
JATENERGY LIMITED

ABN 31 122 826 242

NOTICE OF 2012 ANNUAL GENERAL MEETING

TIME: 10.00am (EST)

DATE: Friday, 30 November 2012

PLACE: c/- Grant Thornton, Level 17, 383 Kent Street, Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 9571 8300

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II. IMPORTANT INFORMATION

A. TIME AND PLACE OF MEETING AND HOW TO VOTE

The Annual General Meeting of the Shareholders of Jatenergy Limited to which this Notice of Meeting relates will be held at 10.00am (EST) on Friday, 30 November 2012, at Grant Thornton, Level 17, 383 Kent Street, Sydney, New South Wales.

B. YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

C. VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the time and place set out above.

D. VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:

- (a) post to Jatenergy Limited, Level 6, Suite 8, 55 Miller Street, Pyrmont, NSW 2009;
- (b) facsimile to the Company on facsimile number (+61 2) 9571 8200; or
- (c) email to the Company at j.perry@jatenergy.com,

so that it is received not later than 10.00am (EST) on Wednesday, 28 November 2012.

Proxy forms received later than this time will be invalid.

E. RECENT CHANGES TO VOTING BY PROXY

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

III. NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Jatenergy Limited will be held at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney at 10.00am (EST) on Friday, 30 November 2012.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 10.00am (EST) on Wednesday, 28 November 2012.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

A. AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 30 June 2012."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

2. RESOLUTION 2 – HOLDING A SPILL MEETING

Item 2 will be considered at the AGM only if 25% or more of the votes cast on Item 1 are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which Item 2 will be put to the meeting.

If the condition (described above) is satisfied, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, as required by the Corporations Act:

- a) A meeting of the company's members be held within 90 days of the date of the 2012 Annual General Meeting (the **spill meeting**);*
- b) Each of Li Xipeng, Anthony Crimmins and Richard Pritchard cease to hold office immediately before the end of the spill meeting; and*
- c) Resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.*

This resolution assumes of the current directors:- Mr Li Xipeng, Mr Anthony Crimmins and Mr Richard Pritchard are elected or re-elected at this AGM.

As required by the Corporations Act, no member of the Company's Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of any such member, may vote in any capacity (e.g. as a shareholder, proxy or corporate representative) on the proposed resolution in Item 2 unless:

- The person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution in Item 2; and*
- The vote is not cast on behalf of any such member or Closely Related Party of any such member.*

The prohibition in the Corporations Act on members of the Company's Key Management Personnel voting does not apply to the Chairman of the Meeting as proxy for a member entitled to vote where the proxy appointment expressly authorises the Chairman of the Meeting to vote.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR LI XIPENG

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Li Xipeng, a Director retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR ANTHONY CRIMMINS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Anthony Crimmins, a Director having been appointed to fill a casual vacancy until the next general meeting, retires, and being eligible, is re-elected as a Director."

5. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR RICHARD PRITCHARD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Richard Pritchard, a Director having been appointed to fill a casual vacancy until the next general meeting, retires, and being eligible, is re-elected as a Director."

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 375,000 ordinary fully paid shares to Chris Flanagan on 30 October 2012."

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Chris Flanagan and any associates of Mr Flanagan. However, the Company need not disregard a vote if it is cast by Mr Flanagan as proxy for a person who is entitled to vote in accordance with the directions on the proxy form.:

7. RESOLUTION 7 – ISSUE OF SECURITIES TO MR ANTHONY CRIMMINS AND MR RICHARD PRITCHARD

To consider and, if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:

Resolution 7A

"That, in accordance with the requirements of Listing Rule 10.11 approval be given for the following issue of shares:-

- 875,000 ordinary fully paid shares at a subscription price of 4 cents to Anthony Stephen Crimmins <The Crimmins A/C>; and
- 750,000 ordinary fully paid shares at a subscription price of 4 cents to Top Cat Consulting Services Pty Ltd.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Crimmins and any of his associates. However, the Company need not disregard a vote if it is cast by Mr Crimmins as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by Mr Crimmins chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7B

"That, in accordance with Listing Rule 10.11 approval be given for the issue of 250,000 ordinary fully paid shares at a subscription price of 4 cents to Richard Wyn Pritchard.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Pritchard and any associates of Mr Pritchard. However, the Company need not disregard a vote if it is cast Mr Pritchard as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by Mr Pritchard chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

8. SPECIAL RESOLUTION 8 – CAPACITY TO ISSUE ADDITIONAL 10% OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by any persons who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares and any associates of those persons, if this Resolution is passed. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

GRAEME HOGAN
COMPANY SECRETARY

IV. EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney at 10.00am (EST) on Friday, 30 November 2012.

This purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.jatenergy.com.

2. RESOLUTIONS 1 & 2 – ADOPTION OF REMUNERATION REPORT AND HOLDING A SPILL MEETING

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2012.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

At the Company's 2011 Annual General Meeting more than 25% of the votes were cast against the Remuneration Report. Therefore, in accordance with the Corporations Act, if more than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Company's 2012 Annual General Meeting, the Company will be required to put to Shareholders a resolution at the 2012 Annual General Meeting proposing the calling of a general meeting to consider the appointment of directors of the Company - Resolution 2 (**Spill Resolution**). If more than 50% of Shareholders vote in favour of the Spill Resolution at the 2012 Annual General Meeting, the Company must convene a general meeting (**Spill Meeting**) within 90 days of the Company's 2012 Annual General Meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will become the Directors of the Company.

2.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, **you must direct the proxy how they are to vote**. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

The Directors recommend this resolution is passed.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR LI XIPENG

Clause 13.2 of the Company's Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 3 directors and accordingly at least 1 must retire.

Mr Li Xipeng, the Director longest in office since his last election, retires by rotation and seeks re-election.

The Board supports the re-election of Mr Li Xipeng.

4. RESOLUTIONS 4 & 5 - RE-ELECTION OF DIRECTORS – MR ANTHONY CRIMMINS AND MR RICHARD PRITCHARD

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Anthony Crimmins and Mr Richard Pritchard retire as Directors, having been appointed as Directors to fill a casual vacancy on 23rd May 2012 until the next general meeting, and being eligible seek re-election.

The Board supports the re-election of Mr Anthony Crimmins and Mr Richard Pritchard.

5. RESOLUTION 6 - RATIFICATION OF PRIOR ISSUE OF SECURITIES

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 (**Securities Ratification**) of the following issues of Shares:-

375,000 ordinary fully paid Shares to Mr Chris Flanagan at an issue price of 4 cents per Share on 30 October 2012. The shares issued were in satisfaction of services rendered to the Company by Mr Flanagan.

ASX Listing Rule 7.4 provides that where a company in general meeting approves the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.1 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.4, the following information is provided in relation to the Securities Ratification:

- (a) 375,000 Shares were allotted and issued;
- (b) the Shares were issued at an issue price of \$0.04 per Share;
- (c) the Shares were all fully paid ordinary shares in the capital of the Company on the same terms and conditions of the Company's existing Shares; and
- (d) the Shares issued were in satisfaction of services rendered to the Company by Mr Flanagan.

The Board recommends Shareholders approve this resolution.

6. RESOLUTION 7 – ISSUE OF SHARES TO MR ANTHONY CRIMMINS AND MR RICHARD PRITCHARD

6.1 General

The Company issued a Share Purchase Plan (SPP) offer to all Shareholders on 6 August 2012. The maximum number of shares to be issued under the SPP was 8.75 million. The SPP closed after receipts for 3,025,000 ordinary fully paid shares were received and accepted. Subsequent to the SPP, there was an issue of 1,500,000 ordinary fully paid Shares on the same terms and conditions as the SPP and were a placement as part of the Shortfall under the SPP.

Mr Crimmins and Mr Pritchard indicated they wished to underwrite part of the SPP Shortfall up to \$75,000 however, before such an issue can be made, Shareholder Approval must be provided.

Mr Li recommends Shareholders approve the issue of Shares to Mr Crimmins and Mr Pritchard.

6.2 Reason for Shareholder Approval

As announced to the ASX on 26 August 2012, Mr Crimmins and Mr Pritchard indicated to the Company that they wished to partially underwrite the SPP. However, Listing Rule 10.11 requires shareholder approval be given prior to an issue of shares to related parties of the Company.

It should be noted that Listing Rule 7.2 exception 14 states that if an issue is made with the approval of holders of ordinary securities under listing rule 10.11, approval is not required under listing rule 7.1, accordingly, if these resolutions are passed at the Annual General Meeting, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

(a) Information required by Listing Rules 10.13 for resolution 7A

- 1,475,000 shares will be issued in total to Mr Crimmins if this resolution is passed
 - 875,000 shares will be issued to Anthony Stephen Crimmins <The Crimmins A/C> and
 - 750,000 shares to Top Cat Consulting Services Pty Ltd, an entity controlled by Mr Crimmins;
- If approved at this meeting, the shares will be issued upon receipt of cleared funds and before 14 December 2012;
- The issue price of the securities is 4 cents; and
- The use of the funds is the same as provided in the SPP ie:-
 - complete the acquisition of Coal Plus Technology licence and commence the development work including the full feasibility study of Coal Plus technology;
 - secure the project site in Indonesia to establish a pilot site for Coal Plus technology;
 - continue to operate its coal projects in Indonesia;
 - working capital for coal shipments and corporate costs.

(b) Information required by Listing Rules 10.13 for resolution 7B

- 250,000 shares will be issued to Richard Wyn Pritchard;
- If approved at this meeting, the shares will be issued upon receipt of cleared funds and before 14 December 2012;
- The issue price of the securities is 4 cents; and
- The use of the funds is the same as provided in the SPP ie:-
 - complete the acquisition of Coal Plus Technology licence and commence the development work including the full feasibility study of Coal Plus technology;

- secure the project site in Indonesia to establish a pilot site for Coal Plus technology;
- continue to operate its coal projects in Indonesia;
- working capital for coal shipments and corporate costs.

7. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY

7.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

The Company continues to actively pursue the development of its coal Plus technology and its other assets. The Company may use the 10% Placement Facility to continue development of its existing assets and investments or to acquire new resource assets or investments.

The Directors of the Company believe Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities – Shares, Listed Options and unlisted Employee Incentive Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of the issue or agreement:

a) plus the number of fully paid shares issued in the 12 months under an exception in Listing rule 7.2;

b) plus the number of partly paid shares that became fully paid in the 12 months;

c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

d) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 84,190,568 Shares and assuming resolutions 6, 7(A) and 7(B) are passed at the AGM, the Company has the capacity to issue:

- (i) 12,887,185 Equity Securities under Listing Rule 7.1; and
- (ii) Subject to shareholder approval being sought under Resolution 8,591,457 Equity Securities under Listing Rule 7.1A

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) The date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) If the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) The date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (a disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

7.3 Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.4 Specific information required by Listing rule 7.3A

Pursuant to and in accordance with Listing rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) The date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) If the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) The market price for the Company's Equity Securities may be significantly lower on the date of issue of the Equity Securities than on the date of the Meeting; and

- (ii) The Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) Two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.02 50% decrease in Issue Price	\$0.04 Issue Price	\$0.08 100% increase in Issue Price
Current Variable A 84,190,568 Shares	10% Voting Dilution	8,419,057 Shares	8,419,057 Shares	8,419,057 Shares
	Funds raised	\$168,381	\$336,762	\$673,525
50% increase in current Variable A 126,285,852 Shares	10% Voting Dilution	12,628,435 Shares	12,628,435 Shares	12,628,435 Shares
	Funds raised	\$252,572	\$505,143	\$1,010,287
100% increase in current Variable A 168,381,136 Shares	10% Voting Dilution	16,737,914 Shares	16,737,914 Shares	16,737,914 Shares
	Funds raised	\$336,762	\$673,525	\$1,347,049

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Listed Options or Employee Incentive Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of Equity Securities.

- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into shares for the purposes of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.04, being the closing price of the Shares on ASX on 23 October 2012.
 - (viii) Resolution 6 of this meeting is approved.
- c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing rule 11.1.2 (a significant change to the nature or scale of activities or Listing rule 11.2 (disposal of main undertaking)).
- d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards further development of its existing assets, including its Coal Plus technology or general working capital or an acquisition of new assets or investments (including expense associated with such acquisition).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (iii) The methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (iv) The effect of the issue of the Equity Securities on the control of the Company;
- (v) The financial situation and solvency of the Company; and
- (vi) Advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Further, if the company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources assets or investments.

- e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 2 9571 8300 if they have any queries in respect of the matters set out in these documents.

V. GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 7.1

10% Placement Period has the meaning given in Section 7.2

Annual General Meeting or AGM or Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Jatenergy Limited (ACN 122 826 242).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors means the current directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listed Options means listed options of the company each with an exercise price of \$0.25 and expiry date of 1 March 2014.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2012.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

VWAP means volume weighted average price.

PROXY FORM

APPOINTMENT OF PROXY
JATENERGY LIMITED
ABN 31 122 826 242

2012 ANNUAL GENERAL MEETING

I/We

of

being a member of Jatenergy Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 10.00am (EST), on Friday, 30 November 2012 at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney, NSW, 2000 and at any adjournment thereof.

Important Proxy Notice for Resolution 1: Where your proxy is the Chair of the Meeting, or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member:

- (a) if you have not directed your proxy to vote on Resolution 1, your proxy will be prevented from casting your votes on Resolution 1; and
- (b) in order for your votes to be counted on Resolution 1, **you must direct your proxy how to vote** on Resolution 1.

☐

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of the **Resolutions 7A and 7B** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 6 to 8 and that votes cast by the Chair of the Annual General Meeting for Resolutions 6 to 8 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 6 to 8 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 6 to 8.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolutions 6 to 8, and will not cast undirected proxies in favour of Resolution 1 – Remuneration Report.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Holding a Spill Meeting	☐	☐	☐
Resolution 3	Re-election of Director – Mr Li Xipeng	☐	☐	☐
Resolution 4	Re-election of Director – Mr Anthony Crimmins	☐	☐	☐
Resolution 5	Re-election of Director – Mr Richard Pritchard	☐	☐	☐
Resolution 6	Ratification of Prior Issue of Securities	☐	☐	☐
Resolution 7A	Issue of Shares to Mr Crimmins	☐	☐	☐
Resolution 7B	Issue of Shares to Mr Richard Pritchard	☐	☐	☐
Resolution 8	Capacity to issue additional 10% of securities	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

_____ %

Signature of Member(s): _____ **Date:** _____

Individual or Member 1

Member 2

Member 3

Sole **Director/Company**
Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

3. **(New sections 250BB and 250BC of the Corporations Act):** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. **(Signing Instructions):**

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

1. (a) post to Jatenergy Limited, Level 6, Suite 8, 55 Miller Street, Pyrmont, NSW 2009;
2. (b) facsimile to the Company on facsimile number (+61 2) 9571 8200; or
3. (c) email to the Company at j.perry@jatenergy.com,

so that it is received not later than 10.00am (EST) on Wednesday, 28 November 2012.

Proxy forms received later than this time will be invalid.