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29 January 2010

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

Via electronic lodgement

Dear Sir/Madam,

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2009

- **African Energy Resources Ltd (EVE 37.2%)** continued its Bankable Feasibility Study (BFS) to evaluate the Njame and Gwabe deposits in the Chirundu Joint Venture, with ongoing metallurgical test-work.
- An Inferred Resource of 4.4 Mt @ 250 ppm U₃O₈ for 1,100t U₃O₈ (2.4 Mlb) was estimated for the Njame South uranium deposit at the Chirundu JV (African Energy 70%), taking the total project inventory to 11.1 Mlb U₃O₈.
- Exploration programs including reverse circulation (RC) drilling were completed at the Siamboka prospect (Chirundu JV, Zambia), Namakande prospect (Kariba Valley JV, Zambia), Sitwe prospect (Zambia) and Sese project (Botswana).
- African Energy completed a private placement early in December via the issue of 27,969,998 fully paid ordinary shares to institutional and sophisticated investors at an issue price of 15 cents per Share to raise \$4,195,500 before costs.
- Joint venture partner Albidon re-committed to the Chirundu JV and will repay all outstanding cash calls. Part proceeds will be used to fully repay the outstanding loan to Energy Ventures (secured via a Convertible Note), leaving African Energy debt free and increasing Energy Ventures' net cash position.
- **Agricola Resources plc (EVE 29.9%)** was granted two gold exploration licenses in southern Morocco, in joint venture with the Minerals Exploration Branch of the Moroccan State Bureau for Mines and Hydrocarbons.
- **Energy Ventures** commenced preparations for a diamond drilling programme at the Ballek copper-gold-uranium project in northern Sweden.

- Energy Ventures completed a private placement in late December to fund exploration activity on the Company's Swedish assets. 20,000,000 fully paid ordinary shares were issued to institutional and sophisticated investors at 5.5 cents per Share to raise \$1,100,000 before costs.
- **Cash Balance at 31 December** is \$3.927m for the consolidated entity (includes 37.2% of AFR); the Company's closing cash balance at 31 December is \$1.696m.

AFRICAN ENERGY RESOURCES (EVE 37.2%)

African Energy Resources (**ASX: AFR**) is an ASX listed resources company focussed on developing uranium projects in Africa. AFR owns 70% of the Chirundu JV Project in Zambia. This advanced project is currently undergoing a Bankable Feasibility Study (BFS) and indications to date are that the project could support a 5-6 year, low to medium cost acid heap leach operation delivering on average 1.2 to 1.4 Mlb U₃O₈ per annum at an average cash cost of below US \$30/lb U₃O₈. AFR also hold a substantial portfolio of exploration permits in Zambia and Botswana that are considered to be prospective for uranium mineralisation.

For AFR's December quarterly activity and cashflow report and for further information on the African Energy projects, please visit its website: www.africanenergyresources.com.

Chirundu Joint Venture Bankable Feasibility Study

The Chirundu Bankable Feasibility Study (BFS) continued in the December quarter. A small programme of 2m high column leach tests which commenced in September to provide baseline information are still in operation. Data from these will be released when available.

AFR Exploration Activities

Njame South (Chirundu JV, Zambia)

African Energy has completed a resource estimate for the Njame South uranium deposit in Zambia incorporating assay results from all RC drilling completed in October, 2009.

The resource estimate for Njame South has outlined a total Inferred Resource of 4.4 Mt @ 250 ppm U₃O₈ for 1,100t U₃O₈ (2.4 Mlb) using a 100 ppm U₃O₈ cut-off grade envelope. The resource is concentrated into two zones and extends from surface to a depth of 50m below surface.

Total Chirundu JV project resources now contain 11.1 Mlb U₃O₈ as per the following table:

Deposit	Resources							
	Measured		Indicated		Inferred		Contained U ₃ O ₈	
	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Tonnes	Mlb
Njame North	2.7	350	2.2	252	1.5	223	1,815	4.0
Njame East	-	-	0.6	291	0.5	233	305	0.7
Njame Central	-	-	0.9	222	0.2	219	240	0.5
Njame South	-	-	-	-	4.4	250	1,100	2.4
NJAME TOTAL	2.7	350	3.7	252	6.6	243	3,460	7.6
GWABE TOTAL	1.3	237	3.6	313	0.8	178	1,575	3.5
CHIRUNDU PROJECT TOTAL	4.0	313	7.3	282	7.4	236	5,035	11.1

Note: All reported using a 100ppm U₃O₈ cut-off grade envelope with appropriate rounding applied.

Siamboka (Chirundu JV, Zambia)

An RC percussion drilling programme comprising 59 holes for a total of 2,957 metres was completed in October 2009. Drilling was completed on a broad-spaced 400 metre by 100m grid, to test the mineralised stratigraphy associated with the soil anomaly. Of the 59 holes completed, 13 showed evidence of elevated radiometric response and were submitted for assay.

The results from this drilling programme suggest that whilst uranium is present, a large zone of coherent mineralisation does not occur at Siamboka. However, through analogy with the Njame South position (where 2.4 Mlb U_3O_8 has been identified in two small, previously drilled zones), areas of potentially economically viable uranium mineralisation may still be present at Siamboka. A programme of further exploration and infill drilling is planned for 2010 to evaluate this possibility.

Kariba Valley Joint Venture (Zambia)

An RC percussion drilling programme comprising 30 holes for a total of 1,648 metres was completed at the Namakande prospect in November 2009 in order to test uranium soil anomalies identified at Target D during the previous quarter. Seasonal rains in late November caused the early cessation of the drilling programme and a number of other targets remain untested by drilling.

Assay results have been received for 20 of the drill holes, and suggest that the extensive surface uranium anomalism at Target D represents relatively narrow (generally less than 1m thick) zones of uranium mineralisation in the sub-surface. Further work is required to determine if there are structural or stratigraphic sites within the extensive system of surface anomalies in the greater Namakande area that represent thicker, higher grade mineralisation. A programme to identify such positions has commenced.

Exploration expenditure during the quarter reached the funding milestone of AUD \$1.0 million for the Kariba Valley JV project, thereby earning an initial 30% equity interest in the project. African Energy can increase its interest to 70% through completing a prefeasibility study on an Indicated Resource within the project.

Northern Luangwa Valley Project (Zambia)

The Sitwe prospect occurs within the Company's 100% owned Northern Luangwa Valley project in northern Zambia, and was identified through an airborne radiometric survey that highlighted anomalous uranium responses interpreted to be associated with Karoo-age sedimentary rocks.

A geochemical soil sampling programme over the untested northern extension of the airborne radiometric anomaly at the Sitwe prospect was completed on a 400m x 25m grid pattern. The uranium content in soils was established at each grid point using a calibrated RS-125 spectrometer in assay mode. The overall uranium anomaly now extends over in excess of 8 km strike length and a programme of reconnaissance drilling is planned for this project in the 2010 field season.

Sese Project (Botswana)

During the quarter, AFR undertook a programme of very broad spaced reverse circulation percussion (RC) percussion drilling to evaluate the Gojwane prospect, located immediately north of the Sese project's southern boundary and adjacent to A-Cap Resources' Letlhakane project. The programme comprised a total of 92 drill holes on a 400m x 400m (locally 400m x 200m) grid, for a total of 4,512 metres drilling. Significant uranium mineralisation was encountered over a broad area; however the wide drill spacing used in this phase of exploration is not considered sufficient to define the overall grade and continuity of the mineralisation.

The style, grade and continuity of mineralisation intersected by the drilling programme are considered by AFR to be similar to the uranium mineralisation reported by A-Cap Resources on their Letlhakane Project, which contains 116 Mlb U_3O_8 in Indicated and Inferred resources. Significantly more detailed drilling has been

required to evaluate this uranium deposit and the Company expects that the Gojwane prospect will require a similar level of work. Further drilling is being planned for 2010.

AGRICOLA RESOURCES PLC (EVE 29.9%)

Agricola Resources Plc is a mineral exploration company listed on the UK's PLUS Exchange. The company is focussed on identifying commercially exploitable gold deposits in North Africa, with initial exploration targets in the Anti-Atlas area of Morocco.

In November 2009 the Company was granted two gold exploration licenses in the Tan Tan Province, Guelmin-Es Semara region of southern Morocco. Under the terms of a joint venture agreement with the Minerals Exploration Branch of the Moroccan State Bureau for Mines and Hydrocarbons (ONHYM), Agricola is entitled to earn up to 100% of the projects by funding all exploration costs. Agricola will have management control during the exploration phase. If an exploitable deposit is developed, Agricola will pay ONHYM a 2% net smelter royalty thereafter. ONHYM will have the option to retain a 30% interest in the exploitation and development company.

Further information on Agricola Resources and its projects in Morocco may be found at www.agricolaresources.com.

ENERGY VENTURES EXPLORATION

Energy Ventures is in a joint venture with AIM listed company Beowulf Mining Plc (**AIM: BEM**, see www.beowulfmining.com) on the Ballek copper-gold-uranium project. This project comprises four exploration permits that collectively cover 110 square kilometres in Arjeplog County, northern Sweden. Previously Beowulf was in a joint venture on the project with Agricola Resources Plc, who has since sold its interest back to Beowulf after a change in strategic direction. Under the terms of the joint venture agreement with Beowulf, EVE can earn a 50% interest in the Ballek project if it sole funds and completes a further 1,600 metres of diamond drilling by 31 March 2010.

During the December quarter EVE completed an evaluation of drilling targets on the project and has selected two high priority areas known as Jonastjärn and Lulepotten Nord for further exploration. These targets are located along strike of the Lulepotten copper-gold deposit and show both geological and geophysical similarities to the known mineralisation.

Work programme approvals and a suitable diamond drilling rig have been secured for the planned drilling, and work is expected to commence early in the first quarter of 2010 during the Swedish winter.

NORRSKEN ENERGY LTD (EVE 51%)

Norrskan Energy Limited is a joint venture company formed between Energy Ventures and Swedish mineral company IGE Nordic AB (see www.igenordic.se) to evaluate early stage uranium exploration targets in Sweden. EVE is the manager of the joint venture and has committed SEK5 million (approximately A\$780,000) to fund the initial exploration programs to earn 51% of the company. The consolidated Norrskan Energy project portfolio comprises 100% ownership of 13 exploration permit areas.

No significant exploration was completed on the Norrskan exploration permits during the December quarter and exploration staff are currently demobilised from Sweden. Field exploration programs are anticipated to recommence in 2010.

CORPORATE

In late December the Company completed a private placement to sophisticated and institutional investors of 20,000,000 shares at 5.5 cents per share to raise \$1,100,000 before costs. Funds from the placement will be used to fund further work on the Norrsken Energy exploration permits and to earn an initial 50% interest in the Ballek copper-gold-uranium project.

Lachlan Reynolds Exploration Manager

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 is based on data compiled by Mr Lachlan Reynolds (a full time employee of Energy Ventures), who is a member of The Australasian Institute of Mining and Metallurgy. Mr Reynolds 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. Mr Reynolds consents to the inclusion of the data in the form and context in which it appears.

For any queries please contact the Company Secretary, Mr Daniel Davis on +61 8 6465 5500

www.energyventures.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

ENERGY VENTURES LTD

ABN

89 106 523 611

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows
(includes 37.2% of African Energy Resources Limited)

Cash flows related to operating activities		Current quarter \$A'000	Year to date \$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	(131)	(301)
	(b) advertising and marketing	-	(19)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(283)	(458)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	43	49
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	(371)	(728)
Cash flows related to investing activities			
1.8	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	(18)	(18)
	(c) intellectual property	-	-
	(d) physical non-current assets	(2)	(2)
	(e) other non-current assets	(430)	(542)
1.9	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	137	137
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(313)	(425)
1.13	Total operating and investing cash flows	(684)	(1,153)

1.13 Total operating and investing cash flows (carried forward)	(684)	(1,153)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	2,730	4,382
1.15 Costs associated with the issue	(151)	(249)
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (dilution of interest in subsidiary)	(161)	(325)
Net financing cash flows	1,390	1,390
Net increase (decrease) in cash held	1,734	2,655
1.20 Cash at beginning of quarter/year to date	2,208	1,299
1.21 Exchange rate adjustments to item 1.20	(16)	(26)
1.22 Cash at end of quarter	3,927	3,927

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	269
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions:

Payments include consulting fees, directors' fees, tenement, GIS management and provision of a fully serviced office by related party entities.

128k of these costs relate to 37.2% owned subsidiary, African Energy Resources Limited.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,984	880
4.2 Deposits at call	1,943	1,328
4.3 Bank overdraft		-
4.4 Other		-
Total: cash at end of quarter (item 1.22)	3,927	2,208

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Daniel Davis

Company Secretary

29 January 2010

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, AASB 1026: Statement of Cash Flows apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.