



11 August 2017

George Tharian
Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

Dear George

Re:- Letter re Appendix 4C Query

We are in receipt of your letter in relation to Jatenergy Limited's Appendix 4C for the June 2017 Quarter released on 28 July 2017.

In your letter of 9 August 2017, you have asked 5 questions in relation to the Appendix 4C and our answers are provided below:-

1. Does Jatenergy expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Jatenergy expects that it will continue to have negative operating cash flows for the September 2017 Quarter because that quarter includes a number of one off costs such as annual audit fees and ASX annual listing fee. However, Jatenergy expects that operating cash flows will improve over the future quarters as it intends to trade higher margin products which will assist in offsetting administration and corporate costs. While it cannot guarantee that it will not have future negative operating cash flows management are continuously working to generate higher margins in its trading business but acknowledging it is operating in a higher competitive market.

It should be noted that the trading business model used by Jatenergy is one where the buyer deposits his funds for the purchase of goods prior to Jatenergy paying its supplier for the goods. In this way, the Company does not require a large amount of working capital because it is not providing credit terms to its customers.

2. Has Jatenergy taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The directors of Jatenergy received approval in June 2017 to convert fees payable to them into shares in Jatenergy to conserve cash. The directors are continually open to raise further cash to fund its operations and/or conserve cash. The directors have had discussions with existing and potential investors regarding future options to raise cash through the issue of shares or loans. However, these discussions are always in compliance with the ASX Listing Rules and any such discussions are confidential and incomplete.

The Company continues to receive and assess projects in the energy sector however, none to date have proceeded past due diligence. If the Company was to pursue an opportunity then it would need to raise equity at that time.



3. Does Jatenergy expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Given Jatenergy's business model of generally being in receipt of the sale proceeds before it is required to pay for the traded goods it expects to be able to continue its operations and to meet its business operations. As mentioned above it is trying to improve its trading margins but acknowledges it is in very competitive market.

The directors acknowledge that they may need to raise additional cash through the issue of shares or debt funding and will ensure it complies with ASX Listing Rules at all times.

4. Please confirm that Jatenergy is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

Jatenergy is in compliance with Listing Rule 3.1 and there is no information which should be given to the ASX about its financial condition in accordance with that Rule that has not already been released to the market.

5. Please confirm that Jatenergy's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of Jatenergy with delegated authority from the Board to respond to ASX on disclosure matters.

Jatenergy confirms that the directors of the Company have reviewed and approved the responses provided to the ASX through this letter. The directors have authorised the Company Secretary to sign and release this letter to the ASX. The directors are aware this letter with the letter from the ASX will be released to the market.

Please contact Company Secretary should you or the ASX wish to discuss this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Graeme L. Hogan', on a light yellow rectangular background.

Graeme Hogan
Company Secretary



9 August 2017

Mr Graeme Hogan
Company Secretary
JatEnergy Limited
Suite 6, Level 4
55 Miller Street
PYRMONT NSW 2009

By email

Dear Mr Hogan

Jatenergy Limited ("Jatenergy"): Appendix 4C Query

I refer to Jatenergy's Appendix 4C quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform and released on 28 July 2017 (the "Appendix 4C").

ASX notes that Jatenergy has reported:

- negative net operating cash flows for the quarter of \$252,000;
- cash at the end of the quarter of \$99,000; and
- estimated cash outflows for the next quarter of \$1,650,000.

It is possible to conclude, based on the information in the Appendix 4C, that if Jatenergy were to continue to expend cash at the rate indicated by the Appendix 4C, Jatenergy may not have sufficient cash to continue funding its operations. In view of that, ASX asks Jatenergy to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does Jatenergy expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has Jatenergy taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does Jatenergy expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that Jatenergy is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that Jatenergy's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of Jatenergy with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that Jatenergy considers may be relevant to ASX forming an opinion on whether Jatenergy is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEST on 14 August 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in Jatenergy's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, Jatenergy's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by email. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to Jatenergy's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that Jatenergy's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in Jatenergy's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

George Tharian

Adviser, Listings Compliance (Sydney)