

15<sup>th</sup> October 2009

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

*Via electronic lodgement*

Dear Sir/Madam,

## **MINING LICENCE APPROVED FOR CHIRUNDU URANIUM PROJECT, SOUTHERN ZAMBIA**

### **HIGHLIGHTS:**

- **A Large Scale Mining Licence (“ML”) for the development of the Chirundu Joint Venture Uranium Project has been approved by the Zambian Ministry of Mines and Minerals Development.**
- **The ML has been issued for a period of 25 years and is renewable.**
- **The ML covers an area of approximately 248 km<sup>2</sup> which will allow for the development of the Njame and Gwabe deposits, and any additional deposits discovered within the ML.**
- **Exploration drilling and resource delineation drilling programmes have commenced at the Njame South and Siamboka prospects within the ML, and further drilling is planned for the Gwabe South target, also within the ML.**

### **CHIRUNDU MINING LICENCE APPROVED:**

The Directors of African Energy Resources Limited are pleased to announce that the Zambian Minister for Mines and Minerals Development has granted Large Scale Mining Licence 12634-HQ-LML (“ML”) to Albidon Exploration Limited for the development of the Chirundu Uranium Project. The ML covers an area of 248 km<sup>2</sup> and contains the Njame and Gwabe uranium deposits and the recently discovered Siamboka prospect (Diagram 1), where exploration and resource delineation drilling programmes are currently underway.

## African Energy Resources Limited

ASX : AFR

Issued Capital  
254,767,152

### **Directors:**

**Alasdair Cooke**  
Executive Chairman

**Frazer Tabcart**  
Managing Director

**Bill Fry**  
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The ML has been granted for a period of 25 years, effective from 9<sup>th</sup> October 2009, and is renewable at the end of this period. Under the terms of the ML approval, the holder is required to comply with the relevant terms and conditions as set out in the Zambian Mines and Minerals Development Act No.7 of 2008, the Zambian Income Tax Act, Cap.323, and the Zambian Environmental Protection and Pollution Control Act, Cap. 204. No special terms or conditions have been applied to the ML.

The granting of the ML represents a significant milestone in the development of the project as it provides the joint venture partners with the right to conduct mining and mineral processing operations at Chirundu.

**BACKGROUND:**

The Chirundu Uranium Project contains the Njame and Gwabe uranium deposits, which contain a total of 7.4 Mlb U<sub>3</sub>O<sub>8</sub> in Measured and Indicated resources at an average grade of 293 ppm U<sub>3</sub>O<sub>8</sub>. The Chirundu uranium project is a joint venture between African Energy which owns 70% and is the manager, and Albidon Limited (ASX: ALB) which owns the remaining 30%. Subject to Ministerial approval, the new Mining Licence will now be transferred from Albidon Exploration Limited to Chirundu Joint Ventures Ltd which is the incorporated operating company for the project and which is 70% owned by African Energy Resources and 30% owned by Albidon Exploration Limited.

*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 Dr Frazer Tabcart (an employee and Managing Director 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.*

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*

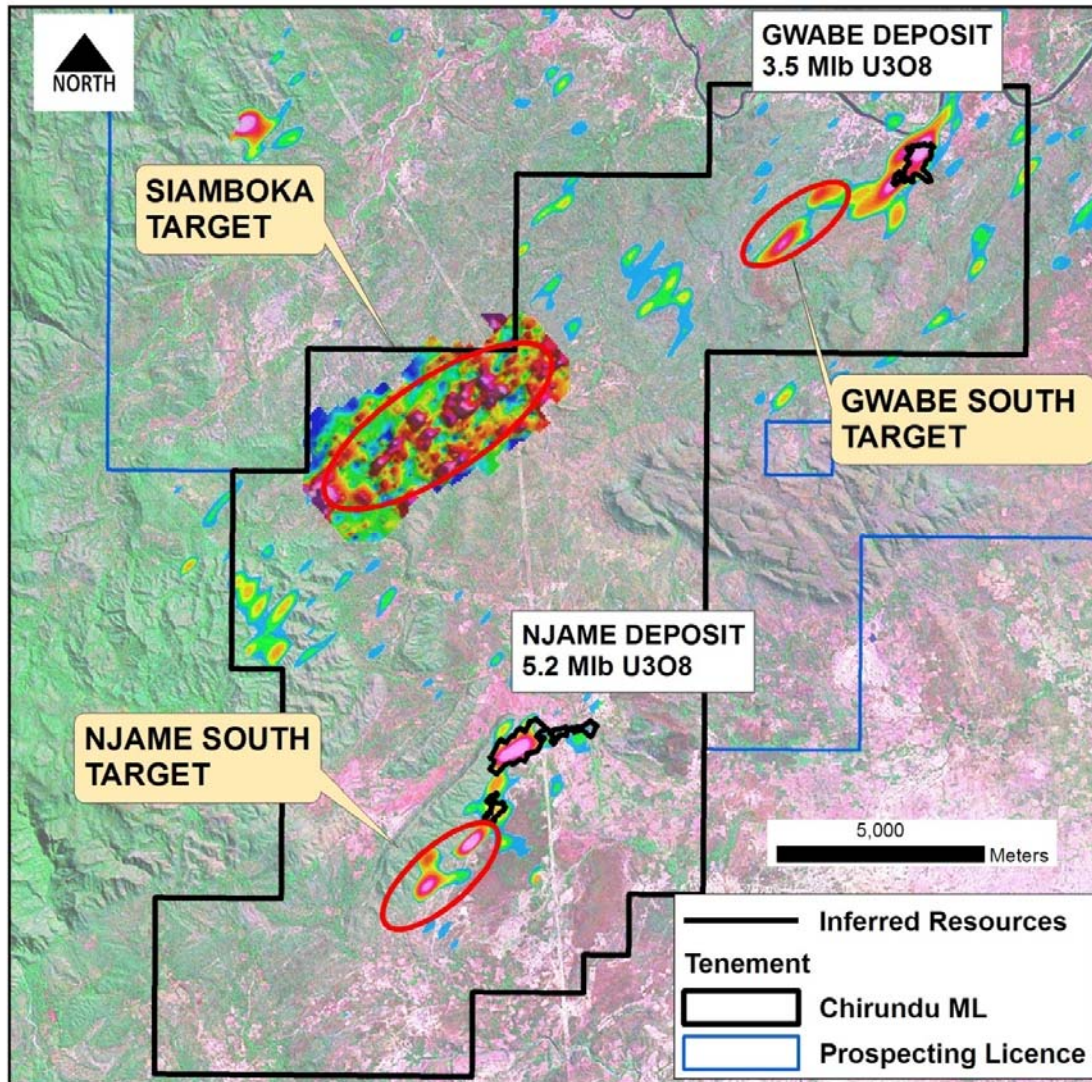


Diagram 1. Outline of the Chirundu ML and the known deposits and prospects discussed in the text