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12 February 2013

Company Announcements
ASX Limited
Electronic Lodgement

REINSTATEMENT, GENERAL UPDATE AND RIGHTS ISSUE

HIGHLIGHTS

- AO Energy Ltd (“**AOM**” or the “**Company**”) announces the reinstatement of the trading of its securities on the ASX with effect from today’s date
 - Provided below is a general update on the Company’s activities
 - Also announced today is a 1 for 2 non-renounceable rights issue at a price of 6c per share.
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Reinstatement of trading

AOM advises that trading in its securities will be reinstated from today’s date.

The Company held an Extraordinary General Meeting (“**EGM**”) on 14 November 2012 to address a number of corporate and governance issues, including resolutions to support the conversion of the Company’s business focus to that of an oil and gas company. Trading in the shares of the Company was suspended at that time.

As announced on 20 December 2012, AOM determined not to pursue the acquisition of oil-field interests in Kazakhstan which were the subject of specific approvals at the EGM. Other oil and gas ventures in the Asia-Pacific region are still being investigated.

Contemporaneously, the Company is still managing its mineral exploration assets in Australia.

In the interests of liquidity and to facilitate the rights issue outlined below, the Company has sought the approval of ASX to reinstate trading in its securities, which has been granted.

General update

AOM’s long term traditional business of minerals exploration is ongoing. The Company’s main asset in this area is a 40% non-operated stake in the Connors Arch Joint Venture, which holds exploration tenements in Queensland that are prospective for copper and gold.

Activity at Connors Arch is ramping up, with the Joint Venture parties conducting negotiations with external parties over their potential injection of new ideas, expertise and capital into the asset via the usual industry form of a farm-in

arrangement. Further disclosure of these currently confidential negotiations will be made when commercially appropriate and legally required.

The Company's other minerals exploration asset is a tenement in New South Wales with precious metals prospectivity, which is currently held on a 100% basis. This is a less material asset than Connors Arch and AOM is currently determining whether a farm-out is feasible or if the potential rewards of a standalone exploration program warrants the relevant risks.

Given the considerable resources industry expertise of the current Directors of AOM has been largely in the oil and gas industry, investigations into potential petroleum ventures in the Asia-Pacific region remain on foot. It is noted that should the Company's investigation into potential petroleum ventures progress to a point where agreement is needed on term of an acquisition, that transaction will constitute a change in the nature and scale of company's activities and, as such, it is most likely that ASX will require the Company's shareholder to approve the transaction and for the Company to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

Managing the Company's existing assets, plus the normal working capital demands of a listed ASX company and investigating new ventures, requires further equity capital and, accordingly, a rights issue has been announced today.

Rights Issue

AOM advises that it will undertake a 1 for 2 non-renounceable pro-rata rights issue ("**Rights Issue**") at \$0.06 per share ("**Offer Price**") to raise up to approximately \$1.7m before costs.

The Offer Price represents a substantial 70% discount to the Company's 5 day VWAP and the last traded price prior to trading in the Company's shares being suspended from 14 November 2012. The large discount reflects the termination of the Kazakh deal as noted above.

New Shares issued under the Rights Issue will rank equally with all ordinary shares currently on issue. Under the Rights Issue, AOM will issue up to a maximum of 29,054,889 new shares, resulting in a total of up to 87,164,667 fully paid ordinary shares on issue. If current option holders were to exercise their options, the total number of new shares issued under the Rights Issue would be 30,796,307.

Key dates of the Rights Issue are set out in the timetable set out below. Shareholders with registered addresses in Australia and New Zealand prior to the record date for the will be invited to participate in the Rights Issue which will open on 25 February 2013 and close 5:00pm (Adelaide time) on 12 March 2013.

The net funds raised from the Rights Issue will be used to meet general working capital and administration expenses as well as expenses related to the Company's existing mineral exploration interests and the continued investigation of new opportunities for the Company.

Eligible shareholders will be shortly sent a prospectus in connection with the Rights Issue on or around 25 February 2013. All other announcements made can also be downloaded from the AOM website www.aoenergy.com.au or ASX website www.asx.com.au

Timetable for Rights Issue

Event	Date
Prospectus lodged with ASIC	12 February 2013
Notice of Rights Issue sent to Shareholders	14 February 2013
“Ex” date for Rights Issue	15 February 2013
Record Date to determine entitlements to participate in the Rights Issue	21 February 2013
Despatch of Prospectus to Eligible Shareholders	25 February 2013
Closing Date for acceptances under the Rights Issue	12 March 2013
Allotment of New Shares (Settlement Date)	13 March 2013
Notification to ASX of under subscriptions	14 March 2013
Expected date for despatch of holding statements	18 March 2013
Trading of New Shares expected to commence on ASX	19 March 2013

These dates are subject to change and are indicative only. AOM reserves the rights to amend this timetable including, subject to the Corporations Act and Listing Rules, to extend the Closing Date.

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