

29 November 2005

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

via electronic lodgement

African Energy Resources Pty Ltd – Project Update

Following today's AGM and presentation on the Company's new acquisition, African Energy Resources Pty Ltd ("AER"), the Directors would like to take this opportunity to advise on the status of the AER uranium exploration prospects.

To date AER has acquired or been granted the following exploration prospects:

- Malawi – Nyika, Rumphi and Majete tenements.
- Zambia – Mutondo and Molipo tenements.
- Botswana – Sese tenement.
- Albidon Exploration Agreement – access to a further six tenements.

Following the grant of these tenements, the main conditions precedent to the Share Sale Agreement entered into by the Company on 28 July 2005 to acquire AER were satisfied, with the exception of the grant of the Karonga exploration licence in Malawi. As a result of other significant and prospective tenements being acquired by AER, in addition to the tenements specified in the Share Sale Agreement, the Company agreed to waive the grant of the Karonga tenement as a condition precedent to the Share Sale Agreement. AER also has a further six exploration permit applications in Zimbabwe currently being assessed for grant.

The exploration team has recently commenced field work on a number of tenements in Zambia and is finalising negotiations for the purchase of historical uranium and coal exploration data on these tenements. A technical review is currently underway and from this the Company will be conducting aerial surveys over the tenement areas of most strategic interest as a precursor to an exploration drilling program.

The Company will keep all shareholders updated on further developments with AER as they evolve.

Brett Mitchell
Director Company Secretary

If you have any queries regarding this announcement, please contact Brett Mitchell on 08 9324 1177.