



ASX/Media announcement

29 May 2012

Jatenergy Taps Significant Potential to Mine Indonesian Thermal Coal

- **MOU signed for proven coal processing technology with leading Chinese company**
- **Ability to capitalise on new regulatory requirements for local value adding**

Energy company Jatenergy Ltd (ASX code JAT) announced today that it had executed a non-binding Memorandum of Understanding covering the key terms of a licence for a proven coal upgrading technology - Coal Plus.

The agreement has been signed with Chinese technology company Zhengzhou Zhongneng Metallurgy Co Ltd (ZZM), an associate of Jatenergy's largest shareholder, Mr Li Xipeng. The technology is currently used in three operating facilities with a combined throughput of 2.2 million tonnes per annum, in the Fugu County of Shaanxi Province, China. Two more facilities using the technology are under construction in Fugu and Yulin with a combined planned throughput of 8 million tonnes per annum.

The Coal Plus license would initially cover a coal-upgrade project in Indonesia, and is expected to be formally put in place during the next eight weeks, subject to final commercial and technical due diligence.

Jatenergy Executive Chairman Tony Crimmins said: "Coal Plus has the potential to unlock large, low grade coal assets that currently are uneconomic to mine. We can look at doing this now because of Indonesia's new export rules governing low grade ores and local processing. It is a great opportunity to leverage Jatenergy into potentially large projects through the use of proven technology, using our proven local staff and contacts." In regards to the current commercialisation of this technology, Tony Crimmins added, "I have visited sites in China where Coal Plus technology is being utilized. This technology is the real deal, and we are at a great advantage using our operational beach-head in Indonesia, the world's largest thermal coal exporter. This MOU is the first important step in the making of Jatenergy into a substantial company based upon our operational success to date and the potential this technology brings."

Coal Plus uses a standard pyrolysis technology, long used in coal processing around the world, coupled with a proprietary heat exchange technology that makes the process more efficient. The key outputs are electricity from gas production, coal tar for chemical feed-stocks and coal char potentially suitable as a semi-soft coking coal. A two million tonne-per-year plant is expected to have a capital cost of around US\$50m.



For further information:

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About Jatenergy:

Jatenergy is a diversified energy company operating in Australia and Asia. It owns the rights to four coal projects in Indonesia's Kalimantan coal region, as well as eight coal exploration permits and permit applications in Queensland's Bowen and Galilee basins. It also produces high quality crude jatropha oil from plantation operations in Central Java, Indonesia, for power production and the airline industry.

Recent ASX/Media Releases

21 May 2012

JATENERGY COMMENCES STRONG CASHFLOW GENERATION

Jatenergy released an investor update detailing its first quarter of positive cash flow for its Indonesian operations, and including updates on the progress of its coal, renewable crude oil and plant breeding intellectual property projects.

<http://clients.weblink.com.au/clients/jatoil/article.asp?asx=JAT&view=2679437>

3 May 2012

FRESH COAL SALES FROM JATENERGY'S JONGKANG MINES

Jatenergy has signed a contract for an 11,000 tonne coal sale due for shipment during the next week, coming after a 4000 tonne sale which was shipped earlier in April. Production is continuing according to plan from the company's two Jongkang mines in East Kalimantan, Indonesia.

<http://clients.weblink.com.au/clients/jatoil/article.asp?asx=JAT&view=2675472>

JATENERGY WINS APPROVAL FOR THIRD INDONESIAN COAL MINE

Jatenergy announced today that the Indonesian Government had granted a production licence for the development of the company's Atan Bara coal project in East Kalimantan.

<http://clients.weblink.com.au/clients/jatoil/article.asp?asx=JAT&view=2667097>