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## **ASX ANNOUNCEMENT**

25 September 2012

### **Advance Completes Celiastad Acquisition**

#### **Completion of Celiastad Acquisition**

Advance Energy Ltd is pleased to inform the market that it has now completed the acquisition of Celiastad Pty Ltd and is accelerating its plans to develop the newly acquired Ortynytska Project in Ukraine.

In accordance with the binding Heads of Agreement, Advance has instructed its share registry to issue 500,000,000 shares to the vendors of Celiastad. An Appendix 3B and s708A Notice is attached to this announcement.

#### **Issue of Shares in lieu of Convertible Note Interest**

The Company also advises that it intends to exercise its option to pay interest payable to noteholders for the quarter ending 30 September 2012 by the issue of shares. Accordingly, registered noteholders on 2 October 2012 (Record Date) will be issued with shares at a price equal to 80% of the volume weighted average price of the shares sold on ASX during the 5 trading days before the Record Date.

The most recent share sale price was \$0.006 (0.6 cents). In the the 5 day VWAP before the Interest Payment Date was \$0.006, the company would satisfy the \$158,543.13 of interest payable by the issue of 33,029,871 shares.

The following table summarises the entitlement of noteholders to the interest payable for the quarter.

'Ex' Date	26 September 2012
Record Date	2 October 2012
Issue Date	10 October 2012

An Appendix 3B will be released when the shares are issued.

#### **FOR FURTHER INFORMATION CONTACT**

Mr Anthony Short (Managing Director)  
Telephone: 08 9429 2900  
Facsimile: 08 9486 1011

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

**ADVANCE ENERGY LIMITED**

ABN

62 111 823 762

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 500,000,000                |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

4	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Yes						
5	Issue price or consideration	Deemed issue price of \$0.005 per share						
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Consideration securities for the acquisition of Celiastad Pty Ltd						
7	Dates of entering <sup>+</sup> securities into uncertificated holdings or despatch of certificates	25/09/2012						
8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td>(a) 911,192,886</td> <td>(a) FPO</td> </tr> <tr> <td>(b) 6,675,500</td> <td>(b) Convertible Notes</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	(a) 911,192,886	(a) FPO	(b) 6,675,500	(b) Convertible Notes
Number	<sup>+</sup> Class							
(a) 911,192,886	(a) FPO							
(b) 6,675,500	(b) Convertible Notes							

<sup>+</sup> See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	9	CPS
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change	

**Part 2 - Bonus issue or pro rata issue**

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19 Closing date for receipt of acceptances or renunciations	

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+ See chapter 19 for defined terms.

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20	Names of any underwriters	<input type="text"/>
21	Amount of any underwriting fee or commission	<input type="text"/>
22	Names of any brokers to the issue	<input type="text"/>
23	Fee or commission payable to the broker to the issue	<input type="text"/>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	<input type="text"/>
25	If the issue is contingent on +security holders' approval, the date of the meeting	<input type="text"/>
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	<input type="text"/>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<input type="text"/>
28	Date rights trading will begin (if applicable)	<input type="text"/>
29	Date rights trading will end (if applicable)	<input type="text"/>
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	<input type="text"/>
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<input type="text"/>

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+ See chapter 19 for defined terms.

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

Additional securities forming a new class of securities N/A

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

41 Reason for request for quotation  
now

Example: In the case of restricted securities,  
end of restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

### Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

(~~Director~~/Company secretary)

Date: 25 September 2012

Print name: A Jobling

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+ See chapter 19 for defined terms.

**Notice under Section 708A (5) ( E)  
Of the corporations Act 2011 (Cth)**

Issuer: Advance Energy Ltd

Details of the issue or offer of securities

Class of Securities	Ordinary Shares
ASX Code of Securities	AVD
Date of the issue or expected issue of the securities	25 September 2012
Total number of the securities issued or expected to be issued	500,000,000

**Notice:**

1. Advance Energy Ltd gives ASX (as the relevant market operator) notice relating to the issue of securities identified above;
2. This notice is given under paragraph 5( c) of Section 708A of *the Corporations Act 2011 (Cth)* (**Corporations Act**);
3. Advance Energy Ltd issued the securities identified above without disclosure to the investors under part 6D.2 of *the Corporations Act 2011 (Cth)*;
4. As at the date of this notice, Advance Energy Ltd has complied with;
  - a. The provisions of Chapter 2M of *the Corporations Act 2011 (Cth)* as they apply to it; and
  - b. Section 674 of *the Corporations Act 2011 (Cth)*
5. There is no excluded information (as defined in section 708A(6)( e) of *the Corporations Act (Cth)*) as at the date of this notice

Signed for and on behalf of the issuer:

Alistair Jobling  
Company Secretary