

**ASX Announcement**

**Date: 27 August 2012**



**ALEATOR ENERGY**  
— LIMITED —

**Aleator Energy Limited**  
**ABN**

Unit 18, 40 Quentin Avenue  
Claremont, WA 6010

Postal: PO Box 216,  
Claremont, WA 6910  
Australia

Telephone: +61 8 9385 0700  
Fax: +61 8 9385 4400

**Directors:**

John Armstrong  
Lew Cross  
Mark Rowbottom  
Anthony Kain

**Contact:**

Wal Muir  
Chief Executive Officer  
wal@aleatorenergy.com.au  
+61 (0)413 052 327

**Website:**

www.aleatorenergy.com.au

**ASX Code: AWD**

## **Significant Resource Upgrade and Drilling Rig Secured**

- **Povorotnoye Gas Field Prospective Resource increased significantly to 256 bcf GIP (P50)**
- **Drilling rig secured; and available for drilling in September 2012**
- **Commercial production could commence mid-2013 if the initial well is successful**

### **Resource Upgrade to 256 bcf GIP**

Aleator Energy (ASX: AWD, the "Company") is pleased to announce a significant increase in Resources in the Povorotnoye Gas Field (the "Field"), located in the Crimea, Ukraine. The Company has a 61.2% beneficial interest in the Field, which is estimated to cover 20 square kilometres (5,000 acres).

Geological and Engineering consultant AWT International ("AWT") has independently estimated a P50 gas in place (GIP) resource of 256 bcf in three gas reservoirs in the Field: M-3 (Upper and Lower) and M-4.

This is a very significant increase in Resources from the earlier estimated GIP of 61 bcf in the Company's ASX release of 6<sup>th</sup> February 2012.

### **Drilling Rig Secured**

The Company has also secured an option on a drilling rig which will be available to begin drilling a well on the Field in September 2012.

CEO of Aleator Energy, Mr Wal Muir, said, "These are two very important developments for Aleator Energy. The increased potential GIP validates our investment in this Project and highlights the significant upside it could have for the Company and our shareholders.

"With the drilling rig secured, we are able to commence drilling in September, and as such, results of the well should be known by the end of the year.

"A successful well will represent an important revenue stream and value uplift for the Company. This is particularly the case with Ukraine gas prices averaging over US\$10 per mcf over the past 12 months and currently priced between US\$11-12 per mcf."

If the initial well is successful, commercial production from the field could commence in mid-2013. A gas plant with spare capacity and connections to a nearby gas main line is located 10km from the Field.

**Reservoir Drilling Results**

Aleator Energy contracted AWT to review the technical reservoir and test data for seven, previously drilled but never developed, wells in the field to estimate the potential GIP and the possible initial well production rate.

One of the historical wells (No. 1) in the Povorotnoye Gas Field flowed gas at the maximum rate of 7 mmcfcpd with some condensate through a 20/64" choke with a shut-in surface pressure of 5,100 psi. The stabilised flow was 5.1 mmcfcpd. The gas is from the M-3 sandstone reservoir (gross thickness 18m) at a depth of 3,900m where the formation pressure is 11,000 psi.

A nearby well in the field (No. 2, located 2km from the No. 1 well) had a gas flow estimated to be 17 mmcfcpd, probably from the same M-3 reservoir. The reservoir has a gross thickness of up to 50m.

Calculations of well productivity suggest that an initial gas production rate could easily exceed 20 mmcfcpd per well at a Flowing Wellhead Pressure of 4000 psi. This would equate to a revenue flow of \$4 million per month to Aleator.

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**For further information, please contact:**

Wal Muir

Chief Executive Officer

wal@aleatorenergy.com.au

+61 (0)413 052 327

**Glossary:**

Bcf:	billion cubic feet
GIP:	Gas in Place
m:	metres
mcf:	thousand cubic feet
mmcfcpd:	million cubic feet of gas per day
psi:	pounds per square inch

