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Company Announcements Platform
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ASX ANNOUNCEMENT

DRILLING AND METALLURGICAL UPDATE

Highlights

- **Metallurgical test work program in progress with initial results from the program expected to be available in late November.**
- **Recommencement of drilling at the Agbaja Project postponed until end of December 2012, as Nigeria has experienced its wettest, wet season in 102 years.**
- **Notwithstanding the postponement of the recommencement of drilling, work at the Agbaja Project during November and December will continue and includes the commencement of baseline social and environmental surveys.**

Metallurgical Test Work Program

Up to the cessation of drilling due to the onset of the annual wet season in August 2012, the Company had completed 11 PQ (85mm diameter) diamond boreholes for approximately 300m of core recovered.

The PQ core was shipped to Australia for the determination of bulk density for the Maiden Resource to provide representative run-of-mine samples for metallurgical test work.

The metallurgical test work is aimed at understanding the composition of the ore body to optimise Fe grade as well as reducing deleterious elements SiO₂, P, Al₂O₃. Key parameters to be determined are mass recovery (yield), product quality, product types (e.g. sinter fines and concentrate). This will lead to the development of a process flow sheet.

The metallurgical test program will include:

- Engaging Independent metallurgical laboratory, ALS Metallurgy, to complete the diamond core metallurgical test work program.
- The core will be subject to testing for moisture level, specific gravity and crushing work index (ore hardness) determination prior to staged sized reduction to -10mm.
- Four composite samples will be prepared from cores, two representing laterite ironstone (approximately 29% of the Maiden Resource) and two representing oolitic-pisolitic ironstone (approximately 71% of the Maiden Resource).
- The upper and lower zones of the oolitic-pisolitic ironstone are weakly and highly magnetic respectively, a series of magnetic separation tests will assess the suitability of magnetic separation to increase the iron grade as well as reducing deleterious elements.

- The lateritic ironstone is typically not magnetic and a series of gravity separation tests have been planned to assess the suitability of gravity separation to increase the iron grade as well as reducing deleterious elements.
- The aim is to be able to present an iron grade of 58% Fe or better.

As set out in the Company's Maiden Resource Announcement, initial results (i.e. moisture levels, specific gravity, ore hardness, etc.) are expected to be received in November with additional results becoming available and released to the market as the program progresses throughout 2013.

Drilling

Drilling ceased at the Agbaja Project in August 2012 for the annual wet season at which time the Company expected to recommence drilling toward the middle of October 2012.

The Agbaja Project and surrounding environments have continued to experience significant wet season rains to the end of October, to the extent that the Company is only able to traverse the area in light, four-wheel drive vehicles. The Company has used this time to work closely with its partners Coffey Mining (SA) Pty Ltd ("Coffey") and International Geoscience to review the upcoming drill program in the context of recent drill results and a review of historical aeromagnetic and outcrop mapping.

Before the Company can recommence drilling the wet season rains need to cease and the plateau needs to dry out to enable the movement of the 60 tonne drill rig and associate support vehicles, such as fuel delivery trucks.

Consequently, to enable the Company to have certainty in the mobilisation and free movement of drilling personnel and resources, Energio has postponed the recommencement and finalisation of drilling until year's end.

The Company will continue with other planned activities at the Agbaja Project during November and December, including the commencement of baseline environmental and social studies.

The Company reconfirms its previous guidance of:

- Reclassification of Maiden JORC Resource from Inferred to Indicated; and
- Definition of exploration targets for neighbouring Energio tenements on or before 30 June 2013.

Commenting on recent progress, Dr Ian Burston, Non-Executive Chairman of Energio said:

"The operating environment in Nigeria is first class and to date we have exceeded our expectations with respect to budget, timetable and key deliverables. The finalisation of our maiden JORC resource and the onset of the wet season have given us the opportunity to confirm how to advance this significant iron ore project quickly and cost effectively. Given the grade, scale and uniformity of the Agbaja Project, we now need to turn our mind to the work streams required to develop this ore body. The next phase of advancement for the Agbaja Project is shaping up to be extremely interesting with the core focus being on refining the metallurgy, growing the resource and finalising an infrastructure agreement with the Nigerian Government."

Yours faithfully
Energio Limited



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Competent Person's Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Kim Bischoff, a member of The Australasian Institute of Mining and Metallurgy. Mr Bischoff is a consultant to Energio Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bischoff consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

About Energio Limited

Energio Limited (**ASX: EIO**) (“Energio” or the “Company”) is an ASX listed company focused on the exploration and development of its 100% owned Agbaja Plateau Iron Ore Project located in Kogi State, Republic of Nigeria, West Africa (“Agbaja” or “Agbaja Project”).

The Agbaja Project is a shallow, flat-lying channel iron deposit uniquely positioned with its proximity to existing, underutilised rail, and port infrastructure. It typically comprises iron-bearing nodules (oids, 1-2mm and pisoids, 2-9mm) in an iron rich matrix. Iron mineralisation occurs predominantly as hematite, goethite, maghemite and limonite.

In October 2011, the Company commenced a reverse circulation drill program at Agbaja with the objective of defining a maiden JORC resource by late Q3 2012.

On September 28, the Company announced a Maiden JORC compliant mineral resource at its Agbaja Project of 488 million tonnes with an in-situ iron grade of 42.7% classified as Inferred.

The Company is currently completing a metallurgical test program utilising representative composite samples prepared from diamond core and undertaking a number of high level transport infrastructure reviews to enable it to prepare a scoping study during 2013.

Energio has on issue 239,826,983 fully paid ordinary shares, and 16,537,329 listed and unlisted options.



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