

AOM ACQUISITION OF: REPRODUCTIVE HEALTH SCIENCE

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Reproductive Health Science

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Summary

- Corporate Overview
- Directors
- Reproductive Health Sciences (“**RHS**”)
- Timetable

Corporate Overview

Overview	
Current ASX Code:	AOM
Shares on issue:	153.3m*
To be Issued to Vendors:	200.0m
Proposed Capital Raising:	60.0m
Total Proposed:	413.3m
Reconstruction:	1:5 (to 20c per share)
Shares After Reconstruction	82.7m
Unlisted options:	Various \$1.00 to \$10.00
Market capitalisation:	\$16m
Cash:	\$3.0m

Key assets	
Exclusively in-licensed patents	Granted patent family in most key territories to method for detecting chromosomal abnormalities
Primary value driver	Clinical utility of the product in the IVF market
Exclusively out-licensed know-how	Protocols for the PCR amplification of multiple and single cells
Primary value driver	Global kit sales

*153.3m shares on issue is after proposals to issue to former directors has been approved

Directors

Board and key management

Dr David Brookes
Non-executive Chairman

Director of AOM and Atcor Medical Holdings Ltd

Mr Simon O'Loughlin
Non-executive director

Current Chairman of AOM

Dr Michelle Fraser
Managing Director and CEO

CEO and director of RHS, PhD (molecular biology), Grad Dip Science & Technology Commercialisation, graduate of Australian Institute of Company Directors

Mr Donald Stephens
Non-executive director

Current director and company secretary of AOM

Mr Johnathon Matthews
Non-executive director

Executive director of The Pipette Company, BEc, BComm, LLB

Emeritus Professor Colin Matthews AO
Alternate non-executive director

Director of RHS, Single Cell Pty Ltd, Flinders IVF, co-founder and director of The Pipette Company Chairman of Research Committee and Board member of Channel 7 Research Foundation

RHS overview



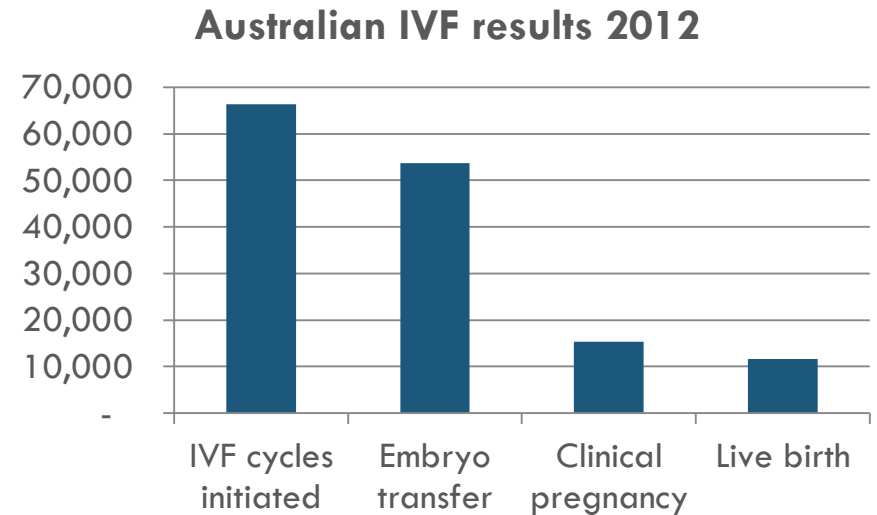
- Commenced operations in 2004
- Initial venture capital investment Oct 2007
 - \$4.3m invested and \$1.3m grant funding leveraged
- Located within the BioSA Incubator at Thebarton, SA
 - Dedicated laboratory and office space
 - Manufacturing capability
- Experienced Board and Management team
- Established network of commercial partners

What is RHS?

- A developer of novel products for the analysis of the genetic content of single cells
 - Co-branded (Kapa BioSystems) DNA amplification and sequencing kits
 - Microarrays for counting the number of chromosomes in a single human cell
 - The immediate application is the improvement of In-Vitro Fertilisation (IVF)

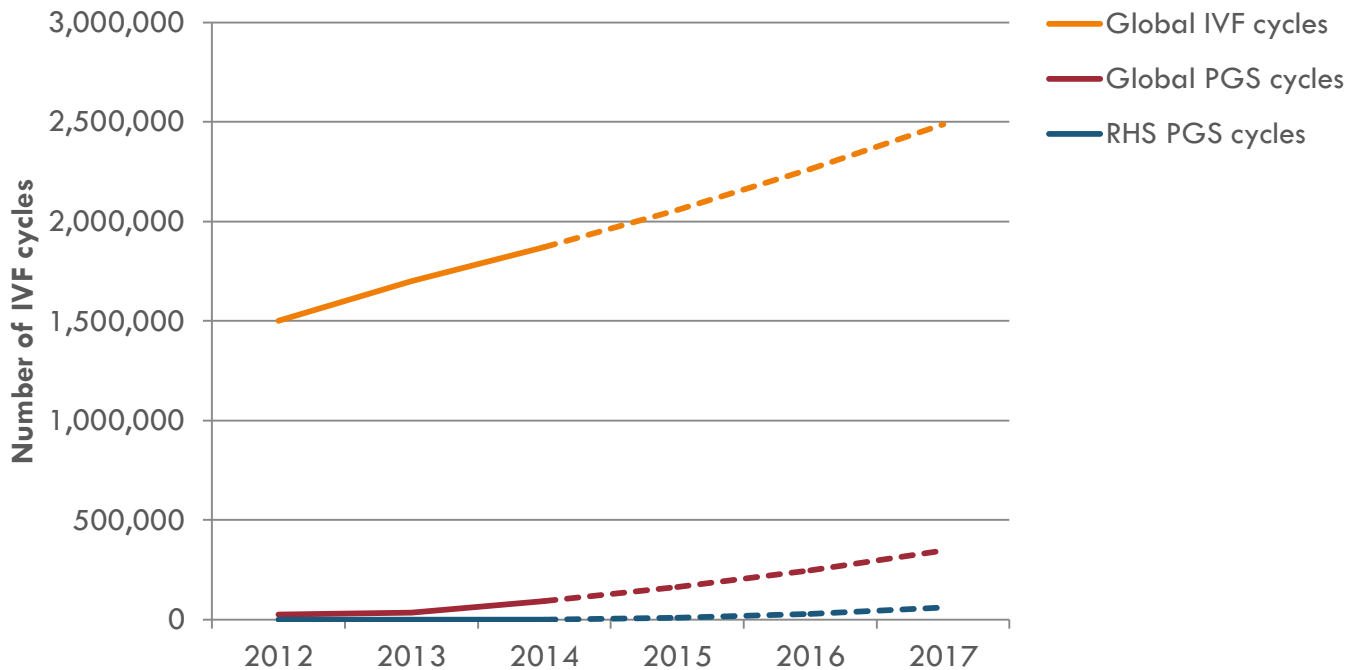
IVF – a clear need for better efficiency

- Over 80% of IVF cycles fail
 - Main cause is using embryos with the wrong number of chromosomes (aneuploidy)
 - Emotional trauma
 - Significant financial cost to patients and Government



- Pre-implantation Genetic Screening (PGS) increases pregnancy rates by enabling the selection of healthy (chromosomally normal) embryos

IVF and PGS market forecasts



The IVF market is growing at approximately 10% per annum. An estimated 2% of global IVF cycles use PGS, which equates to 136,000 tests per annum. The use of PGS is anticipated to grow, predominantly driven by recently published positive randomised controlled trial data

Factors driving increased PGS use

□ PGS

- Has been shown to improve pregnancy rates. This contributes to;
 - Reducing the time and number of IVF cycles to conception
 - Reducing miscarriage rates
 - Reducing multiple pregnancies by reducing/eliminating the clinical and patient preference for multiple embryo transfers in some territories
 - Reducing the number of unsuccessful frozen embryo transfers

Factors driving increased PGS use

The IVF market itself is growing, which generates significant untapped potential for PGS



These patients are lining up for fertility treatment at a Hospital in Beijing, China



The RHS products

What are they?

How do they work?

What is their potential?

Testing single cells



Start with a single cell

RHS PCR System

Polymerase Chain Reaction (PCR)

Generate lots of copies of the cell's DNA using PCR to create enough test material

RHS Microarray

Interrogate the cell to gain information on the entire entity

Compare the number of chromosomes in a test cell versus a known reference cell

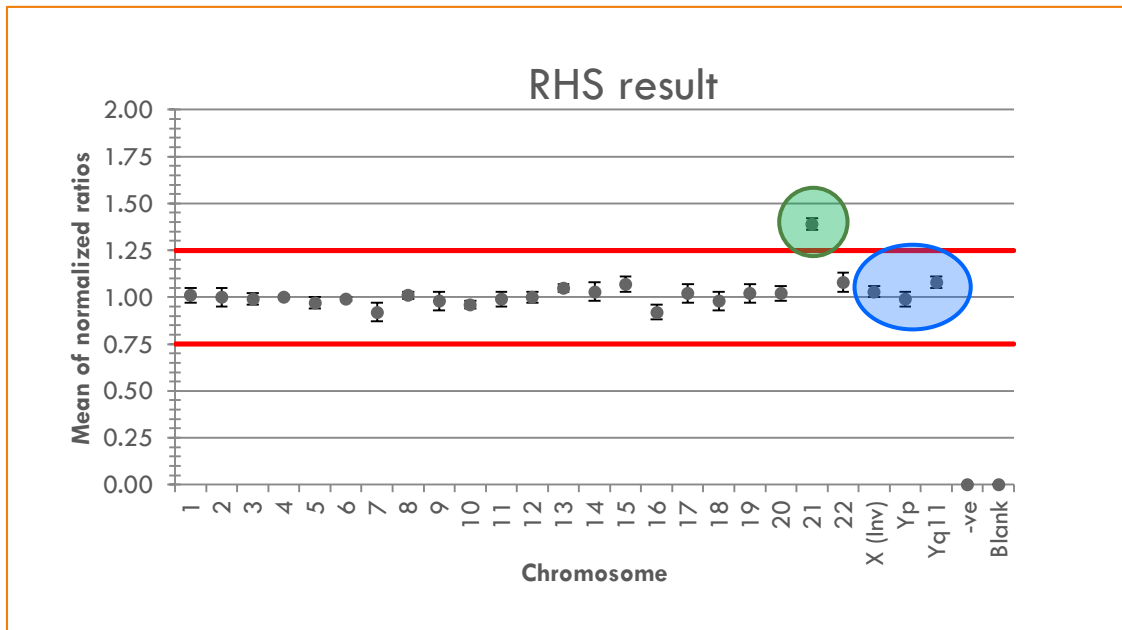
Kapa/RHS PCR System (DNA amplification)



- RHS has out-licensed its proprietary PCR know-how to Kapa BioSystems for commercialisation
- Co-branded product launches are anticipated in early 2014
 - Kits for whole genome amplification, fluorescent labelling and single cell sequencing

- Headquartered in Boston, MA, USA
 - Direct sales, marketing, and distribution in Boston (~20 FTEs)
 - R&D and manufacturing in Cape Town, South Africa (~50 FTEs)
- The founders invented breakthrough technologies and instrumentation used in the Human Genome Project and co-founded Agencourt Bioscience and Agencourt Personal Genomics
- Global network of 55+ life science distributors
- ISO 9001:2008 certified
- Profitable and >50% CAGR
- Company products have been mentioned in ~750 publications within the first 3.5 years of commercialisation

RHS microarray



RHS microarray results generated from a **single** blood lymphocyte isolated from a male with Down Syndrome (47,XY+21)

The RHS microarray is able to generate visually simple results requiring minimal interpretation and limited genetic counselling.

RHS is finalising product design and internal validation, both of which will be completed prior to the merger.

The RHS Microarray kit

- The end user product will comprise the Kapa BioSystems/RHS PCR and Labelling kit and the RHS microarray
 - Manufacturing scale-up of the RHS microarray is expected to be uncomplicated and relatively inexpensive
- Each kit will contain enough reagents to test 20 embryos and will be priced cost competitively
- Regulation
 - The kits are able to be sold as research use only products

Microarray intellectual property

- RHS has exclusively in-licensed a patent family from the University of Adelaide
- The patent has been granted in the United States of America, Australia, New Zealand and China
- The patent is in late stage examination in Europe, Canada and Hong Kong

Key competitors in single cell analysis

Technology	Company
DNA amplification	Rubicon, Sigma, Qiagen
Microarrays	BlueGnome, Agilent, Natera
Sequencing	LifeTechnologies, Illumina
Non-invasive approaches	Embyroscope, metabolomics

In September 2012, BlueGnome was acquired by Illumina for USD \$95.5m including USD \$88m in initial cash payments

RHS and Kapa BioSystems/RHS products will compete in the DNA amplification, microarray and sequencing markets

RHS competitive advantages

- RHS offers an easy to use integrated test
 - including proprietary PCR and microarray products
 - generating a simple chromosome number analysis needing minimal clinical interpretation
- The microarray does not require complicated algorithms to analyse or interpret the data
- Early product entry into the sequencing market is enabled through the license with Kapa BioSystems

Timetable

(Indicative only)

- NOM despatched 31 Dec
- Prospectus lodged 24 Jan
- EGM 31 Jan
- ASX trading halt 31 Jan
- Close Prospectus 17 Feb
- Re list on ASX 3 Mar

Forward looking statements

Any forward looking statements in this presentation have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations and beliefs about future events are subject to risk, uncertainties and other factors, many of which are outside AO Energy Limited's control.

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