



Level 23, 525 Collins Street, Melbourne VIC 3000

**SINO EXCEL ENERGY LIMITED
ASX ANNOUNCEMENT**

30 August 2013

ASX CODE : SLE

SINO EXCEL ENTERS HEADS OF AGREEMENT TO ACQUIRE PRECIOUS AREA INVESTMENT LIMITED AND SILVER MIND INVESTMENT LIMITED

Sino Excel Energy Limited (ASX: SLE) (**Sino Excel**) has previously advised its shareholders, including in its announcement dated 2 August 2013, that it was considering and exploring a number of new opportunities as part of its strategy to diversify the company's business away from coal.

Sino Excel is pleased to announce that it has entered into a heads of agreement (**Agreement**) with the shareholders (**Shareholders**) of Precious Area Investment Limited and Silver Mind Investment Limited (collectively, the **Targets**), under which Sino Excel will acquire a 100% interest in each of the Targets.

The Targets are currently proposing to acquire certain assets, potentially including producing vineyards located in Australia.

In accordance with the terms of the Agreement, the parties will enter into negotiations in relation to executing an agreement to effect the proposed transaction (**Proposed Transaction**).

Under the Proposed Transaction, Sino Excel will acquire all of the issued shares in the Targets. On the satisfaction of the relevant conditions, the Shareholders will receive fully paid ordinary shares in Sino Excel, representing approximately 68% of the fully diluted share capital of the company. Conditions to the Proposed Transaction includes the completion of the acquisition, by the Targets, of assets valued at no less than an agreed amount, and the satisfaction and receipt of all necessary legal and regulatory approvals.

As part of the Proposed Transaction, it is intended that a capital raising will be undertaken by Sino Excel, including for the purpose of satisfying the listing requirements of the ASX. Because the Proposed Transaction represents a new business activity for Sino Excel, upon completion of due diligence, a prospectus will be circulated and an extraordinary general meeting held to approve the relevant resolutions required to implement the various aspects of the Proposed Transaction. This is likely to include a resolution to approve a consolidation of the shares on issue in Sino Excel.

Sino Excel believes that a change in activities is in the best interests of shareholders. The Agreement comes after careful and extended consideration by the company of a number of opportunities.

Decisions in relation to Sino Excel's existing assets and the composition of the board and management is expected to be determined in the agreement to effect the Proposed Transaction.

In light of the above Proposed Transaction, the company has determined that it is inappropriate to finalise and lodge its Appendix 4D half year report. Accordingly, the company will go into suspension as of Monday 2 September 2013.

Sino Excel will continue to inform the market of material developments as matters progress.

A handwritten signature in black ink, consisting of several overlapping loops followed by a short horizontal stroke.

Executive Director
Dr Charlie In