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African Eagle Resources PLC
20 December 2007

African Eagle Resources plc

SECOND SHARE SUBSCRIPTION BY PHELPS DODGE MINING (ZAMBIA) LIMITED

African Eagle Resources plc ("African Eagle" or "the Company", ticker AIM: AFE, AltX: AEA) today announces that under the earn-in agreement signed on 3 August 2006 between the Company and Phelps Dodge Mining (Zambia) Limited (PDMZ), the latter has subscribed for a second tranche of Ordinary Shares in the Company.

PDMZ has subscribed for a tranche of 4,196,293 Ordinary Shares in the Company at a price of 11.64625 pence per Ordinary Share, representing a 10% premium to the average closing mid-market price of AFE's shares for the 10 consecutive dealing days immediately preceding 17 December 2007 and equivalent to a value of US\$1,000,000 or ?488,710.78. Following this issue, PDMZ now holds approximately 4.76% of the Company's issued share capital. Application has been made for the admission of the new Ordinary Shares to trading on AIM and dealings are expected to commence on or about 24 December 2007.

Under the terms of the earn-in agreement, African Eagle is spending at least 75% of the total amount subscribed on an agreed 15-month exploration programme on the Ndola licence in Zambia. The balance will be spent on other African Eagle projects and general working capital. PDMZ can earn a 51% interest in the project by spending a further US\$3 million on exploration and then an additional 19% by completing a bankable feasibility study.

African Eagle's Managing Director, Mark Parker, comments: "We are pleased that PDMZ has completed its second share subscription, showing its continuing positive view of the Ndola project."

John Park
Chairman
African Eagle Resources plc

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For further information, see the Company's web site www.africaneagle.co.uk or contact one of the following:

Mark Parker
Managing Director
+44 20 7248 6059
+44 77 5640 6899

Ed Portman/ Leesa Peters
Conduit PR
+44 20 7429 6607/+44 7733 363 501

Nicola Marrin
Seymour Pierce Limited
Nominated Advisers & Brokers
+ 44 20 7107 8000

James Duncan
Russell & Associates, Johannesburg
+ 27 11 8803924 / +27 82 8928052

About African Eagle

African Eagle is a mineral exploration and development company operating in eastern and central Africa. The Company's principal advanced projects are the Mkushi Copper Mines project in Zambia and the Miyabi gold project in Tanzania, which are being prioritised towards production. The Company also holds a large well-balanced portfolio of promising earlier stage gold and base metal projects, including the Ndola copper project and the Eagle Eye iron-oxide copper gold project.

African Eagle's projects are in Zambia, Tanzania and Mozambique, countries which all have highly prospective geology, relatively low above-ground risks and track records of successful major investments in the metals and minerals industries.

African Eagle specialises in project generation and exploration and has a highly motivated team, proven management and an experienced board. To take its discoveries into production, it seeks to sign up industry partners with records of successful mine development. These joint ventures and, in time, the revenue from advanced projects, will finance future exploration and new discoveries.

This information is provided by RNS
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