

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

AO Energy Limited

ABN

84 010 126 708

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1. Ordinary Shares
2. Unlisted Director Options
3. Unlisted Director Performance Rights

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. Up to a maximum of 29,054,889 ordinary shares
2. 29,050,000 unlisted director options
3. 3,600,000 unlisted director performance rights

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<ol style="list-style-type: none"> 1. Fully paid ordinary shares 2. Unlisted director options <ol style="list-style-type: none"> a. 1,050,000 unlisted options with exercise price of 22.5 cents and expiry of 11 February 2016. b. 9,500,000 unlisted options with exercise price of 22.5 cents, expiry of 11 February 2016 and Tranche 2 vesting condition as per 2012 EGM. c. 18,500,000 unlisted options with exercise price of 30 cents, expiry of 11 February 2017 and Tranche 3 vesting condition as per 2012 EGM. 3. Unlisted director performance rights <ol style="list-style-type: none"> a. 1,800,000 unlisted performance rights with Class A vesting condition as per 2012 EGM. b. 1,800,000 unlisted performance rights with Class B vesting condition as per 2012 EGM.
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<ol style="list-style-type: none"> 1. Yes 2. No – unlisted options 3. No – unlisted performance rights
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. 6 cents per share 2. Nil consideration – unlisted options 3. Nil consideration – unlisted performance rights

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ol style="list-style-type: none"> 1. To meet general working capital expenses and the continued investigation of new opportunities for the Company 2. Director remuneration 3. Director remuneration
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	1,791,046 unlisted options
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<ol style="list-style-type: none"> 1. Not applicable 2. 29,050,000 unlisted director options 3. 3,600,000 unlisted director performance rights
6f	Number of securities issued under an exception in rule 7.2	Not applicable
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not applicable

6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable									
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 6,925,421 Rule 7.1A – Not applicable									
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	<ol style="list-style-type: none"> 1. 13 March 2013 2. 11 February 2013 3. 11 February 2013 									
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="703 831 999 869">Number</th> <th data-bbox="999 831 1299 869">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 869 999 920">58,109,778</td> <td data-bbox="999 869 1299 920">Ordinary Fully Paid Shares</td> </tr> <tr> <td data-bbox="703 920 999 972">29,054,889</td> <td data-bbox="999 920 1299 972">Shares to be issued under rights issue</td> </tr> <tr> <td data-bbox="703 972 999 1023">87,164,667</td> <td data-bbox="999 972 1299 1023">Total</td> </tr> </tbody> </table>	Number	+Class	58,109,778	Ordinary Fully Paid Shares	29,054,889	Shares to be issued under rights issue	87,164,667	Total	
Number	+Class										
58,109,778	Ordinary Fully Paid Shares										
29,054,889	Shares to be issued under rights issue										
87,164,667	Total										

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Unlisted options	
	641,791	Exercise price of 201 cents. Expiry 31 December 2013.
	1,791,046	Exercise price 20.1 cents. Expiry 20 September 2016.
	1,050,000	Exercise price 22.5 cents. Expiry 11 February 2016.
	9,500,000	Exercise price 22.5 cents. Expiry 11 February 2016. Tranche 2 vesting condition.
	18,500,000	Exercise price 30 cents. Expiry 11 February 2017. Tranche 3 vesting condition.
	31,482,837	Total unlisted options
	Unlisted performance rights	
	1,800,000	Class A vesting condition.
1,800,000	Class B vesting condition.	
3,600,000	Total unlisted performance rights	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	As per all other securities
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Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 for 2
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	21 February 2013
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Rounded up
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Only security holders in Australia and New Zealand may participate
19	Closing date for receipt of acceptances or renunciations	12 March 2013
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable

+ See chapter 19 for defined terms.

25	If the issue is contingent on +security holders' approval, the date of the meeting	No
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	25 February 2013
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	18 March 2013

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

Not applicable

39 Class of +securities for which quotation is sought

Not applicable

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

Not applicable

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Not applicable	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

.....Date: 13 February 2013

Company secretary

Print name: Jaroslaw (Jarek) Kopias

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	33,970,720
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	+ 22,646,521 pro-rata issue + 1,492,537 2012 EGM approval
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	58,109,778

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	8,716,467
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,791,046 unlisted options
“C”	1,716,046
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	8,716,467
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	1,716,046
Total [“A” x 0.15] – “C”	6,925,421 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	Not applicable
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	Not applicable
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Not applicable
“E”	Not applicable

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	Not applicable
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Not applicable
Total [“A” x 0.10] – “E”	Not applicable <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.