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ASX RELEASE ASX:AFR

27 November 2017

ON-MARKET SHARE BUYBACK

African Energy Resources Ltd (“African Energy” or the “Company”) has been granted approval by shareholders, to undertake an on-market share buy-back of up to 4% of the Company’s total share capital over the next twelve months.

This initiative is undertaken as part of the Company’s ongoing capital management strategy, taking note of the low market capitalisation (share price) when compared to the net tangible asset backing of the Company and, in particular, the current cash backing of \$4.3 million.

Shareholders have approved the voluntary delisting of African Energy shares from Botswana Stock Exchange and approximately two million shares currently held on the Botswana register will be transferred to the ASX register. The Buyback may be utilised to support the market during this period.

Pursuant to ASX Listing Rules, the prices paid for any shares purchased under the share buy-back will be no more than 5% above the volume weighted average price of African Energy shares over the five prior trading days. The total number of shares to be purchased by African Energy under the buy-back will depend on market conditions and volumes, but the board has resolved to limit purchases to 25,000,000 shares at a maximum share price of 7 cents and incur no more than A\$500,000 for on-market share purchases.

The appendix 3C in relation to the on-market buy-back is attached to this announcement. The buy-back facility will be open for 12 months from 11 December 2017, 14 days after the issue of this notice.

For any further information, please contact the Company directly on +618 6465 5500.

For and on behalf of the Board

Appendix 3C

Announcement of buy-back (*except* minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ARBN
African Energy Resources Limited	123 316 781

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On market buy-back
2	+Class of shares/units which is the subject of the buy-back (<i>eg, ordinary/preference</i>)	Ordinary shares
3	Voting rights (<i>eg, one for one</i>)	One for one
4	Fully paid/partly paid (<i>and if partly paid, details of how much has been paid and how much is outstanding</i>)	Fully paid
5	Number of shares/units in the +class on issue	626,689,024 fully paid shares on issue prior to commencement of the buy-back
6	Whether shareholder/unitholder approval is required for buy-back	Shareholder approval is required pursuant to Companies (Guernsey) Law. Approval was granted at the annual general meeting held on 23 November 2017.
7	Reason for buy-back	Ongoing capital management strategy

+ See chapter 19 for defined terms.

8 Any other information material to a shareholder's/unitholder's decision whether to accept the offer (eg, details of any proposed takeover bid)	N/A
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On-market buy-back

9 Name of broker who will act on the company's behalf	Euroz Securities Limited
10 Deleted 30/9/2001.	
11 If the company/trust intends to buy back a maximum number of shares - that number Note: This requires a figure to be included, not a percentage.	Up to 25,000,000 (4% of the issued capital) subject to the Company's right to terminate the buy-back at any time.
12 If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention	Commencing 11 December 2017 for a 12-month period
13 If the company/trust intends to buy back shares/units if conditions are met - those conditions	The Company will buy shares at such times and in such circumstances as is considered beneficial to the efficient capital management of the Company.

Employee share scheme buy-back

14 Number of shares proposed to be bought back	N/A
15 Price to be offered for shares	N/A

Selective buy-back

- | | | |
|----|--|-----|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | N/A |
| 17 | Number of shares proposed to be bought back | N/A |
| 18 | Price to be offered for shares | N/A |

Equal access scheme

- | | | |
|----|--|-----|
| 19 | Percentage of shares proposed to be bought back | N/A |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | N/A |
| 21 | Price to be offered for shares | N/A |
| 22 | ⁺ Record date for participation in offer
Cross reference: Appendix 7A, clause 9. | N/A |

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.



Mr Daniel Davis
Company Secretary
Date: 27 November 2017

⁺ See chapter 19 for defined terms.