



**ASX / Media Release:**

27 May 2013

## **DRAWDOWN PROCESS FOR \$20M LOAN COMMENCED**

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- **Formal agreements signed for loan and security facility**
  - **All conditions precedent for \$20m loan completed**
  - **Loan drawdown process commenced**
  - **Drill rig update**
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Aleator Energy Limited (“Aleator” or “the Company”) (ASX: AWD) is pleased to advise that the finance and security agreements between the Company’s subsidiary and Gres Holding Limited (“Gres”) have been signed, thereby completing the final condition precedent for the loan facility. The commercial terms of the facility as announced on March 27, 2013 include:

- A total loan facility of US\$20 million in two US\$10 million tranches to be used for the Povorotnoye gas and condensate project;
- Secured against the subsidiary holding the Company’s interest in the project;
- An effective interest rate of 5% per annum;
- A term of 5 years; and,
- Repayable by annual instalments commencing 12 months from the first draw down.

The Company has provided Gres with notice to draw down the first tranche of US\$10 million and this process is underway. Gres has informed Aleator that the process to provide the first cash backed bank guarantee to the Company is approximately 15 days. Once in place, the Company can draw funds against it for the Povorotnoye project. Funds from the first draw down will allow Aleator to secure one of the available drilling rigs, commence mobilisation and acquire the outstanding items required to drill the Pov 105 well.

In anticipation of receiving the funds Aleator has advanced discussions with drill rig providers and key suppliers of equipment not yet purchased. Suitable drill rigs are available and the Company believes that it can rapidly contract a drill rig following the first tranche of debt funds becoming available to the Company. This would position the Company for a Q3, 2013 spud timeframe of the appraisal/development Pov 105 well. The anticipated drilling time of the well is 55-70 days.

The POV 105 well is designed to twin the initial discovery well POV-1, which flowed at a stabilised rate of 5.1 mmcf/gpd. POV-105 will be engineered and electric logged to investigate and test the primary objective - the known deep gas reservoirs. The well will also investigate the secondary objectives – the 700m of gas shows at about 3,000m depth, as well as the shallow oil prospectivity which has been recognised on the well logs from the existing wells.

Current Ukraine gas prices stand between US\$11- 12 per mcf. Gas which is produced can be tied into local infrastructure with a relatively short connecting pipeline, with nearby processing facilities having ample spare capacity.

With the funding agreement secured, the Directors of Aleator Energy endorse the comment made by the Company's Chairman in the annual report. *"...we can look forward with a highly optimistic view of operational outcomes in the year ahead, particularly with the production potential of the Povorotnoye project in a high gas price environment, crystallising shareholder value with prospective substantial revenue..."*

Ends.

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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.