



Level 23, 525 Collins Street, Melbourne, VIC 3000

**SINO EXCEL ENERGY LIMITED
ASX ANNOUNCEMENT**

2 August 2013

ASX CODE : SLE

UPDATE: COMPANY CONSIDERING NEW OPPORTUNITIES AND PLACEMENT

Company considering new opportunities

As Sino Excel Energy Limited (ASX: SLE) has previously advised its shareholders, the market conditions in the coal trading industry worldwide has been difficult, and this extremely challenging recent period has seen coal prices dropping by up to 50% in many countries. China was particularly hard hit and the company's subsidiary Sinox suffered huge reductions in trading volumes in order to avoid large accounts receivables and unprofitable sales orders.

The company provides this update to the market in relation to its strategy to maximise shareholders' value, which it has previously announced, including on 1 October 2012.

Sino Excel has been examining a number of opportunities and acquisition targets in a range of sectors, including the agricultural sector and without limitation, potential investments in operational vineyards. This strategy is consistent with the company's goal of diversifying the company's business away from coal by expanding or materially substituting the company's current business. The company will continue to assess these opportunities, and where warranted, undertake adequate due diligence and will make an appropriate announcement to the market in due course.

In light of these opportunities and developments, Sino Excel has ceased discussions with Primary Food Company Pty Ltd (PFC) in relation to the potential investment which was originally announced in March 2013 and the Victorian-based resource company which was referred to in Sino Excel's 2012 annual report. Sino-Excel's existing investment in PFC (arising from the converting loan arrangements previously announced to the market) is expected to remain as a passive investment.

Placement

Sino Excel is pleased to announce that the company has agreed to a A\$500,000 private placement of 12,500,000 fully paid ordinary shares in the capital of the company at an issue price of \$0.04 per share (**Placement Shares**). Following the completion of this private placement, the company's current share capital will be comprised of 179,503,002 fully paid ordinary shares, with a market capitalisation of A\$7,180,120 based on the issue price.

The Placement Shares:

- will be issued to Precious Area Investment Limited, Registration No. 1909426, a company incorporated in Hong Kong under the Companies Ordinance. Funds raised under this private placement will be used for the purpose of potential future investment(s) by the company as noted above;
- represent 6.96% of the post-placement issued share capital of the company; and
- will result in the existing shareholders of the company being diluted to 93.04% of the post-placement issued share capital of the company.

Precious Area Investment Limited, Registration No. 1909426 does not presently hold any shares in the capital of Sino Excel. Completion of the issue of the Placement Shares is expected to occur not later than 16 August 2013.

The company notes that the issue price under the private placement is substantially higher than the current trading price of the company's shares. The directors believe that this demonstrates Precious Area Investment Limited's confidence in the company and the opportunities and potential investments which the company is currently examining.

The placement will be made pursuant to Sino Excel's placement capacity under ASX Listing Rule 7.1 and shareholder approval will not be sought. The Placement Shares will have the same rights as the other fully paid ordinary shares currently on issue.

Attached is the company's Appendix 3B in respect of the placement.



Executive Director
Dr Charlie In