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31 January 2013

Company Announcements
ASX Ltd
Electronic Lodgement

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

Introduction

AO Energy Ltd (AOM" or the "Company") is an ASX-listed company with minerals exploration assets in Australia and who has also been investigating oil and gas exploration and production ventures.

General Meeting

The Company held a General Meeting on 14 November 2012. The Meeting dealt with various resolutions associated with the change of business of the Company and other corporate matters. All resolutions were overwhelmingly approved.

Amongst other things, shareholders approved a change of name to AO Energy Limited and a 1 for 67 consolidation of capital - that was then implemented during the quarter.

Capital Raisings

During the quarter, the Company undertook a placement to 3 Directors (Messrs Goodall, Young and Jebamoney) of 100M shares at a price of 0.16 cents per share (pre-consolidation). Total funds raised (before costs) were \$160k.

Shareholder approval was given to make another placement to raise up to \$20M. This was primarily intended to fund the acquisition and development of the Kazakhstan ventures noted below and as such will now not occur.

Share suspension

Trading in the Company's shares was suspended from the date of the General Meeting. This suspension remains in place as at the date of this Quarterly Report.

The Company is currently working with the ASX over the reinstatement of trading of its shares and expects to make an announcement about this shortly.



Kazakhstan

During the quarter the Company devoted considerable efforts and expenditure (including payment of an option fee of US\$0.5M, undertaking due diligence, engaging local contractors, etc) over the potential acquisition of two Operated 80% working interests in two oil-fields in Kazakhstan.

In late December, given various issues such as market concerns over sovereign risk, the Board of AOM determined not to take this opportunity forward. It has since terminated its business activities in that country.

Other oil and gas ventures

The Company is pursuing a number of other oil and gas ventures in the Asia-Pacific region.

Minerals Interests

The Company has minerals rights interests in Queensland (the Connors Arch Joint Venture) and in New South Wales (EL 6269). Discussions are currently under way over a farm-out of the Connors Arch Joint Venture.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

AO Energy Limited

ABN

84 010 126 708

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(770)	(1,031)
(b) development	-	-
(c) production	-	-
(d) administration	(570)	(808)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Refund of exploration bond deposit	-	80
	(1,335)	(1,751)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	(14)
(b) equity investments	-	-
(c) other fixed assets	(12)	(12)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(6)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(12)	(32)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(1,347)	(1,783)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,347)	(1,783)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	160	1,677
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Share issue expenses	(37)	(145)
	Net financing cash flows	123	1,532
	Net increase (decrease) in cash held	(1,224)	(251)
1.20	Cash at beginning of quarter/year to date	1,480	507
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	256	256

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	210
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, superannuation and consulting fees paid to entities associated with Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	120

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	256	1,480
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	256	1,480

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL6269	Reduction in tenement from 9 units to 4 units	100%	100%
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	58,109,778	58,109,778		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,000,000 3,893,291,438 (consolidation)	100,000,000 3,893,291,438 (consolidation)	0.16 cents Not applicable	0.16 cents Not applicable
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	641,791 1,791,046	- -	<i>Exercise price</i> 201 cents 20.1 cents	<i>Expiry date</i> 31 December 2013 20 September 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	150,000,000 45,000,000 (pre-consolidation)	- -	0.3 cents 0.3 cents	8 December 2013 8 December 2013
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
Secretary

Date: 31 January 2013

Print name: Jaroslaw (Jarek) Kopias

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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