

ASX Announcement

24 July 2013



Change to Energia's Substantial Shareholders

The Company notes the large volume of trading in its shares which occurred on the ASX late yesterday (being some 29,050,005 shares traded).

The Company has made enquiries since becoming aware of the large trading volume and understands that its substantial shareholder, Carbon Energy Ltd (Carbon Energy), has disposed of its entire shareholding of 29,000,005 shares. The Company expects to receive statutory notification from Carbon Energy Ltd that they have ceased to be a substantial shareholder in due course. The Company is pleased that this significant overhang has been dealt with in an orderly manner.

As at the date of this announcement, Energia has not received formal written confirmation of the identity of the buyers of those shares nor the intentions of those buyers in respect of Energia.

The Company notes that in its Target's Statement dated 24 May 2013 in response to an unsolicited, conditional takeover offer made by Cauldron Energy Limited (ASX: CXU) ("Cauldron Offer") it referred to the fact that its three largest Shareholders and Directors, holding 51.97% of the issued share capital, had notified the Company in writing that based on the information currently available they did not intend to accept the Cauldron Offer at its current price of 1 share in Cauldron for every 8 shares held in Energia and on its current terms.

As Carbon Energy was one of those substantial shareholders, on completion of the sale of those shares that percentage reduces to 35.52% of the issued share capital.

As the Cauldron Offer remains subject to a 90% minimum acceptance condition, the Cauldron Offer remains incapable of succeeding unless that condition is waived or the Cauldron Offer is amended and the intentions of those remaining persons change (although the Company notes that certain references in its Target's Statement that Cauldron is unable to obtain control of Energia may be incorrect if the new buyer or buyers do not provide a similar written notification.)

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Board of Directors

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Kim Robinson
Managing Director
Max Cozijn
Non Executive Director
Ian Walker
Non-Executive Director
Bryn Jones
Non-Executive Director
Company Secretary
Jamie Armes
CFO and Company Secretary



The Directors reiterate their unanimous recommendation that Energia Shareholders should **REJECT** the Cauldron Offer and **TAKE NO ACTION** in relation to all documents sent to them by Cauldron.

For the reasons set out in the Target's Statement, the Directors re-emphasise their view that the Cauldron offer undervalues Energia, as supported by the Independent Expert who has valued Energia shares at between \$0.09 and \$0.26, with a preferred value of \$0.18.

The Company will keep the market updated as to any material development in these matters.

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