈	2.1Mib U ₃ O ₈
Indicated:	3.7Mt @ 252ppm U ₃ O ₈	2.1Mib U ₃ O ₈
Inferred:	2.2Mt @ 225ppm U ₃ O ₈	1.1Mib U ₃ O ₈
Total:	8.6Mt @ 276ppm U₃O₈	5.2Mib U₃O₈
Gwabe Resource:		
Measured:	1.3Mt @ 237ppm U ₃ O ₈	0.7Mib U ₃ O ₈
Indicated:	3.6Mt @ 313ppm U ₃ O ₈	2.5Mib U ₃ O ₈
Inferred:	0.8Mt @ 178ppm U ₃ O ₈	0.3Mib U ₃ O ₈
Total:	5.7Mt @ 278ppm U₃O₈	3.5Mib U₃O₈
<i>Note; 100 ppm U₃O₈ cut-off grade applied in all cases</i>		
<i>Appropriate rounding has been applied</i>		

- These updated resource estimations reflect an increase in resource confidence from the previously announced Indicated and Inferred resources, but a reduction in the total contained metal to 8.7Mib U₃O₈ (from 9.5Mib U₃O₈).
- African Energy plans to conduct further drilling at both the Njame and Gwabe deposits to evaluate potential extensions to the known mineralisation and proximal radiometric targets.
- Additional exploration drilling is also planned on high priority ground radiometric targets in the Chirundu JV and Kariba Valley JV in 2009.
- African Energy is currently in discussion with several potential strategic partners to provide funding for the planned exploration programmes.

NJAME RESOURCE ESTIMATION

African Energy has completed an updated resource estimate for the Njame uranium deposit in Zambia (for location refer to Diagram 1). The Njame deposit was initially discovered by the Italian petroleum company AGIP in the late 1970's and a JORC-compliant Indicated and Inferred Resource was previously announced by African Energy in May 2009.

The full drilling programme completed to date at Njame now includes 499 aircore/reverse circulation percussion (RC) holes for a total of 26,921m and 161 diamond drill holes for 8,310m of core, of which 6,112m was large diameter PQ core. Drill samples were collected over 1m drill intervals, and were assayed for U and U₃O₈ using the pressed-pellet XRF method. The majority of Njame North, East and Central deposits have been drilled to a 50m x 50m grid, with local infill to 50m x 25m and in places to 25m x 25m. Zones drilled to wider drill spacing than these have been classified as Inferred resource (refer to Diagram 2). The updated resource estimate was completed using the Ordinary Kriging method, and classified with reference to the criteria set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, December 2004).

The updated estimate for Njame has outlined a total Resource of **8.6 Mt @ 276 ppm U₃O₈ for 2,360t U₃O₈ (5.2 Mlb)**, based on a 100 ppm U₃O₈ cut-off grade. This resource is concentrated in the Njame North deposit, with contributions from the Njame East and Njame Central deposits as follows:

Deposit	Measured Resource	Indicated Resource	Inferred Resource	Contained U ₃ O ₈
Njame North	2.7 Mt @ 350 ppm U ₃ O ₈	2.2 Mt @ 252 ppm U ₃ O ₈	1.5 Mt @ 223 ppm U ₃ O ₈	1,815t (4.0 Mlb)
Njame East		0.6 Mt @ 291 ppm U ₃ O ₈	0.5 Mt @ 233 ppm U ₃ O ₈	305t (0.7 Mlb)
Njame Central		0.9 Mt @ 222 ppm U ₃ O ₈	0.2 Mt @ 219 ppm U ₃ O ₈	240t (0.5 Mlb)
NJAME TOTAL	2.7 Mt @ 350 ppm U₃O₈	3.7 Mt @ 252 ppm U₃O₈	2.2 Mt @ 225 ppm U₃O₈	2,360t (5.2 Mlb)

GWABE RESOURCE ESTIMATION

African Energy has also completed an updated resource estimate for the Gwabe uranium deposit in Zambia (for location refer to Diagram 1). The Gwabe deposit is a greenfields discovery identified from airborne radiometric surveying undertaken in late 2006, and follow-up soil sampling in February 2007.

The full drilling programme completed to date at Gwabe now includes 280 aircore/reverse circulation percussion (RC) holes for a total of 12,533m and 39 diamond drill holes for 1,368m core, of which 1,168m was large diameter PQ core. Drill samples were collected over 1m drill intervals, and were assayed for U and U₃O₈ using the pressed-pellet XRF method. The majority of the Gwabe deposit has been drilled to a 50m x 50m grid with local infill to 50m x 25m (refer to Diagram 3). The updated resource estimate was completed using the Ordinary Kriging method, and classified with reference to the criteria set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, December 2004).

The updated estimate for Gwabe has outlined a total Resource of **5.7 Mt @ 278 ppm U₃O₈ for 1,575t U₃O₈ (3.5 Mlb)**, also based on a 100 ppm U₃O₈ cut-off grade. This resource is classified with reference to the criteria set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, December 2004), as follows:

Deposit	Measured Resource	Indicated Resource	Inferred Resource	Contained U ₃ O ₈
GWABE TOTAL	1.3 Mt @ 237 ppm U₃O₈	3.6 Mt @ 313 ppm U₃O₈	0.8 Mt @ 178 ppm U₃O₈	1,575t (3.5 Mlb)

FUTURE PROGRAMMES

The following programmes are planned for execution in 2009:

- Extensional drilling at the Njame North and Gwabe deposits where three dimensional modeling of the known mineralisation combined with surface geological mapping and ground radiometric surveying has highlighted incremental resource potential.

- Exploration drilling to test a 2,000m long airborne radiometric target which occurs 7km to the north of Njame.
- Exploration drilling at the Namakande series of ground radiometric anomalies in the Kariba Valley JV.
- Infill and extensional drilling at the Chisebuka Prospect in the Kariba Valley JV.
- Field evaluation of airborne and ground radiometric targets and blind conceptual targets derived from a desktop assessment of the Kariba Valley JV data.
- Exploration drilling to assess airborne radiometric anomalies at the Company's wholly owned Sese project in Botswana.

The Company is currently in discussions with several potential strategic partners who have been approached to provide funding for the Company's exploration programmes.

BACKGROUND

African Energy holds a 70% interest in the Chirundu JV project with Albion Limited (ASX: ALB) holding the remaining 30%. A Bankable Feasibility Study commenced on the Chirundu JV Project in May 2008, but with the exception of certain aspects of the metallurgical test-work programme was suspended in October 2008 in response to deteriorating market conditions. This decision is continually under review.

The 2004 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 "Inferred, Indicated and Measured Resources" are to those terms as defined in the JORC Code.

Information in this report relating to Mineral Resources has been compiled by Dr Frazer Tabcart (a full-time employee and Managing Director of African Energy) and Mr Lauritz Barnes (who is a consultant to African Energy). Dr Tabcart and Mr Barnes are both members 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. Mr Barnes has sufficient experience which is relevant to the modelling and resource estimation and to the activity which he is undertaking to qualify as Competent Person under the JORC Code. Dr Tabcart and Mr Barnes consent to the inclusion of the data in the form and context in which it appears.

Information in this report relating to Mineral Resources has been reviewed by Mr Neil Inwood. Mr Inwood is a Specialist Resource Consultant with Coffey Mining Pty Ltd, (independent resource consultants engaged by African Energy). Mr Inwood is a member of The Australasian Institute of Mining and Metallurgy. Mr Inwood 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 JORC Code. Mr Inwood 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 www.africanenergyresources.com or contact the Company directly on +61 8 6465 5500.

For and on behalf of the Board

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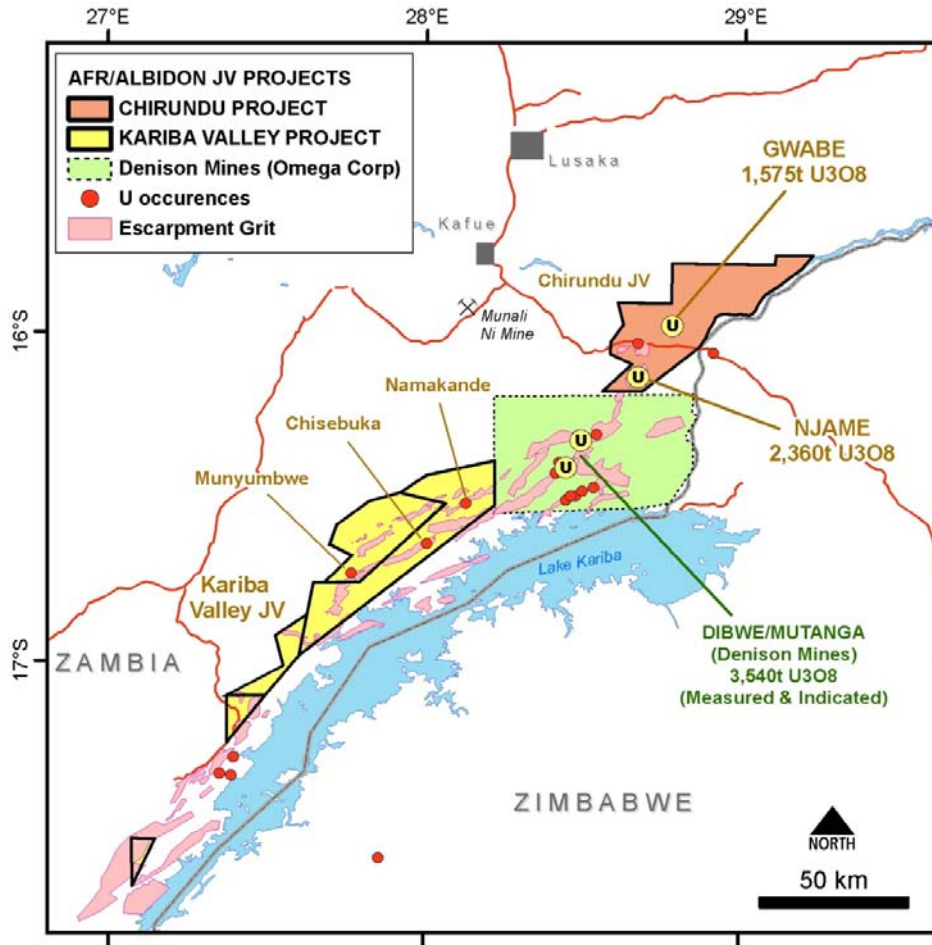


Diagram 1 Location map showing key projects and prospects in the Kariba Valley JV and Chirundu JV

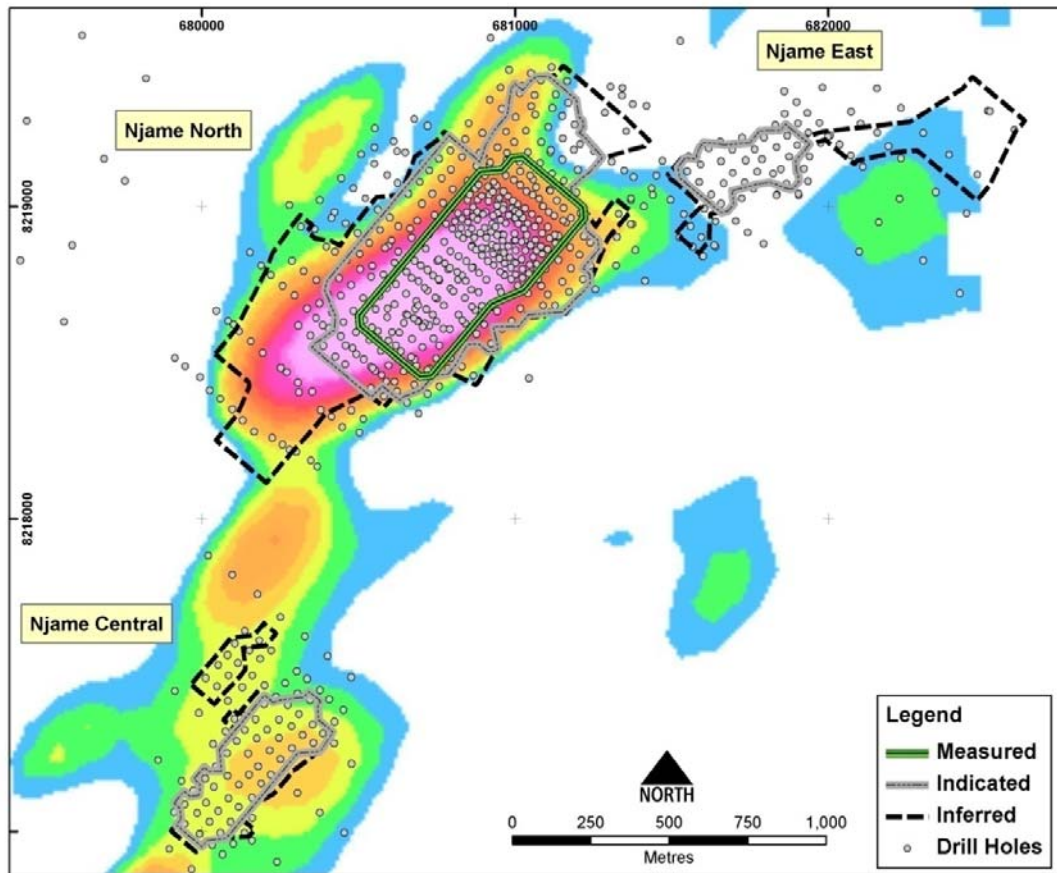


Diagram 2 Njame deposits showing outlines of resource blocks, drill hole locations and airborne radiometric data

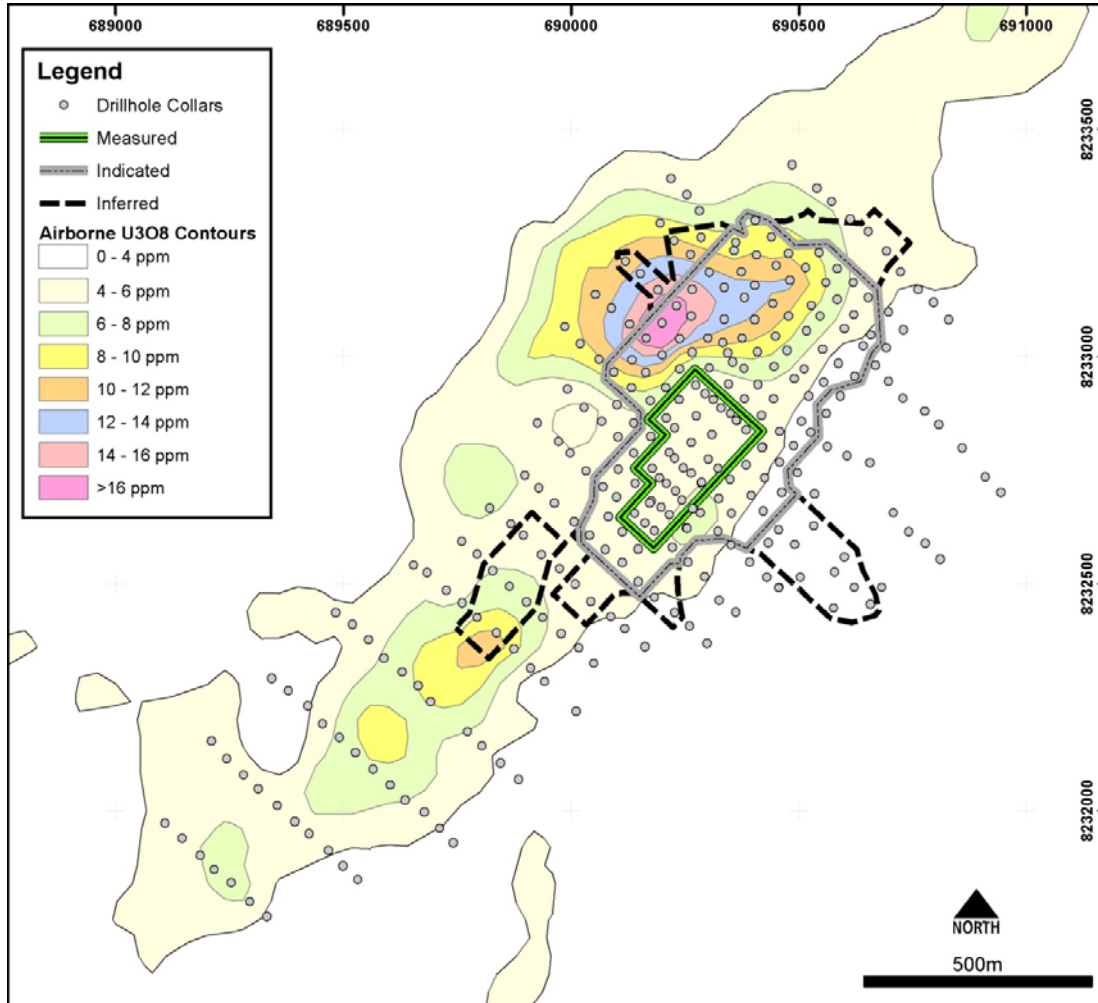


Diagram 3 Gwabe deposit showing outlines of resource blocks, drill hole locations and airborne radiometric data