Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX’s property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

African Energy Resources Limited

ARBN

123 316 781

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1. *Class of *securities issued or to be issued

   Ordinary shares

2. Number of *securities issued or to be issued (if known) or maximum number which may be issued

   Up to a maximum of 34,718,155 ordinary shares

3. Principal terms of the *securities (eg, if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion)

   Fully paid ordinary shares

+ See chapter 19 for defined terms.
Appendix 3B
New issue announcement

4 Do the ‘securities rank equally in all respects from the date of allotment with an existing ‘class of quoted ‘securities? 

Yes

If the additional securities do not rank equally, please state:
• the date from which they do
• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

AUD $0.085 per share

6 Purpose of the issue

Non-renounceable entitlements issue

(If issued as consideration for the acquisition of assets, clearly identify those assets)

6a Is the entity an ‘eligible entity that has obtained security holder approval under rule 7.1A? 

No

If Yes, complete sections 6b – 6h in relation to the ‘securities the subject of this Appendix 3B, and comply with section 6i

6b The date the security holder resolution under rule 7.1A was passed

N/A

6c Number of ‘securities issued without security holder approval under rule 7.1

N/A

6d Number of ‘securities issued with security holder approval under rule 7.1A

N/A

+ See chapter 19 for defined terms.
6e Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | N/A
---|---
6f Number of securities issued under an exception in rule 7.2 | N/A
6g If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | N/A
6h If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A
6i Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | N/A
7 Dates of entering *securities into uncertificated holdings or despatch of certificates | 5 June 2014
8 Number and *class of all *securities quoted on ASX (including the securities in section 2 if applicable) | ![Table](image)

+ See chapter 19 for defined terms.
9  Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)

<table>
<thead>
<tr>
<th>Number</th>
<th>+Class</th>
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<tbody>
<tr>
<td>782,499</td>
<td>Options exercisable at 62.5c on or before 25/07/2014</td>
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<tr>
<td>36,605,900</td>
<td>Options exercisable at 15c on or before 31/12/2015</td>
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<tr>
<td>6,550,000</td>
<td>Performance Rights</td>
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10  Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

The Company does not have a dividend policy

**Part 2 - Bonus issue or pro rata issue**

11  Is security holder approval required?

No

12  Is the issue renounceable or non-renounceable?

Non-renounceable

13  Ratio in which the +securities will be offered

1 new share for 13 existing shares

14  +Class of +securities to which the offer relates

Ordinary shares

15  +Record date to determine entitlements

12 May 2014

16  Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

N/A

17  Policy for deciding entitlements in relation to fractions

Rounded up to nearest whole share

18  Names of countries in which the entity has +security holders who will not be sent new issue documents

All countries outside of Australia, New Zealand and Cayman Islands

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

19  Closing date for receipt of acceptances or renunciations

29 May 2014

+ See chapter 19 for defined terms.
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<th>Appendix 3B</th>
<th>New issue announcement</th>
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*See chapter 19 for defined terms.
Appendix 3B
New issue announcement

32  How do *security holders dispose of their entitlements (except by sale through a broker)?  
    N/A

33  *Despatch date  
    N/A

Part 3 - Quotation of securities
You need only complete this section if you are applying for quotation of securities

34  Type of securities  
    *(tick one)*

(a)  ☑  Securities described in Part 1

(b)  ☐  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  ☐  If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36  ☐  If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories  
    1 - 1,000  
    1,001 - 5,000  
    5,001 - 10,000  
    10,001 - 100,000  
    100,001 and over

37  ☐  A copy of any trust deed for the additional *securities

Entities that have ticked box 34(b)

38  Number of securities for which *quotation is sought  
    N/A

+ See chapter 19 for defined terms.
### Class of *securities for which quotation is sought

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<td>39</td>
<td>N/A</td>
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### Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?

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<td>40</td>
<td>N/A</td>
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</table>

If the additional securities do not rank equally, please state:
- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

### Reason for request for quotation now

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Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

### Number and *class of all *securities quoted on ASX (including the securities in clause 38)

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<thead>
<tr>
<th>Number</th>
<th>*Class</th>
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+ See chapter 19 for defined terms.
Quotation agreement

1 Quotation of our additional *securities is in ASX's absolute discretion. ASX may quote the *securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those *securities should not be granted *quotation.
- An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.

- If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: [Signature]

Print name: Daniel Davis
Company Secretary
5 May 2014

* See chapter 19 for defined terms.
The Corporations Act 2001 (the Act) restricts the on-sale of securities issued without disclosure, unless the sale is exempt under Section 708 or 708A. By the Company giving this notice, sale of the Shares will fall within the exemption in Section 708A(5) of the Act.

Shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Act.

The Company gives this notice pursuant to Section 708A(5)(e) of the Act.

The Company, as at the date of this notice, has complied with:

i. the provisions of Chapter 2M of the Act; and
ii. Section 674 of the Act.

As at the date of this notice, there is no excluded information for the purposes of Section 708A(7) or 708A(8) of the Act.

+ See chapter 19 for defined terms.