

9th May 2008

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

ALLOTMENT OF RIGHTS ISSUE SHARES AND SECONDARY TRADING NOTICE

African Energy Resources (ASX: AFR) ("Company") confirms it has completed the allotment and issue of 1,175,547 ordinary shares at 27 cents each to raise \$317,397.69 before costs under the 1:15 non-renounceable rights issue ("Rights Issue"). Holding statements will be dispatched to shareholders today.

An Appendix 3B applying for quotation of these shares was lodged on 4 April 2008.

The Rights Issue was made without a disclosure document pursuant to the exemption granted by Section 708AA of the Corporations Act 2001 ("Act"). Accordingly, the Company provides the following information in accordance with Section 708(5)(e) of the Act:

Secondary Trading Notice Pursuant to Section 708A(5)(e) of the Act

The Act restricts the on-sale of securities issued without disclosure unless the sale is exempt under Section 708 or 708A. By giving this notice, sale of the shares issued under the Rights Issue will fall within the exemption in Section 708A(5) of the Act.

The Company hereby notifies ASX under Section 708A(5)(e) of the Act that:

- a) the Company issued the shares without disclosure to investors under Part 6D.2 of the Act;
- b) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- c) as at the date of this notice, the Company has complied with Section 674 of the Act; and
- d) as at the date of this notice, there is no information:
 1. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 2. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the shares issued under the Rights Issue.

For and on behalf of the Board