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31 January 2014

ASX Limited
Company Announcements
Electronic Lodgement

QUARTERLY ACTIVITIES FOR THE PERIOD ENDED 31ST DECEMBER 2013

AO Energy Ltd (“AOM” or the “Company”) is an ASX listed company.

Following the restructure of the board on 31 July 2013 the Company announced on the 22nd November 2013 the appointment of Mr David Brookes as a non-executive director of the Company and the resignation of Mr David McAuliffe. Mr Brookes was appointed to assist in the ongoing search for investment opportunities, especially in the biotechnology sector.

On the 26th November 2013 the Company announced the signing of an agreement with the shareholders of Reproductive Health Science Pty Ltd (“RHS”) to acquire 100% of the issued capital of RHS. The consideration involves the issue of 200,000,000 AOM ordinary shares (subject to ASX and other regulatory approval).

Over half of all In-vitro fertilisation (“IVF”) embryos have the wrong number of chromosomes, a statistic that increases dramatically in women over 35 years of age. Selecting embryos that have the correct number of chromosomes significantly improves the success of IVF cycles. RHS is an Adelaide based biotechnology company that has developed a unique test to count the number of chromosomes inside a single cell from an embryo. The RHS test has been specifically tailored and developed to offer an integrated, easy to use and interpret, price competitive product to its target market. Final in-house validation of the test is nearing completion and the performance characteristics will be published in the lead up to clinical marketing of the completed product. During 2014, RHS will launch its product globally.

Additional information on RHS and the transaction can be found as part of the ASX announcements made on the 26th November and 2nd December 2013.

The transaction includes the appointment of two new directors, being Johnathon Matthews (non-executive director) and the inaugural chief executive officer of RHS, Dr Michelle Fraser (managing director). RHS founder and current director Professor Colin Matthews will be appointed as an alternate director to Mr Matthews.

In addition, newly appointed AOM director Dr David Brookes has agreed to take on the role of independent Chairman post-transaction completion. Dr Brookes brings with him a wealth of experience in publicly listed biotechnology companies, particularly those in a high growth phase, and is currently also a director of Atcor Medical Holdings Ltd.

AOM proposes to undergo a capital consolidation after the acquisition of RHS and then raise additional capital of at least \$2.4m. Taylor Collison Ltd has been appointed as lead manager.

Following a change in name to RHS a process will begin to prudently divest its exploration interests. There were no field activities on the Company's exploration projects at Connors Arch Joint Venture (AOM 40%) and Kiawarra (AOM 100%) during the reporting period.

DUE DILIGENCE COMPLETED

The Company is pleased to announce that it has now completed all due diligence investigations in accordance with the sale and purchase agreement between AO Energy Ltd (AOM) and the shareholders of Reproductive Health and Science Pty Ltd (RHS) and is able to proceed to a general meeting of the shareholders to approve the transaction.

AOM has made application to Australian Securities Exchange (ASX) for determinations on the relevant transaction approvals which will be required for the acquisition of RHS. The significant change to the nature and scale of the Company's main business activity arising from the RHS acquisition will require re-compliance with ASX's admission requirements in chapters 1 and 2, including the lodgement of a prospectus with the Australian Securities and Investments Commission (ASIC) to facilitate, amongst other matters, the capital raising referred to above.

A new timetable for re-compliance with the admission requirements is set out in the following table:

Event	Date
Despatch Notice of Meeting	5 February 2014
Lodge Prospectus with ASIC and ASX	6 March 2014
General Meeting	13 March 2014
Suspension of trading in the Company's securities	13 March 2014
Offer under Prospectus opens	14 March 2014
Offer under Prospectus closes	28 March 2014
Completion of RHS acquisition and issue of shares under the Prospectus	4 April 2014
Expected date for re-quotations of the Company's shares on ASX	24 April 2014

Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mr Graham Ascough, who is a director of the Company and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Ascough has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ascough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

AO ENERGY LTD

ABN

32 141 804 104

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3)	(415)
(b) development	-	-
(c) production	-	-
(d) administration	(156)	(642)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(157)	(1,055)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(3)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(3)
1.13 Total operating and investing cash flows (carried forward)	(157)	(1,058)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(157)	(1,058)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	697	1,393
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(23)	(45)
	Net financing cash flows	674	1,348
	Net increase (decrease) in cash held	517	290
1.20	Cash at beginning of quarter/year to date	29	256
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	546	546

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	37
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, wages and superannuation for the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	11
4.2 Development	-
4.3 Production	-
4.4 Administration	167
Total	178

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	29	5
5.2 Deposits at call	517	24
5.3 Bank overdraft	-	-
5.4 Other (Term Deposits)	-	-
Total: cash at end of quarter (item 1.22)	546	29

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

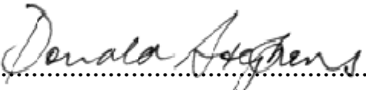
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	142,176,609	142,176,609	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	72,473,518	72,473,518	\$0.01	Fully Paid
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>Options</i>	1,791,046	-	<i>Exercise price</i> 20.1 Cents	<i>Expiry date</i> 20 September 2016
	1,050,000	-	22.5 Cents	11 February 2016
	9,500,000	-	22.5 Cents	11 February 2016
	18,500,000	-	30.0 Cents	11 February 2017
	1,800,000	-	N/A	30 June 2014
	1,800,000	-	N/A	30 June 2015
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.10	Expired during quarter	614,791	-	<i>201.0 Cents</i>	<i>31 December 2013</i>
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 31 January 2014
(Company Secretary)

Print name: DONALD STEPHENS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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ASX Additional Information

List of mining tenements

Tenement	Location	Unit / subblock ¹	Remarks
EPM 10006	Queensland	35	Mt Mackenzie JVAOM40%, SmartTrans Holdings Limited (SMA) 60%
EPM 12546	Queensland	8	Mt Mackenzie JV, AOM 40%, SMA 60%
EPM 17515	Queensland	39	Mt Mackenzie JV, AOM 40%, SMA 60%
EL 6269	New South Wales	19	AOM100%

¹ 1 Unit (NSW) = 1 sub-block (Qld) = 1'latitude x 1' longitude - approx.. 3 square kilometres