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Company Announcements Platform
Australian Securities Exchange
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ASX ANNOUNCEMENT

DRILLING UPDATE – ENCOURAGING INTERSECTIONS FROM INITIAL DRILL RESULTS WITH GRADES OF UP TO 55% FE

HIGHLIGHTS

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- XRF analysis received for the first batch of samples from 4 holes of the 2011 drill program at Agbaja Iron Ore Exploration Project
 - Results are in line with the expected range of 48-53% Fe
 - Independent, global mining consultant, Coffey International has been engaged and has commenced work to prepare a maiden JORC resource estimate
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Australian based iron ore exploration and development company, Energio Limited (ASX:EIO) ("Energio" or the "Company") is pleased to announce it has now received the first batch of assay results from the 2011 / 2012 drilling campaign at its Agbaja Iron Ore Exploration Project, located in Nigeria, West Africa.

In October 2011, the Company commenced a 20,000m resource definition drilling program at the Agbaja Iron Ore Exploration Project ("Drill Program") with the objective of defining a maiden JORC resource. The Drill Program is currently ahead of schedule with 200 holes completed out of the 800 hole program which is focused on testing the grade and extent of the Agbaja Iron Ore Exploration Project.

The drill holes analysed (and detailed in tables 1 – 4) represent the first results from the 200 drill holes completed to date. The locations of the 4 holes for which analyses are available are shown in Figure 1, together with the location of all holes of the planned drill program. These are the only results currently available; however more are expected over the coming weeks which the Company will update to the market.

The first batch of results have confirmed the thickness and grade of the oolitic

mineralization with grades consistently within the expected range of 48% - 53% Fe (with reference to Al Maynard and Associates' analysis of the 1952 drilling completed by earlier explorers). The intersections and XRF analysis for drill holes 8,9,15 and 16 in Drill Row Line 12 are outlined in Tables 1, 2, 3 and 4 below.

Energio Chairman, Dr Ian Burston noted that *"these initial results are very encouraging as they appear to be homogeneous and are supportive of the significant exploration target we believe exists at the Agbaja Iron Ore Exploration Project. It further supports our earlier thinking that the Agbaja Iron Ore Exploration Project strata comprises approximately 10m of overburden followed by 20 to 30 metres of ore bearing sandstone material. The coming months will see Energio complete the full analysis of the drill samples, conduct metallurgical testing to determine optimal ways of processing the material and whilst also finalising an infrastructure study examining the most efficient production and export solutions."*

The drill program will recommence early next week and the company reaffirms it expects to complete the drilling program in Q2 2012.

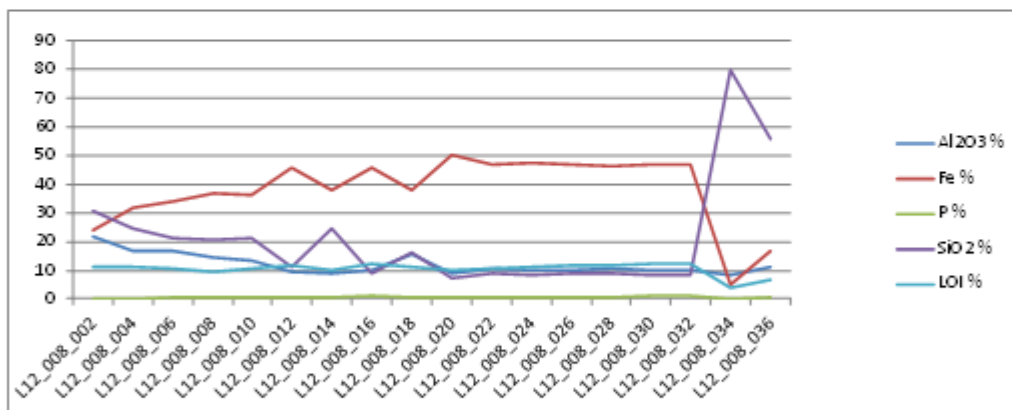
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Table 1: Drill Hole Number 8

Drill Line 12
Drill Hole Number 8



Drill line Number	Sample Depth Metres	Al2O3 %	Fe %	P %	SiO2 %	LOI %
L12_008_002	1	21.7	24.23	0.16	30.5	11.1
L12_008_004	2	16.85	31.95	0.217	24.4	11.08
L12_008_006	3	16.75	34.2	0.256	21.3	10.76
L12_008_008	4	14.35	37.05	0.26	20.6	9.41
L12_008_010	5	13.45	36.39	0.328	21.3	10.73
L12_008_012	6	9.44	45.53	0.615	11.25	11.78
L12_008_014	7	9.18	37.82	0.382	24.7	10.02
L12_008_016	8	10.3	45.73	1.05	9.09	12.33
L12_008_018	9	15.85	38.05	0.686	16.1	11.38
L12_008_020	10	8.87	50.35	0.652	7.13	9.99
L12_008_022	11	10.45	46.94	0.582	9.11	10.77
L12_008_024	12	10.15	47.22	0.693	8.43	11.28
L12_008_026	13	10.3	47.02	0.624	8.85	11.49
L12_008_028	14	10.85	46.46	0.622	8.99	11.44
L12_008_030	15	9.85	47.13	0.848	8.07	12.28
L12_008_032	16	10.3	46.63	0.836	8.32	12.14
L12_008_034	17	8.46	4.87	0.124	79.9	3.8
L12_008_036	18	11.4	17	0.277	55.7	6.89



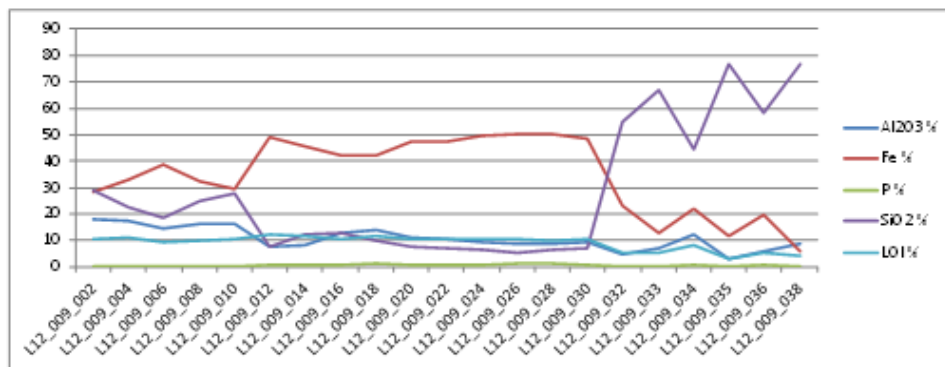
This drill Hole exited the orebody at 16 Metres depth, Note change in Fe and SiO2

Table 2: Drill Hole Number 9

Drill Line 12
Drill Hole Number 9



Drill Line Number	Sample Depth, Metres	Al2O3 %	Fe %	P %	SiO2 %	LOI %
L12_009_002	1	17.85	28.53	0.198	28.8	10.6
L12_009_004	2	17.3	32.78	0.281	22.5	10.95
L12_009_006	3	14.5	38.69	0.29	18.4	9.67
L12_009_008	4	16.15	32.38	0.173	25.1	9.85
L12_009_010	5	16.3	29.81	0.224	27.9	10.62
L12_009_012	6	7.4	49.11	0.713	7.58	12.37
L12_009_014	7	8.45	45.72	0.719	12.15	11.69
L12_009_016	8	13.1	42.36	0.863	12.95	10.8
L12_009_018	9	13.75	42.26	1.225	10.15	11.8
L12_009_020	10	11.05	47.39	0.965	7.86	10.33
L12_009_022	11	10.5	47.6	1.05	7.17	10.41
L12_009_024	12	9.38	49.63	0.822	6.42	10.46
L12_009_026	13	9.09	49.99	1.23	5.46	10.49
L12_009_028	14	8.57	50.22	1.1	6.6	9.85
L12_009_030	15	9.38	48.39	1.065	7.19	10.42
L12_009_032	16	4.88	23.09	0.484	54.9	5.4
L12_009_033	17	7.33	12.98	0.418	67.2	5.11
L12_009_034	18	12.55	22.27	0.642	44.7	8.07
L12_009_035	19	3.08	11.44	0.219	76.7	2.9
L12_009_036	20	6.08	19.89	0.495	58.2	5.52
L12_009_038	22	8.59	6.16	0.148	76.8	4.03



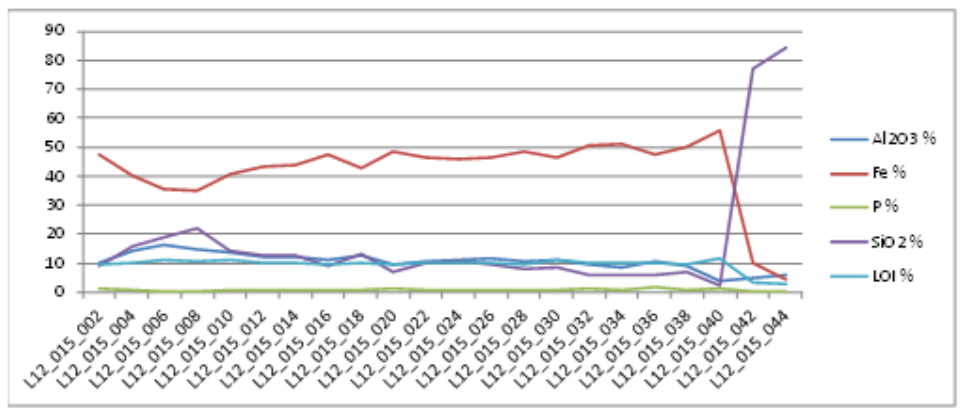
This drill hole exited the orebody at 15 Metres depth, Note Change in Fe and SiO2

Table 3: Drill Hole Number 15

Drill Line 12
 Drill Hole Number 15



Drill Line Number	Sample Depth Metres	Al2O3 %	Fe %	P %	SiO2 %	LOI %
L12_015_002	1	10.25	47.55	1.1	8.76	9.38
L12_015_004	2	14.2	39.92	0.611	15.95	10.11
L12_015_006	3	16.45	35.76	0.383	19	11.25
L12_015_008	4	14.95	34.91	0.428	22	10.62
L12_015_010	5	13.8	40.86	0.51	14.1	11.15
L12_015_012	6	12.35	43.4	0.644	12.9	10.04
L12_015_014	7	12.15	43.65	0.644	12.85	9.96
L12_015_016	8	10.85	47.33	0.795	9.18	9.68
L12_015_018	9	12.6	42.85	0.714	12.95	10.01
L12_015_020	10	9.48	48.74	1.26	6.88	9.77
L12_015_022	11	10.6	46.66	0.79	9.9	9.99
L12_015_024	12	11.05	45.89	0.753	10.6	9.94
L12_015_026	13	11.65	46.18	0.917	9.46	9.95
L12_015_028	14	10.45	48.31	0.949	7.79	9.45
L12_015_030	15	11.15	46.6	0.918	8.47	10.9
L12_015_032	16	9.28	50.38	1.06	5.67	9.99
L12_015_034	17	8.44	50.91	0.897	6.02	10.01
L12_015_036	18	10.6	47.43	1.63	6.13	9.91
L12_015_038	19	9.01	50.26	0.907	6.7	9.49
L12_015_040	20	4.01	55.64	1.165	2.11	11.4
L12_015_042	21	4.76	9.84	0.168	77.1	3.21
L12_015_044	22	5.91	4.11	0.144	84.5	2.76



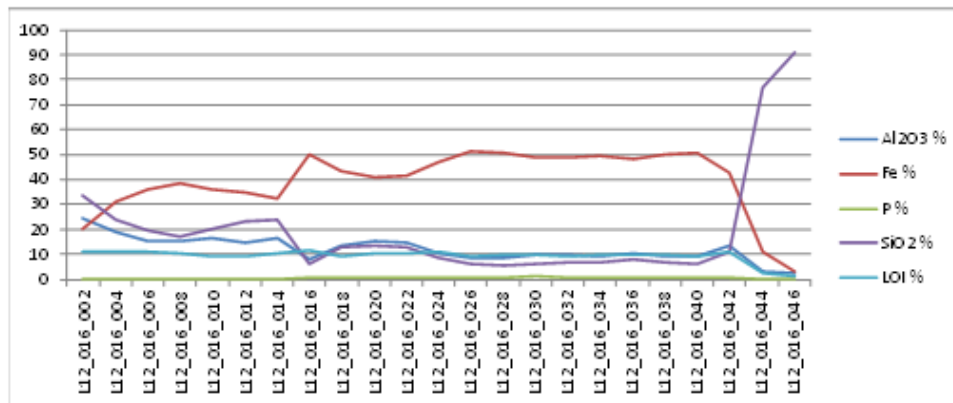
This drill hole exited the orebody at 20 Metres depth, Note change in Fe and SiO2

Table 4: Drill Hole Number 16

Drill Line 12
 Drill Hole Number 16



Drill Line Number	Sample Depth Metres	Al2O3 %	Fe %	P %	SiO2 %	LOI %
L12_016_002	1	24.7	20.13	0.079	33.5	11
L12_016_004	2	18.9	31.01	0.116	24.1	10.93
L12_016_006	3	15.6	35.86	0.333	19.75	11.27
L12_016_008	4	15.1	38.32	0.3	17.2	10.75
L12_016_010	5	16.5	36.13	0.206	20.3	9.13
L12_016_012	6	15.05	34.85	0.256	23.4	8.98
L12_016_014	7	16.85	32.46	0.337	23.6	10.7
L12_016_016	8	7.86	50.06	0.791	6.25	11.67
L12_016_018	9	13.25	43.63	0.689	12.7	9.23
L12_016_020	10	15.4	40.98	0.657	13.45	10.37
L12_016_022	11	14.9	41.54	0.663	13.15	10.45
L12_016_024	12	10.6	47.24	0.882	8.36	10.94
L12_016_026	13	8.49	51.38	0.826	6.22	9.36
L12_016_028	14	8.76	50.83	1.025	5.53	9.68
L12_016_030	15	9.91	48.99	1.215	6.1	10.08
L12_016_032	16	9.74	49.1	0.901	7.11	9.39
L12_016_034	17	9.51	49.56	0.885	6.58	10.15
L12_016_036	18	10.5	48.1	0.832	7.85	10.13
L12_016_038	19	9.28	50.18	0.777	7.04	9.64
L12_016_040	20	9.24	50.57	0.919	6.32	9.53
L12_016_042	21	13.25	43.01	0.874	11.4	11.22
L12_016_044	22	3.44	11.08	0.223	77.1	2.71
L12_016_046	23	2.41	3.27	0.077	91.1	1.31



This drill hole exited the orebody at 21 metres depth, Note change in Fe and SiO2

Background

Exploration Area

The area referred to as the Agbaja Iron Ore Exploration Project was selected for a more detailed investigation after examination of the results of a recent aero - magnetic survey confirmed earlier exploration results achieved by British geologists in the early 1950's.

Reasons for the selection of the Agbaja Iron Ore Exploration Project were:

- Strength of the aero-magnetic survey.
- Outcropping of the ore body around the entire plateau.
- The area footprint of some 150 square kilometres.
- Ease of access to the tenement.
- Low population density
- Open grasslands, with scattered forest cover, and
- Proximity to infrastructure

An area of approximately 14 square kilometres of grassland indicating shallow ore body cover was selected for drilling and a drilling pattern was laid out with 24 drill lines encompassing about 800 holes represent this phase of the exploration effort. Drill Holes and lines are identified and numbered (see Figure 2) and will be reported against accordingly.

Sample Methods and Results

Drilling is well underway throughout the selected area of approximately 14 square kilometres and will comprise some 800 holes all of which will penetrate through the ore body, samples being taken at regular intervals down each hole. Each hole drilled will be subjected to XRF testing for the presence of a number of elements including Iron (Fe), Phosphorus (P), Alumina (Al₂O₃), and Silica (SiO₂) being important impurities associated with the iron making process.

Loss on Ignition (LOI), the water present in the ore, which must also be removed during the iron making process, is also determined during laboratory testing at this stage. There will be reports issued on each hole drilled and we expect these results to now appear regularly over the next 3 to 4 months until the program is completed. Additionally a number of deep holes will be drilled to test for the presence of further mineralisation at depth.

A decision will shortly be made to subject a selection of samples for further testing including Davis Tube analysis and metallurgical testing to assist in understanding the processing which will be necessary to extract the Fe and handle the impurities that may be present. Reports will be issued as these additional processes are undertaken.

Competent Persons Statement

The geological information in this report has been examined by Dr Warwick Crowe BSc Hons, MSc, PhD who is the Principal Geologist at International Geoscience, a Perth based Geological and Geoscience Consultancy, Dr Crowe is a member of the Society of Economic Geologists and Society for Geology Applied to Mineral Deposits.

Dr Crowe has sufficient experience that is relevant to the style of Geology 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 , Minerals Resources and Ore Reserves.

Dr Crowe consents to the inclusion of this report of the matters based on his information in the form and context that the information appears.

Figure 1: Drill line and Hole locations

