



ASX / Media Release:

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ALEATOR'S ASSESSMENT OF THE GOLDEN EAGLE GAS FIELD IDENTIFIES RETENTION OF PROSPECTIVE SIGNIFICANCE

- **Golden Eagle Assessment**
 - **Operational Review Completed**
 - **Significant Play for Gas & Liquids Remains Untested**
 - **Golden Eagle Current Status**
 - **Forward Planning**
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On 14 March 2014 in its Half Yearly Report and since, Aleator Energy Limited ("Aleator" or "the Company") (ASX: AWD), had indicated that it was conducting an assessment of geological data and past operations to determine the ongoing prospectivity of USA project Golden Eagle Gas Field (Golden Eagle) and how this may best be translated into increasing shareholder value.

This assessment has now been completed and whilst the current Directors have not assessed the validity of the assertions made in the Company's Prospectus lodged with the ASX on 04 January 2006 (original prospectus), they are nevertheless very pleased to advise that past operations on the Golden Eagle do not appear to have disproved assertions as to the field's original prospectivity, as described in that document.

After his examination of the findings of the assessment, the Company's CEO Wal Muir observes:

"...the discovery of significant gas zones over hundreds of feet, attest to the existence of hydrocarbon charge and seal. All wells intersected hydrocarbons and flowed gas, however due to limited seismic and mechanical issues with the wells, the Leadville Formation was not tested and the Paradox Formation is only completed down dip of the crest of the formation on the edge of that target structure."

Assessment Summary

As an overview on the assessment, the Company notes:

- The Golden Eagle Permit is 25,903 acres (22,219 Net) in area and surrounded by significant producing fields including the look-alike Lisbon field to the south (50MMbbls and 750 BCF from the Leadville reservoir);

- A previous 2D seismic program conducted in 2002 by Eclipse (farm-in partner) was restricted to the northwest of the prospect because of unresolved issues with a local environmental group, in relation to the initiation of new tracks by the seismic contractor;
- The resulting seismic coverage in the south-eastern half of the permit is very sparse and the nearest seismic line (line 99X) to the inferred mapped structure is relatively old and provided less than adequate control to define well locations or for drilling new wells;
- When the Company acquired its interest in the permit in 2005, it unitized the leases and was then compelled to drill wells on a specified timeframe by Unit Agreement work obligations. The first well was required to spud within six months of unitization and subsequent wells were required to be drilled within six months of completion of the previous well. Failure to meet drilling obligations would have resulted in termination of the Unit and expiry of leases;
- The drilling obligation timeframes did not allow time to acquire additional seismic and the then limited available seismic lines resulting in wells being located off structure with restricted drilling control, causing mechanical issues and other adverse outcomes which may have been otherwise mitigated by good seismic coverage;
- The first two wells in 2006 and 2009 were drilled to meet the farm-in terms, with principal targets being gas and liquids in the Leadville Formation, which was not tested in Paradox Basin #1 because of mechanical issues and was not reached in Paradox Basin #2. The third well in 2010 was drilled with a focus on the Ismay Formation in an attempt to establish production as a paying well, which if successful would have provided a further 5 year extension of the unit, which was due to expire at the end of 2010. After initial testing, further completion of this well was suspended at the time to concentrate on securing Unit and lease tenure;
- In spite of the issues as described above, the Paradox #1 and Paradox #3 produced an average gas flow rate over a 36 hour test period of 1.15 MMscfpd and 0.92 MMscfpd respectively and were both granted the status of producing wells (Yates Decision) to hold individual leases to the Unit by production;

Assessment Conclusion

The Golden Eagle assessment reveals that the significant primary play of the Leadville Formation, which lies within the Mississippian closure, mapped at approximately 20 square kilometres with an estimated 300 meters of vertical closure, remains untested and prospective for oil, gas and condensate. Further, the Paradox closure, mapped at approximately 14 square kilometres with an estimated 300 meters of vertical closure is also prospective for oil, gas and condensate and is only completed down dip of the crest of the formation on the edge of that target structure. This conclusion, although some further analysis of the geology is required, demonstrates that past operations on the Golden Eagle have resulted in no true test of the play potential, it is considered that the prospect remains essentially untested and still presents as a legitimate prospect for exploration with substantial upside potential.

Current Status of the Golden Eagle

Over the past two years, the Company has put in significant effort to re-unitize the Golden Eagle, secure tenure of the leases and negotiate concessions with the Bureau of Land Management (BLM) and various other stakeholders.

Very positive results were achieved and the Golden Eagle is presented as follows:

- Unit Tenure until December 2017, with implied lease tenure until December 2019;
- Approval to side-track Paradox Basin #2 to the Leadville Formation in accordance with the Unit Agreement;
- Recognition of the production capability of two of the wells and approval to use it to hold leases to the Unit by production;
- Paradox Basin #1 and Paradox Basin #3 produced an average gas flow rate over a 36 hour test period of 1.15 MMscfpd and 0.92 MMscfpd respectively whilst still retaining significant fracture fluids, which indicates a significant upside in flowrate;
- Only 16ft of 116ft of net pay has been tested in Paradox Basin #3 with many promising zones yet to be evaluated;
- Well results with hundreds of feet of good gas shows attest to hydrocarbon charge and seal;
- Previously published Independent Resource Assessments have significant volumetric upside in stacked reservoirs, with considerable potential to increase the mapped Prospective Resource pool sizes at the deeper Leadville Formation ;
- The two significant inferred primary hydrocarbon plays remain essentially untested;
- Seismic line YC 6 shows a reverse-faulted thrust structure at depth in Mississippian-aged Leadville sediments and overlying Pennsylvanian sediments overlap and drape over this feature, presenting as a look-alike structure to the Lisbon field nearby to the south (50MMbbls and 750 BCF from the Leadville Formation reservoir);
- Indefinite suspension, awaiting approval of permits, which may be lifted on withdrawal of permit applications and re-routing the pipeline right of way (ROW) access;
- Seismic acquisition may be conducted whilst Federal leases are under suspension;
- A 26" gas mains pipeline with spare capacity passes across the north west of the Unit;
- The Permit overlies entirely state and federal lands with no private ownership or native title issues;
- All wells have wellheads installed and the two production capable wells have production tubing installed;

Although some further analysis of the geology will need to be conducted, the directors are convinced that the Golden Eagle still presents as a legitimate prospect for exploration with substantial upside potential.

Forward Plans

In order to make informed decisions on how to best translate the findings of the assessment into increasing shareholder value, the Company will need to conduct a comprehensive seismic program over the inferred mapped structures which contain the perceived primary hydrocarbon plays. This would certainly be required before locating or drilling any further wells. It is considered that in any event a seismic program would clarify the prospectivity of Golden Eagle for robust farm-in interest.

The Company has already engaged with geophysical firms in the US to propose a seismic plan and provide cost estimations.

Options are also being investigated to determine what is required to remove remaining frac fluid and to complete Paradox Basin #1 and #3 to bring them into production, now that gas prices in the US have more than doubled over the past year.

As the Company further defines its forward plan for Golden Eagle, the shareholders will be updated.

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
Non Exec. Director - Aleator Energy Ltd
Email: mark@aleatorenergy.com.au
Mobile : 0411 886 084

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 Crimea and the United States. The Company also retains mineral royalties in Australia.

The Povorotnoye Gas and Condensate Field in the Autonomous Region of Crimea, 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.