



30 October 2012

The Manager  
ASX Market Announcements  
Australian Stock Exchange Limited  
PO Box H224 Australia Square  
SYDNEY NSW 2000

Dear Sir/Madam,

**Market Update**

Aleator Energy advises that the efforts to raise funds to allow the drilling of the Povorotnoye-105 well in Ukraine have not been successful in the time frame permitted by shareholder approval and the ASX waivers which have been granted.

The Company approached this process with parties that indicated the required fund raising would be achieved, and with positive feedback from all potential funding parties approached. Unfortunately to now these clear expressions of interest have not resulted in the committed funds required to drill the Povorotnoye 105 well, and Aleator is now considering a number of other avenues for raising the funds.

These discussions, which the Company expects to crystallise in the near term, will impact on the funds the Company requires to drill the well. Once that is clear, the Company will report the outcome and plans to lift the voluntary suspension in relation to its securities.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Ranko Matic".

Ranko Matic  
Company Secretary