

8th May 2008

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

PARTIAL CONVERSION OF NJAME AND GWABE INFERRED RESOURCES TO INDICATED STATUS – RESOURCES INCREASE TO 4,345T U₃O₈ (9.5 Mlb)

HIGHLIGHTS:

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

Njame Deposit

Indicated: 3.9 Million Tonnes at 388ppm U₃O₈ – 100 ppm U₃O₈ cut-off

Inferred: 5.2 Million Tonnes at 275ppm U₃O₈ – 100 ppm U₃O₈ cut-off

Containing 2,965 Tonnes of U₃O₈ (6.5 Mlb U₃O₈)

Gwabe Deposit

Indicated: 0.9 Million Tonnes at 196ppm U₃O₈ – 100 ppm U₃O₈ cut-off

Inferred: 4.0 Million Tonnes at 303ppm U₃O₈ – 100 ppm U₃O₈ cut-off

Containing 1,380 Tonnes of U₃O₈ (3.0 Mlb U₃O₈)

Note: Appropriate rounding has been applied

- The Njame resource comprises the following zones:

○ Njame North	Indicated:	3.9Mt @ 388ppm U ₃ O ₈	1,530T / 3.4mlb U ₃ O ₈
	Inferred:	2.9Mt @ 255ppm U ₃ O ₈	750T / 1.6mlb U ₃ O ₈
○ Njame East	Inferred:	1.1Mt @ 336ppm U ₃ O ₈	375T / 0.8mlb U ₃ O ₈
○ Njame Central	Inferred:	1.2Mt @ 267ppm U ₃ O ₈	310T / 0.7mlb U ₃ O ₈
- By delivering the Indicated Resource report to Albidon Limited, African Energy's equity in the project has increased to 70%. Albidon now has 60 days in which to make its election whether to contribute to future project costs or dilute its equity along predetermined lines.
- These updated resource statements represent a further 5% increase in uranium resources at the Chirundu JV to 4,345t U₃O₈ (9.5 Mlb).
- Additional infill drilling to convert the entire resource at Njame and Gwabe to Measured or Indicated Resource category is scheduled to commence in Q3 2008 as part of the Board approved Bankable Feasibility Study.

NJAME RESOURCE ESTIMATION

African Energy is pleased to announce the completion of 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 Inferred Resource was previously announced by African Energy in September 2006.

The full drilling programme completed to date at Njame now includes 319 aircore/reverse circulation percussion (RC) holes for a total of 17,290m and 35 diamond drill holes for 2,191.4m core. Drill samples were collected over 1m drill intervals, and were assayed for U and U₃O₈ using the pressed-pellet XRF method. The entire Njame North, East and Central deposits have been drilled to a 200m x 50m grid, with local infill to 100m x 50m and in places to 50m x 50m. 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 **9.2 Mt @ 324 ppm U₃O₈ for 2,965t U₃O₈ (6.5 Milb)**. This resource is concentrated in the Njame North deposit, with contributions from the Njame East and Njame Central deposits as follows:

Deposit	Indicated Resource	Inferred Resource	Contained U ₃ O ₈
Njame North	3.9 Mt @ 388 ppm U ₃ O ₈	2.9 Mt @ 255 ppm U ₃ O ₈	2,280t (5.0 Milb)
Njame East		1.1 Mt @ 336 ppm U ₃ O ₈	375t (0.8 Milb)
Njame Central		1.2 Mt @ 267 ppm U ₃ O ₈	310t (0.7 Milb)
NJAME TOTAL	3.9 Mt @ 388 ppm U₃O₈	5.2 Mt @ 275 ppm U₃O₈	2,965t (6.5 Milb)

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 comprised 225 vertical aircore/RC holes plus 5 diamond holes drilled to a nominal 200m x 50m grid in the mineralised part of the surface uranium anomaly. This, combined with local infill to 100m x 50m and in places to 50m x 50m, totals approximately 11,100m drilling. Drill samples were collected over 1m drill intervals, and were assayed for U and U₃O₈ using the pressed-pellet XRF method.

The updated estimate for Gwabe has outlined a total Resource of **4.9 Mt @ 284 ppm U₃O₈ for 1,380t U₃O₈ (3.0 Milb)**. 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	Indicated Resource	Inferred Resource	Contained U ₃ O ₈
GWABE TOTAL	0.9 Mt @ 196 ppm U₃O₈	4.0 Mt @ 303 ppm U₃O₈	1,380t (3.0 Milb)

BACKGROUND

As outlined above, African Energy now holds a 70% interest in the Chirundu JV project having delivered the Board approved Pre-Feasibility Study Report and the Indicated Resource Report, with Albion Limited (ASX: ALB) holding the remaining 30%.

Energy Ventures Ltd (ASX: EVE) currently holds a 64% interest in African Energy following the recent placement of 17m shares at 27 cents each to raise \$4.59m completed with Stanlib Bank (10% interest).

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 "Inferred and Indicated 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 Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. 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 Brett Gossage and Mr Brian Wolfe. Mr Gossage is the Senior Principal and Mr Wolfe is a Senior Consultant (Resources) with Coffey Mining Pty Ltd, (independent resource consultants engaged by African Energy). Both Mr Gossage and Mr Wolfe are members of The Australasian Institute of Mining and Metallurgy. Mr Gossage and Mr Wolfe have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to both qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gossage and Mr Wolfe consent 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 9324 1177.

For and on behalf of the board

For further information please contact:
AFRICAN ENERGY RESOURCES LTD
ABN 34 115 065 640
Ground Floor, 8 Colin Street, West Perth 6005
Telephone: +61 8 9324 1177 Facsimile: +61 8 9324 2171
ASX Code: AFR

www.africanenergyresources.com

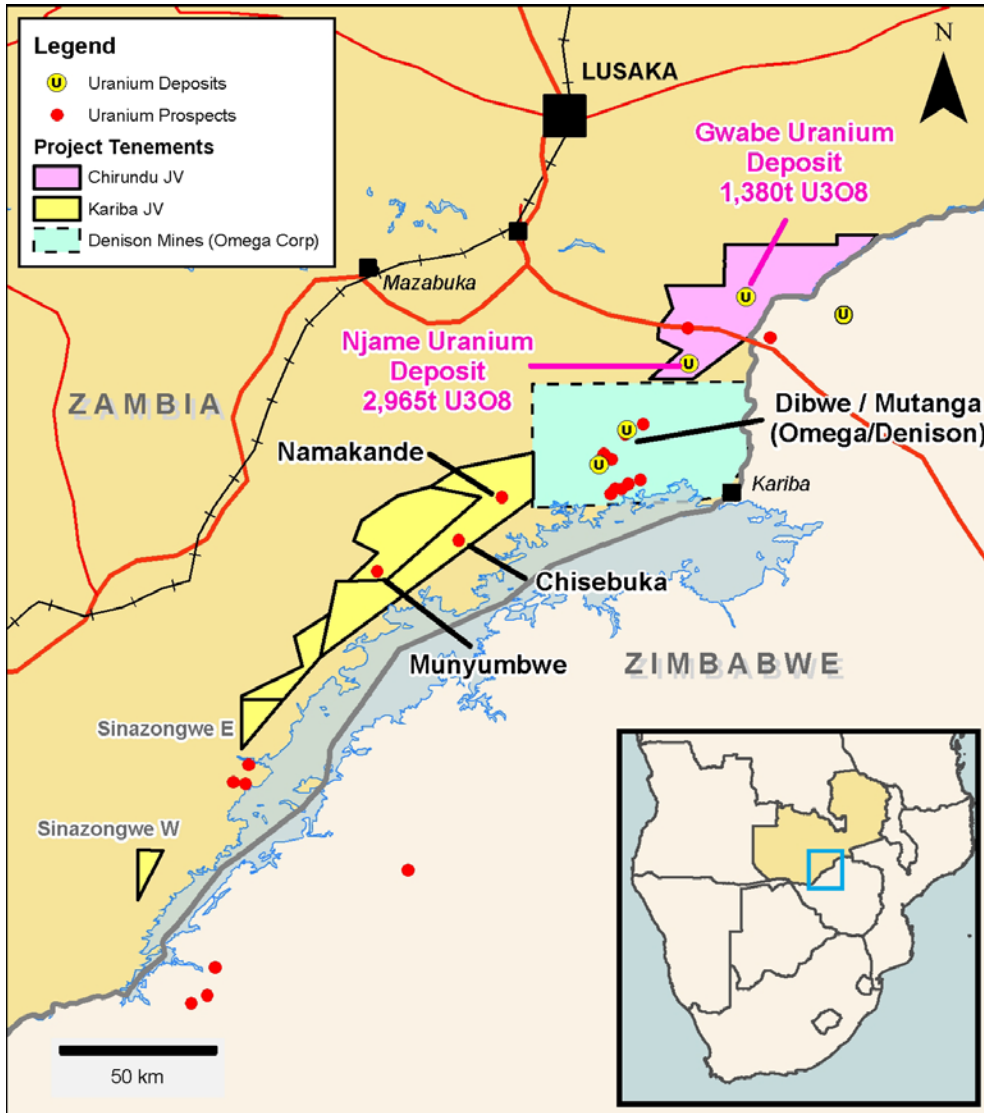


Diagram 1 Location map showing key projects and prospects in the Kariba Valley JV and Chirundu JV.