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ASX ANNOUNCEMENT

12 December 2012

Option Entitlement Offer – Revised Entitlement and Timetable

Further to the announcement by Advance Energy Ltd (Advance or Company) on Monday 10th December that the Company would be undertaking a 1 for 3 non-renounceable issue of options together with an option placement, the Board has consulted its advisors and has resolved not to proceed with the option placement and to increase the entitlement of the rights issue to a 1 for 1 basis.

The offer price and terms of the options to be offered are the same as those announced in the Company's previous announcement, namely an issue price of $0.001 per option and an exercise price of $0.005 on or before 31 December 2014.

The revised entitlement offer will give all shareholders an equal opportunity to participate in the offer of options and will enable the Company to raise the funds without the delay and cost associated with obtaining shareholder approval.

The offer will not be underwritten and the shortfall will be placed with the assistance of Energy Capital Partners.

The Company currently has 1,022,915,843 shares issued will therefore offer up to 1,022,915,843 options under the Entitlement Offer.

The Company expects to lodge a Prospectus for the Entitlement Offer with ASIC and ASX by close of business on Thursday 13th December 2012. A timetable for the offer based on this expectation is shown on the following page.

Resignation and Appointment of Director

Mr Alistair Jobling has been appointed, effective immediately, as a Non-Executive Director of the Company, following the resignation of Mr Gordon Sklenka.

The Company would like to take this opportunity to thank Mr Sklenka for his commitment and service to the Company during his tenure.

FOR FURTHER INFORMATION CONTACT

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Mr Tom Young (Lead Manager)
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Timetable for Entitlement Offer of Options

Appendix 3B given to ASX	12 December 2010
Lodgement of Prospectus with ASIC and provision of copies to ASX	13 December 2012
Company sends letter to Shareholders containing information required by Appendix 3B	14 December 2012
Existing Shares quoted on an "ex" basis	18 December 2012
Record date for determining entitlements	24 December 2012
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	27 December 2012
Announce to ASX that Prospectus has been sent to Eligible Shareholders	27 December 2012
Closing Date	14 January 2013
Listed Options quoted on a deferred settlement basis	15 January 2013
Notify ASX of under-subscriptions	16 January 2013
Anticipated date for allotment and issue of the Listed Options	17 January 2013
Anticipated date for despatch of holder statements (and last day for the Company to confirm to ASX all information required by Appendix 3B)	18 January 2013
Anticipated date of commencement of Listed Options trading	21 January 2013