



ALEATOR ENERGY

— LIMITED —

Corporate Presentation

July 2013

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Aleator Energy Limited (ASX:AWD)



Listed on Australian Securities Exchange
ASX Code: AWD



Oil and Gas Exploration and Production company focussed on the development of the Povorotnoye Gas Field in energy rich Ukraine



The Povorotnoye Gas Field is a discovered and appraised gas field that has never been produced



Developing the gas field in partnership with the Ukraine Government under a Joint Activities Agreement with a well due to spud in Q3 2013



Clear strategy to build a mid sized Exploration and Production Company with a portfolio of assets focussed on Ukraine



Potential to unlock value from non core assets within the Company's portfolio



Strong Australian and Ukrainian Management Team and local partners

Corporate Snapshot

Capital Structure

- Shares on Issue: 1,677 million
- Last Share Price: AUD \$0.006
- Market Cap: AUD10.0million
- Listed Options¹: 1,319 million
- Last Placement Price: AUD \$0.011

1. Exercise price of \$0.02 on or before 31st January 2015

Major Shareholders

- Top 50: 42.0%
- Board and Mgt: 5.5%



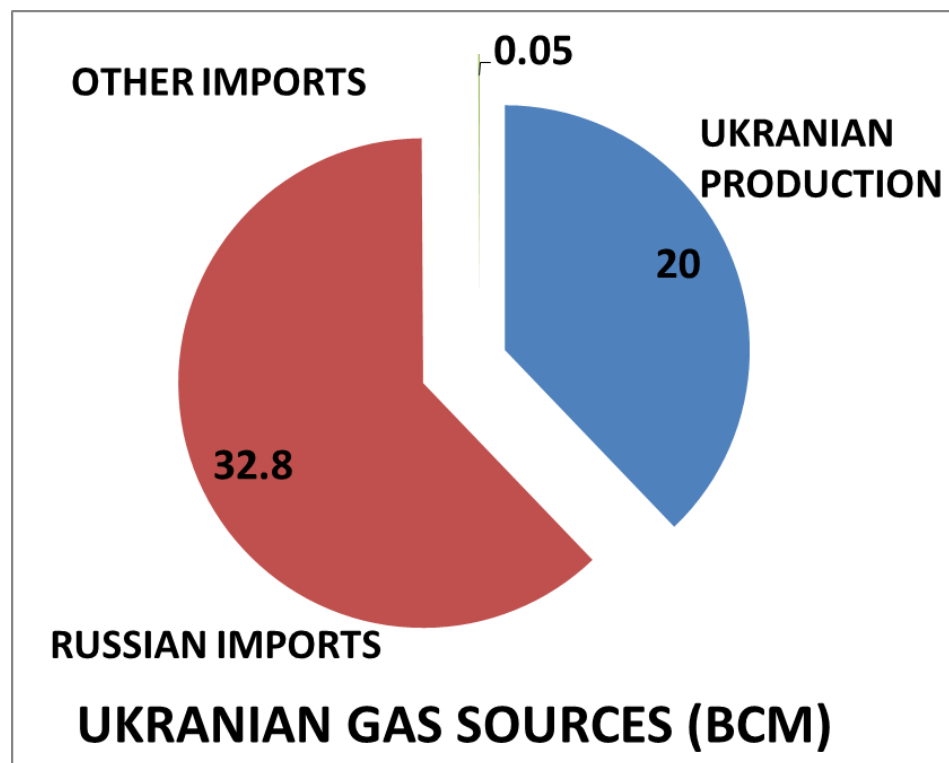
Povorotnoye Project Highlights

- Discovered, undeveloped, large onshore gas field that is close to infrastructure which provides access to high energy demand markets with stable high gas prices.
 - Proven by 7 historic wells, 2 with significant gas flow of 5mmcf/d and 17mmcf/d*
 - Independently estimated resource of 100bcf to 370bcf GIP
 - Represents substantial potential value at current gas prices (>US11/mcf)
 - Favourable fiscal regime with >45% margin for gas production
 - Plan to drill appraisal well, Pov-105, on track for 2013 spud
 - Using Western equipment and services, 55-70 day drill time estimated
 - Large additional resource potential identified in shallow oil zone from historic logs as well as large non-conventional shale / tight gas
 - Experienced Australian and Ukrainian operating team
 - Strong local partner

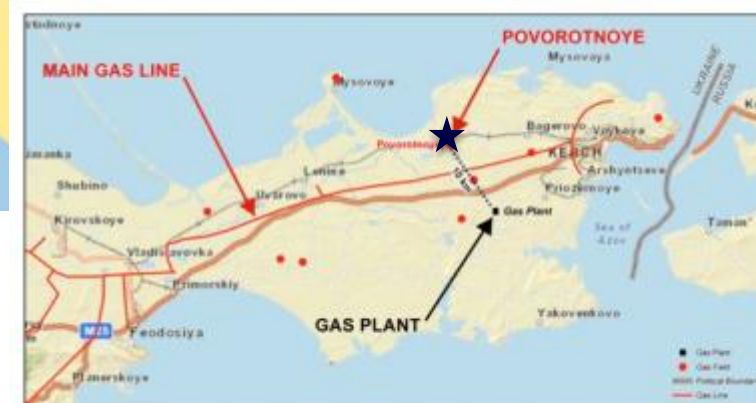
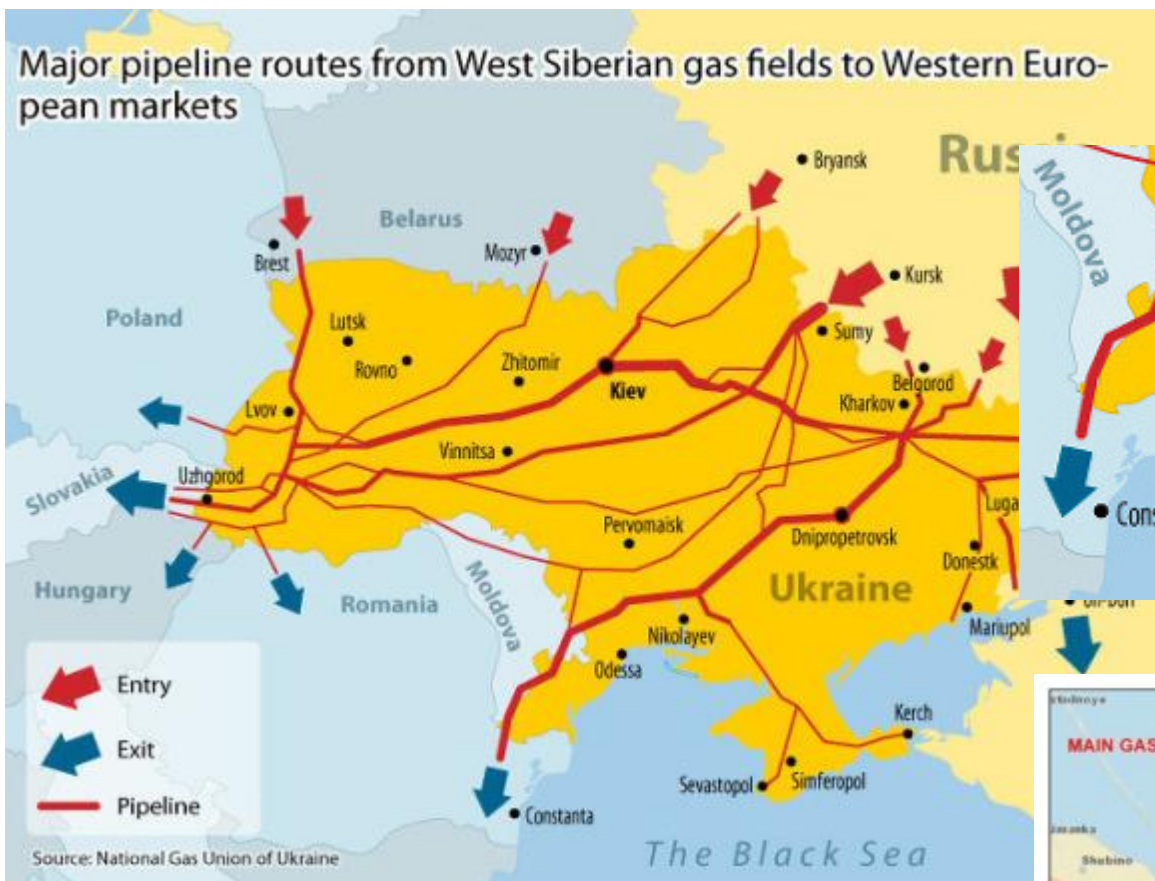
*estimated before blow out due to high pressure

Ukraine - Energy Market Overview

- Ukraine is the second largest country in Europe by area and has a population of over 46 million
- Lowest energy efficiency in Europe
- Over 60% (37.1bcm) of gas consumption is subsidized
- Multiple opportunities with already discovered resources
- Open, ready, large market
- Imports 62% from Russia
- Import price USD426/m³
(USD12.06/mcf)
- Access to infrastructure
- High gas price



Povorotnoye – Market Access

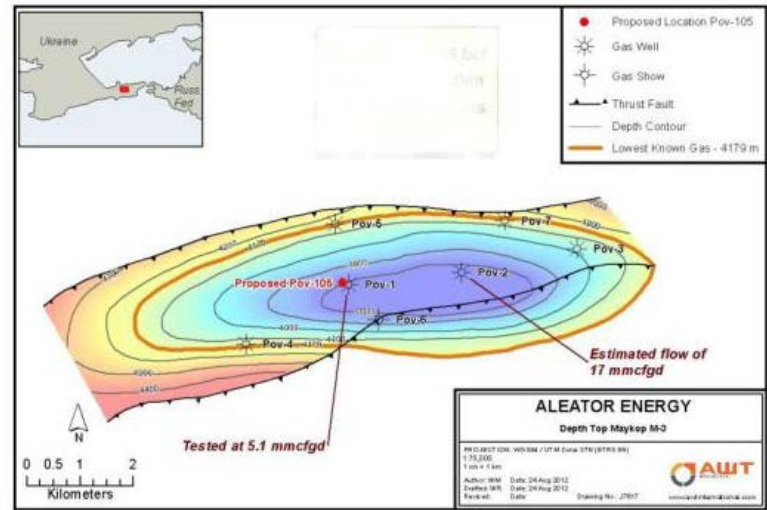
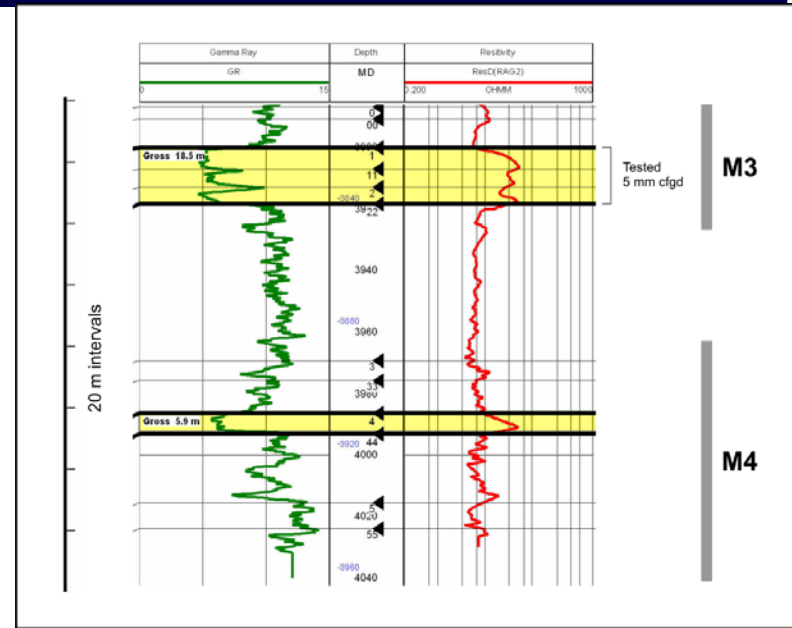


Ukraine is an energy hub with infrastructure access to Europe

Povorotnoye is located 5km from a main gas pipeline and 10km from an underutilised gas plant offering rapid access to market

Povorotnoye - Historical Work

- Discovered in 1980s
- Conventional Gas in M-3 and M-4 Sands
- Multiple hydrocarbon zones
- 20m to 50m sandstones
- Seven wells drilled:
 - Pov-1 tested 5.1mmcf/d gas and liquids
 - Pov-2 tested 17mmcf/d of gas
- Wells never brought into production
- Nearby gas plant and gas network access



Povorotnoye – Resource Report

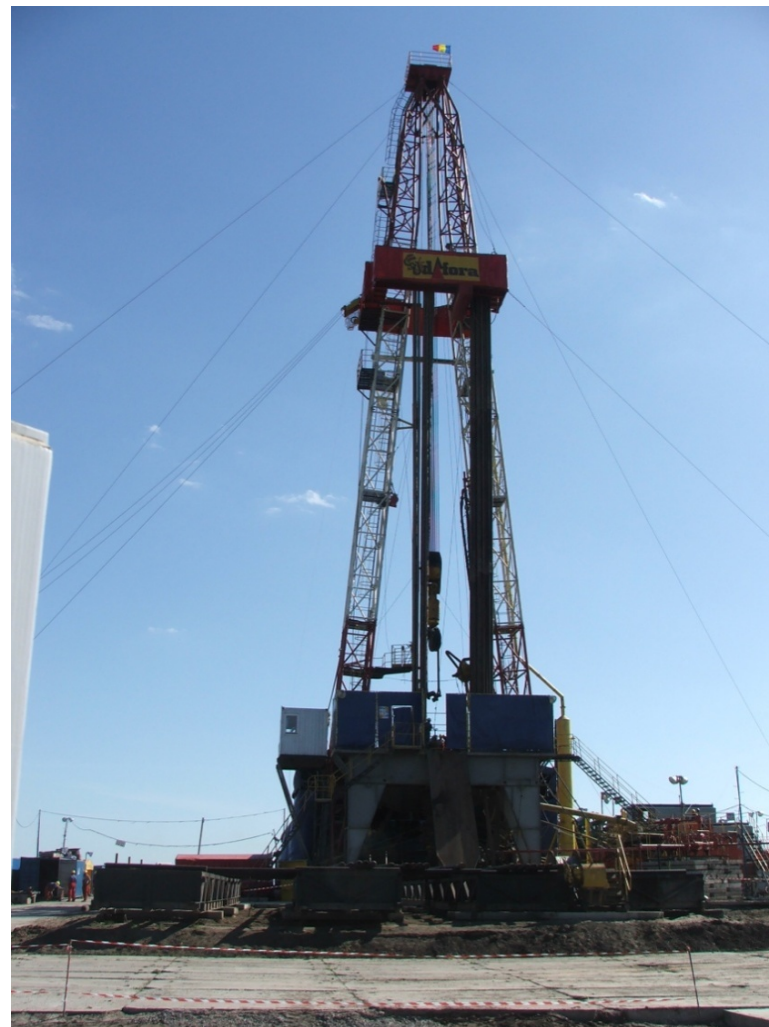
- P50/Most Likely Estimates for GIP range from 100bcf to 370bcf
- The gas was tested with condensate at ~3.8 barrels/mcf
- The range of estimates is wide due to the requirement for further mapping and drilling on the field
- Once the well is drilled and successfully tested, it is planned that a 3D seismic survey be acquired in 2013
- The 3D seismic along with the well results will enable the resource and reserve to be better estimated

Povorotnoye – Drilling Program

Primary play

- M-3 & M-4 Sands – Gas and condensate
- 20-50 m of reservoir
- Historical testing 5-17mmcf/d

Plan to spud 2013



Povorotnoye – Secondary Plays

Shallow Oil

- Shallow Oil – leaking from Pov-2
- Indications on logs from the wells, with shows evident – never tested
- Reverse circulated some oil from perforations at depths of 712m to 722m and 766m to 775m
- Oil is produced from the equivalent section in nearby fields

Secondary play – Shale Gas

- 700m of good shows in Pov-2 in silty shales
- Backed up by strong log response over the same section in the well
- Will drill through and log this section on the way down to the deeper conventional gas

Key Suppliers/Service Providers



Foreign Energy Producers

- Various Foreign Independent Energy producers operating in Ukraine with success.
 - Majors – Royal Dutch Shell, British Petroleum, Exxon and Chevron
 - Australian – Hawkley Oil and Gas, Aleator Energy
 - UK – Cadagon Petroleum, Regal Petroleum, JKX, CBM Oil, Kulczuk Oil Ventures
 - Canadian – CUB, Transeuro, Vanco

Project Timetable & Budget

	Q3,2013	Q4,2013	Q1,2014	Q2,2014	Q3,2014	Q4,2014
Povorotnoye	Drill and Test Pov105	Drill and Test Pov105, 3D Seismic	Gas Plant	Gas Plant Production	Drill Gas Production Wells	Drill Oil Exploration Wells
Licence 2	Grant, G&G	3D Seismic			Drill & Test	
Licence 3		Grant	G&G		Seismic	

■ Povorotnoye 2013 Work Program, Budget

USD\$ millions

- Drill Well Pov 105 \$14.0
- Seismic \$ 3.0 (contingent on successful well)
- Tie in Costs \$ 1.5 (contingent on successful well)
- Total 2013 \$ 18.5

■ Corporate Overhead Budget

- AUD1.8 million per annum

Business Plan

- Drill Pov-105, test, complete (2013)
- Apply for Production Sharing Agreement (Q4 2013)
- Acquire 3D seismic over the entire block (Q4 2013, Q1 2014)
- Design and build gas plant, start production (Q1 2014 ++)
- Continue to develop field, increasing production (2014, 2015)
- Evaluate shallow oil and shale gas prospectivity (2014)
- Acquire shallow oil block, evaluate (2013, 2014 ++)
- Acquire further exploration block (2013, 14)

- **Develop a portfolio of production, development locations and exploration upside**

Finance Requirements

- Funds required to complete the first development well
 - USD 14 million to drill, test and complete
- To be funded by a combination of equity and debt finance
 - Debt Finance of US\$20 million – **Contract Signed, Bank Accounts Prepared**
 - Placement of \$3 million -- **Completed**
 - Project finance for full field development is planned using GRES Holdings to provide the funds. Discussions with other potential sources underway.
- Seeking a Partner for the entire project
 - Technical Strength
 - Financial Strength
 - Lower the Risk Profile in subsequent blocks
- High Cash Flows Expected

Summary

Compelling investment opportunity to participate in the commercialisation of a discovered, undeveloped, large onshore gas field that is close to infrastructure that provides access to high energy demand markets with stable high gas prices.

- Near-term drilling providing significant leverage from a success case
- Nearby gas plant (excess capacity) reduces commercialisation risk
- Gas price currently >US\$11/mcf, net ~\$5/mcf to Aleator
- Upside potential from shallow oil and shale gas
- Success case would see gas/condensate on stream in 2014
- Many opportunities for further projects in the same area
- Strong Board and Management
- Strong in-country relations assisting Aleator identify and secure additional similar projects

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