



# ALEATOR ENERGY

— LIMITED —

**ASX / Media Release:**

27 March 2013

## **ALEATOR SIGNS BINDING TERM SHEET FOR US\$20m FUNDING**

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- **Aleator secures commitment of US\$20m funding for Povorotnoye**
  - **Company Expected to resume trading on the ASX in April**
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The Directors of Aleator Energy Limited ("**Aleator**" or "**the Company**") are very pleased to announce that the Company has signed a binding term sheet with financier, Gres Holdings Ltd ("*The Facilitator*") on 26 March 2013 for a funding amount of US\$20m dollars. Under the agreement the Facilitator will provide a cash backed Bank Guarantee from a "AA rated" major bank to secure the loan funds to a subsidiary of the Company. The funds will be used to drill the much anticipated Pov 105 well in the highly prospective Povorotnoye gas and condensate field in Crimea, Ukraine. The Company will also allocate part of the funds for the provision of a pipeline and plant to process and deliver anticipated gas and condensate when the well is completed and prepared for production. This is a non-dilutionary funding instrument and therefore a good outcome for existing shareholders.

The material terms of the loan are as follows:

- A loan amount of US\$20 million;
- The loan is secured against the Subsidiary controlling the Povorotnoye project;
- A loan term of 5 years from the draw date, with the first draw down planned for April 2013;
- The funds are to be drawn in tranches of \$10 million;
- Conditions precedent including:
  - Due Diligence by Gres on Aleator to be completed by 29 March 2013 or as otherwise agreed, noting that this condition is largely satisfied as of the date of this Term Sheet;
  - All Finance and security documentation executed and registered as necessary;
  - The Povorotnoye Licence and Joint Activity Agreement remain in good standing and full force prior as at the date of draw down;
  - Aleator group to have net available cash of at least \$1,500,000 at the date of the first draw down; and,
  - Aleator to have paid all expenses and legal fees prior to the first draw down.
- An arrangement fee of 10% is payable contemporaneously upon each draw down;
- The funds are to be repaid over five years out of production revenues at an effective interest rate of 5%.

Gres Holding Ltd is an international finance company of more than 50 finance, banking and legal consultants with substantial experience in providing structured finance solutions. Gres advises that since 2008 it has arranged funding of over four billion dollars for projects in the petrochemical, food manufacturing, pharmaceutical, construction and property sectors in Egypt, United Arab Emirates, Kuwait, Cyprus and Saudi Arabia.

Final Agreements are currently being prepared and are planned to be signed in April with the funds available approximately 20 days later. Aleator advises that it has requested the ASX to maintain its existing trading suspension until such time as the Company has been able to satisfy the conditions precedent to the loan including the net cash position. The Company considers that reinstatement of its shares prior to completion of the conditions precedent would materially prejudice the Company's ability to satisfy the net cash position and complete the loan, thereby risking the financial viability of the Company. Aleator plans to resume trading on the ASX as soon as its concerns regarding its financial viability are resolved, which is expected to be in April.

Meanwhile, the Company has used the time taken to arrange funding to consolidate infrastructure in Ukraine such as warehouse and administrative facilities in readiness for the drilling of the Pov-105 well. Construction of the access road, drill pad, and cellar has been completed and work has also continued in taking delivery into Aleator's warehouse of long lead items such as drill pipe, well casing, well heads, chemicals and other critical hardware. Aleator has already invested over \$7m into the Povorotnoye project, including procurements, geological analysis, well engineering and general infrastructure. The Directors are very pleased with the state of preparatory work and note that the extra time has had the benefit of bridging Ukraine's harsh winter and major holiday season, and should now allow a seamless window to complete the well after spud.

Ends.

***For further information please contact:***

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***Technical information contained in this announcement was approved by Wal Muir, who has had more than 33 years experience in the practice of petroleum exploration. Wal Muir consents to the inclusion in this announcement of the information in the form and context in which it appears.***

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**ABOUT ALEATOR ENERGY**

*Aleator Energy Limited is an active explorer for oil and gas with international operations based in Ukraine and the United States. The Company also retains mineral royalties in Australia.*

***The Povorotnoye Gas and Condensate Field*** in the Autonomous Region of Crimea, Ukraine, is part of the very attractive East European oil and gas rich sector. The project is located in the prolific "Foredeep" sector of the Azov Kuban Basin which straddles the highly productive gas and oil fields of the most western oil region in Russia and the eastern Crimean peninsula. OGIP (mean) of 132 BCF is currently calculated for the field.

***The Golden Eagle Gas Field*** in Grand County Utah, USA, is located in the northern part of the Paradox Basin and contains a look-alike structure to the nearby Lisbon oil and gas field which has produced over 50 million of barrels of oil and 750BCF of gas. Golden Eagle has an estimated (P50) Discovered Gas Initially in Place (GIIP), of over 80 Billion Cubic Feet.

***Johnston Range Iron Ore Royalties:*** The Company has an agreement with Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") with respect to its previously owned Johnston Range Iron Ore tenements in the Yilgarn region of Western Australia. Cliffs will pay Aleator a gross royalty of 2% on the iron ore sales from the tenements as well as a 2% gross royalty on the sale of all other minerals. It is expected that mining will commence in 2013.