

ASX Announcement

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ALEATOR ENERGY
— LIMITED —

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Corporate Report

Capital Raising

Aleator Energy (ASX: AWD, the "Company") reports on its recent activities in relation to raising capital to fund the deep well on the Povorotnoye gas field in the Ukraine via a sophisticated investor placement. The Company and its advisers have secured significant support for the placement but at this stage not sufficient to prudently fund the Company through the drilling programme. Discussions with a number of parties are continuing and the Company has applied to the ASX to extend the time available to complete the placement.

As a result of the capital raising activities, the Company is encouraged by the significant interest from offshore institutions and strategic investors and believes it is in the best interest of shareholders to properly investigate these possibilities. The Company has therefore elected to maintain its trading suspension whilst it undertakes a roadshow through London and holds discussions with strategic investors who have already expressed interest.

On the 14th June 2012, the Company obtained shareholder approval to undertake a placement of capital of up to \$10,000,000. This approval authority is due to expire at the close of business on 14th September 2012. The Company has made application to the ASX to extend this authority and provide it with the necessary time to explore all options available to it in regards to the interest shown in the Company.

It will take some time to complete and investigate all options available to the Company, and as a result the Company will remain in voluntary suspension until the capital raise is resolved.

Pending the finalisation of a modified operational plan, the Company will develop a revised timetable and will continue with strategic development plans next week and correlate these with the level of interest shown in its project.

Due to the nature and quality of the approaches received, the Company is very optimistic that an outcome that will be attractive to all investors can be achieved and will provide a further report to the market when the outcome becomes clearer.

Drilling Rig

The Company had previously secured an option on a drilling rig which was to be available to begin drilling a well on the Povorotnoye Field in September 2012. This rig option expires at the close of business on 14th September 2012. Whilst the Company is disappointed that it could not commence drilling as planned it will make its best efforts to progress the well as quickly as possible.

In light of this, there will be a delay in commencement of drilling. A further option is being sought for this rig but if this is not available, the Company will seek a similar rig as soon as is possible.

Reservoir

As previously announced on the 27th August, Aleator Energy contracted AWT to review the technical reservoir and test data for seven previously drilled, but never developed, wells in the Povorotnoye field to estimate the potential GIP and the possible initial well production rate. The gross potential GIP in the Povorotnoye Field is now estimated to be 250 bcf. Calculations of well productivity suggest that an initial gas production rate could easily exceed 20 mmcfpd per well at a Flowing Wellhead Pressure of 4000 psi. This would equate to a revenue flow of \$4 million per month to Aleator.

Revenue

Success case potential revenue to the Company could be in excess of US\$750 million over the life of the project at current gas prices and this would be a very significant return on capital employed.

Board

The Board notes that whilst it is disappointing that drilling won't commence soon, the increased potential gas is a very positive outcome for the Company and the investor response to our presentations - particularly in London - indicates that we should be able to accomplish the required raising in the near future. As a result, the Company should be able to begin to drill the first modern Povorotnoye well in the next few months. We believe that the well has a high probability of success and if this occurs it would lead to production and revenue for the Company in 2013.

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For further information, please contact:

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Glossary:

Bcf: billion cubic feet
GIP: Gas in Place
mmcfcpd: million cubic feet of gas per day
psi: pounds per square inch