JATENERGY LIMITED
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ASX CODE: JAT

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ASX ANNOUNCEMENT

4 December 2013

Jatenergy finalises profit share agreement with Chapmans for coal production at Indonesian projects

HIGHLIGHTS

- Jatenergy and Chapmans have finalised a binding agreement which details profit share for the up scaling of Jatenergy's Indonesian coal projects.
- Under the agreement, Jatenergy will receive 50% of profit from coal shipments from the Jongkang project.
- Chapmans has invested $200,000 into the Jongkang project.
- Project infrastructure upgrades completed including the construction of a new jetty near the Geronggang project.

Jatenergy Limited (ASX:JAT) is pleased to announce that it has just signed the final binding profit share agreement with Chapmans Limited (ASX:CHP) for increased coal production at the Jongkang project in Indonesia.

As announced on 19 November 2013, Jatenergy entered into a binding term sheet with Chapmans whereby an investment of $200,000 would be made directly into the project in return for a 50% profit share. This agreement has since been finalised with the initial $200,000 received.

Infrastructure upgrades have also been completed at the Geronggang project including the construction of a new jetty to be used for the Geronggang project.

Increased Production

This joint profit share will initially rework the Jongkang project into a higher production mine facility. Jatenergy, itself, is establishing mine plans for Geronggang, which will take around 2-3 months to open the mine site for production.

Both the Geronggang and Jongkang projects will be producing coal for domestic and export use. Jatenergy will also review Sebuku for potential mine opening and exploitation.

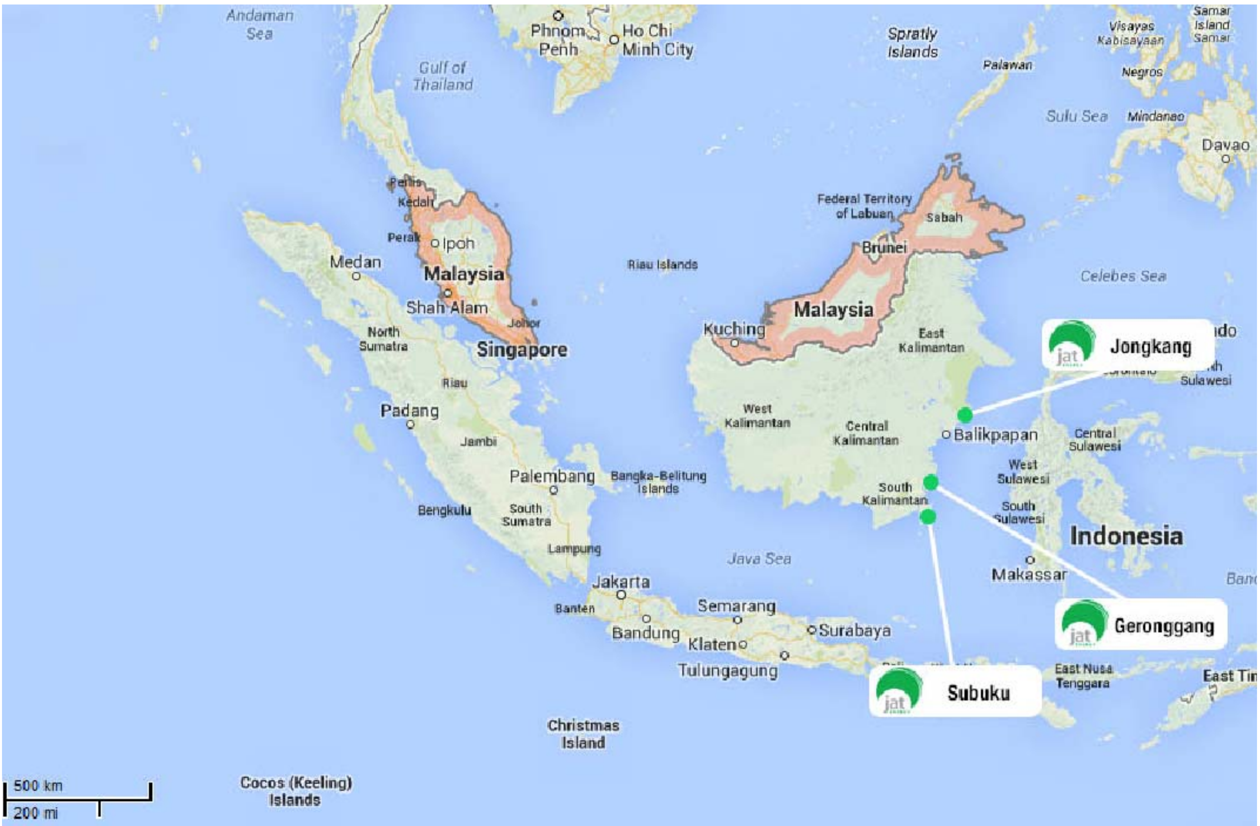

Figure 1 – BT Barata, Indonesian Coal project map

Jongkang Project Overview

The Jongkang I and Jongkang II projects are currently in production and have produced over 35,000 tonnes since the mines were opened. The original profit share agreement was signed December 2011 with a local Indonesian partner. Located in East Kalimantan approximately 5 kilometres along an existing haul road from the Mahakam River, and about 25 kilometres a major hub of Indonesia's coal industry at Samarinda, each concession is covered by a production license (IUP Produksi) comprising 100 hectares. Having now received the investment from Chapmans, Jatenergy will focus on early cash flows from this mine to show the value of the project. The cash flow generated from increased production of this project is an important part of the Jatenergy business as it will substantially assist with funding the expansion of the coal operations.

For more Information on the Jongkang Project, please visit: http://jatenergy.com/jongkang-projects/

Geronggang

On 3 December 2012, Jatenergy announced that it had signed an exclusive MOU with PT Saijaan Prima Coal (SPC) to review the site for a profit share agreement. Jatenergy through its subsidy PT Barata Energy completed its due diligence covering economics, geological potential and legal right to mine. The profits from the venture are shared between Jatenergy and SPC. In 2013 drilling was carried out by Jatenergy and a detailed topographical survey was undertaken to develop working mine plans, this is estimated at less than $1 million to develop the mine site.

Image 2 – Transport Jetty used at Jongkang Project

Jatenergy has confirmed with SPC that it is moving toward opening of the mine site and has started mobilising contractors to the site. It is noted that the new port for 8,000 tonne barges is complete with a platform to allow for easy loading of coal onto barge. This port is closer than the available public jetties, it is estimated a distance is 5 kilometers from the mine site – as opposed to the public jetties which are 22 kilometers away. With existing infrastructure including a number of jetties in the close vicinity, Jatenergy looks forwards to bring this project into production.

For more Information on the Geronggang Project, please visit: http://jatenergy.com/geronggang-project/

About Jatenergy

Jatenergy Limited is a Sydney-based diversified energy company operating in both Australia and Asia. Jatenergy's strategic focus is on producing cash returns from its coal and Jatropha assets as well as implementing the proprietary Coal Plus technology for upgrading low grade coal into high value energy products.

Media and Management Contact

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Directors
Tony Crimmins
Executive Chairman

Mr Xipeng Li
Non-Executive Director

Mr Wilton Yao
Non-Executive Director

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ASX code
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Ordinary fully paid shares
98,565,568

Listed options
31,898,547