



ASX / Media Release:

9 December 2013

COMPANY UPDATE

- **€5m loan not drawn**
 - **Company working with GRES to reduce the size of the first tranche and increase the total funding to US\$24 million**
 - **Discussions continue with other parties interested in providing funding**
-

The Directors of Aleator Energy Limited (“Aleator” or “the Company”) (ASX: AWD) wish to provide an update on the funding activities of the Company since it entered a trading halt on 15th November.

€5m Euro Loan

The Company announced on 30th October that it had borrowed \$500,000 to enable the pre-payment of interest on the €5 million loan facility announced on 2nd October 2013. The proceeds of the €5 million loan facility were planned to be used as follows:

- allow Aleator to repay the AU\$500,000 loan;
- contract the Ukrburservis drilling rig and move to spud the POV 105 well; and,
- and again satisfy the cash on hand condition precedent for the Gres Holdings US\$20 million loan facility (“Gres Facility”).

Aleator has not completed the draw down of the Euro Loan and believe that it is unlikely to complete the loan due to changes in the settlement process requested by the Lender, which the Company is unable to accept following legal advice.

Gres Facility increased to US\$24m

The Company has maintained a positive dialogue with Gres and following the problems with the draw down of the €5m Euro Loan, and has been working constructively together towards reducing the first tranche funding amount and the requisite size of the cash on hand condition precedent. The Company believes that there is an opportunity to proceed with the Gres facility on this basis, and is currently working with the management of Gres to confirm the timing and process to bring this to completion.

The first tranche currently under discussion is for US\$4 million, which once drawn, would allow Aleator to progress to draw two further tranches of US\$10 million each.

Other Funding Discussions

Aleator has also been in ongoing discussions with a number of other parties that have demonstrated interest in funding the Povorotnoye project. These discussions are being progressed as rapidly as possible and vary from direct project finance to a hybrid of equity and project finance. Should these discussions result in a funding outcome, the Company will maintain the option of drawing on the Gres facility.

To date, the Company has received a non-binding Letter of Intent from one of these parties, which has formed the basis of our current negotiations. The Company is working to conclude these negotiations and enter binding agreement as rapidly as possible.

The Company anticipates that the completion of a major funding outcome is near term and looks forward to updating the market prior to Christmas. However, until such time as there is certainty about one of the funding commitments outlined above the Company does not intend to seek reinstatement to trading on the ASX.

Ends.

For further information please contact:

Mr Wal Muir
CEO - Aleator Energy Ltd
Email: wal@aleatorenergy.com.au
Mobile : 0413 052 327

Mr Mark Rowbottam
Exec. Director - Aleator Energy Ltd
Email: mark@aleatorenergy.com.au
Mobile : +61 8 9385 0700

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.

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.

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.