

**JATENERGY LIMITED**  
ABN 31 122 826 242

**ASX APPENDIX 4E**  
**RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
**PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**1. Reporting Period**

Current Reporting Period 30 June 2014  
Prior Reporting Period 30 June 2013

**2. Results for announcement to the market**

Revenue from ordinary activities for the period	\$572,421	up	333%
Loss from ordinary activities after tax for the period attributable to members	\$2,416,027	up	11%
Net loss after tax for the period attributable to members	\$2,416,027	up	11%

<b>EPS</b>	As at 30/06/2014	As at 30/06/2013
Basic Loss per share	2.3 cents	2.4 cents
Diluted Loss per Share	2.3 cents	2.4 cents

**3. Financial Result**

The consolidated loss of the Group for the year after providing for income tax amounted to \$2,404,515 (2013: \$2,213,417).

The 2014 loss is attributable to the following:

Employment benefits of \$133,553 (2013: \$234,763)  
Consultancy expenses of \$340,095 (2013: \$361,905)  
Professional costs of \$52,659 (2013: \$170,044)  
Impairment of intangible of \$1,715,839 (2013 \$1,166,593)

Net tangible assets per security were \$1.02 at 30 June 2014 (2013 \$2.94).

**4. Commentary on Results**

**Operations Report Jatenergy**

**Company Investment Chart**

Jatenergy is a both a renewable and conventional energy company operating in Indonesia and Australia. The Company started out in the renewable sector commercialising second generation Biofuel crop called Jatropha in Vietnam and Indonesia. The potential for this crop was uncertain and would reap return between 3-5 years after planting. It became increasing important for the Company to acquire conventional coal opportunities for short term cash requirements and medium to long term exploratory but valuable coal tenements.

With the onslaught of oversupply and neutral demand for coal the price for this resource dropped significantly. The value of coal and exploratory tenements became questionable. To move with the demand for technology for coal conversion the Company has acquired two technologies for the upgrading of coal and the conversion of coal into gas. In addition we have explored the opportunity of using recovery technology for mineral fines and waste stream through a licence with TTG Resource Technologies.

## Jong Kang (Wijaya Mulya)

The Jong Kang mining site has been reactivated in November 2013. Chapman Limited has made an investment in return for 50% of Jatenergy's operating margin on the mine. Jatenergy has provided capital to mobilise equipment onto site to bring the mine into operation. The wet season in Kalimantan was particularly severe leading to the mine area being flooded and the road to mine site closed until the rain abated. Pumping of the mine site was required to remove the 25,000 m<sup>3</sup> (average 25 Olympic swimming pools) of water up to 10 metres in depth. In April 2014 we managed to bring bulldozers and earth moving equipment to site to prepare the roads and remove the waste to unearth the coal located in our drill program. Currently we are aiming for initial coal to be dug and trucked to storage on port end of August/ early September 2014.



Figure 1 - Wider Stripping of the Area

Further drilling was carried out prior to re-mobilization which has identified further areas from which coal can be economically extracted. Given the relatively small size of the resource a JORC compliant report has not been produced as the cost would be prohibitive. Therefore no claims are made on the quantity, quality, or production rates from the mine.

### Operations:

- 20/01/14 - Jong Kang opened to commence draining of water from mine pit after months of heavy weather, clearing of overburden and further drilling for mine excavation.
- 28/05/14 - Dry weather has allowed our operators to pump and drain the existing mine pit to access previously identified coal. Over the next four weeks excavators will be smoothing road access and removing overburden to excavate identified coal. Further drilling of the site is occurring to map out future opportunities in the area.
- 4/06/14 - Road being levelled to provide better and safer access to the site. Work has begun to remove 1 metre of overburden to remove previously located easy access coal, allowing us to provide immediate product to barge.
- June 2014 - Further excavation of overburden taken place and have now exposed the coal seam.
- 2/07/14 - Large area of coal seam has been exposed and overburden and stripping of the area is continuing.



Figure 2 - Exposing Coal Seam

### Current Operations:

- Final 2 metres of water has been pumped from the mine pit.
- An excavator (ZX400) has been removing the remaining 3 metres of overburden and relocating it to the pond.
- Coal has been exposed and the excavator has commenced further digging to widen the area of exposed coal. The ground must be stripped before further coal is exposed. Area is size of a baseball field.
- A Ripper D155 is now on site to cut through hard rock.
- A small excavator is now sitting on the overburden in the pond to access coal seam underneath.
- The presidential elections were held on 9 July 2014 and this was a public holiday.
- Ramadhan started at the end of June and Idul Fitri is, as far as we know, on 28 July 2014. This will have a disruptive effect on operations but has been allowed for in the budget.
- The HBA has dropped further in July but a selling price of ~\$61 is still realistic.
- There will be enough coal available to get a 5000 tonne barge out by the late August early September.



Figure 3 – Removing further Overburden

## PT Coal Soil Brik

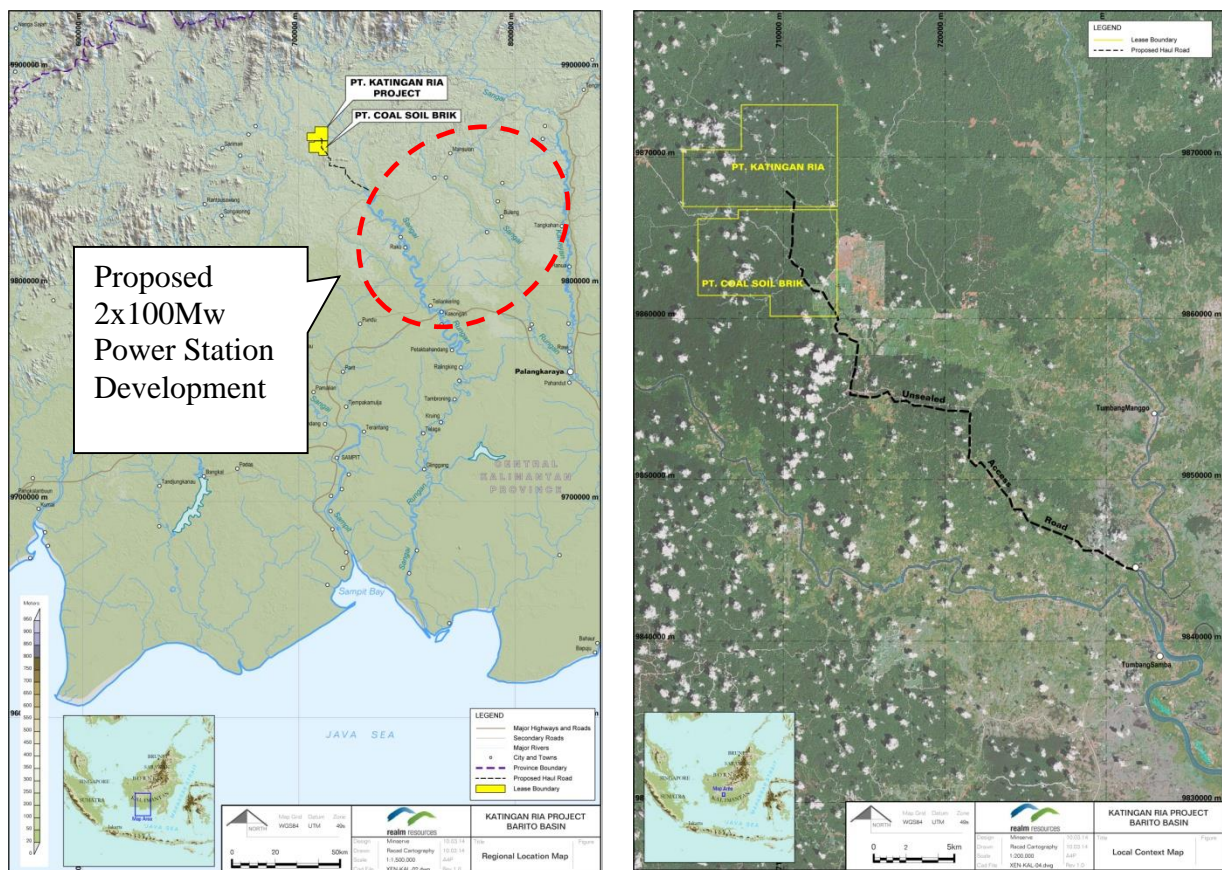
This is a medium term company asset that has the potential to be a source of coal for proposed Power Stations in the Katingan Regency. The Company has been seeking a private sale of PT Coal Soil Brik. A sale and purchase agreement with PT Prakarsa Corporindo expired in January 2014 allowing Jatenergy to seek third party interest. The Company continues to seek third party interest either through a direct sale or JV of the site.

In March 2014 Jatenergy entered into a Cooperation Agreement with Realm Resources who own a majority interest in PT Katingan Ria which adjoins PT Coal Soil Brik in Central Kalimantan. The purpose of this is to maximize the commercial synergies available in the exploitation of these resources particularly with regard to infrastructure and ESI supply.

## Proposed Power Station Development

Recent discussions have focussed on the potential to supply a 200Mw power station near the town of Kasongan in Central Kalimantan. This is planned to be commissioned in 2016/7. The mine therefore has the potential to be developed as a largely domestic supplier thereby largely eliminating the logistical costs associated with export.

Export of coal would still be considered if prices were to recover from their current three year low level.

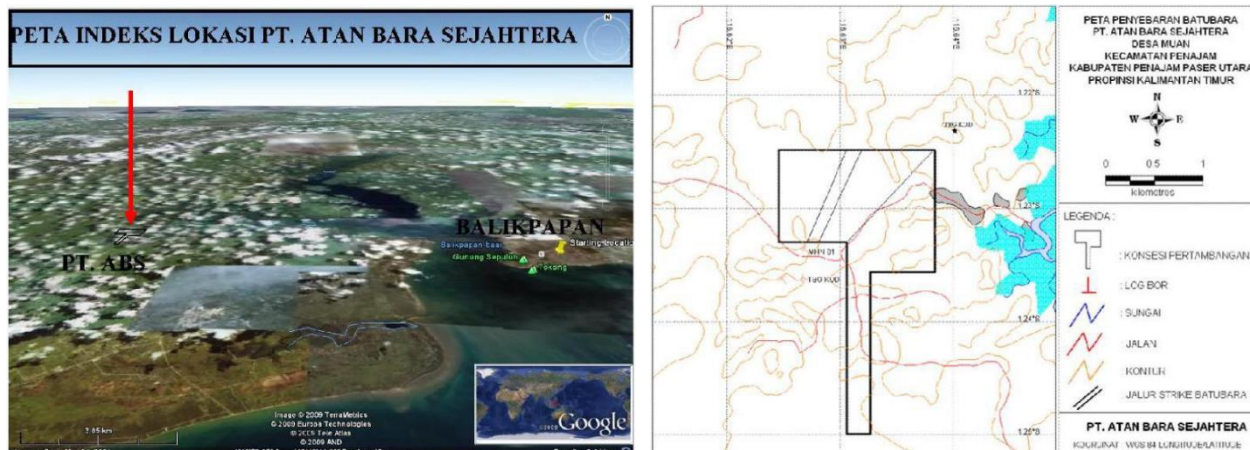


Jatenergy and Realm continue to explore these opportunities for the Katingan coal asset site



## Atan Bara

With current low coal prices and the grade of coal from the Atan Bara mine site the board have decided to leave the potential mine in suspension and to downgrade the asset to nil value. Also loans provided to the mine owner/operation have been written off as our Indonesian legal investigation has concluded that due to the financial situation of the owner the returns of these funds would be difficult and problematic.



## PT Jatoil Waterland



Figure 4 - Jatropha Intercropping

In June of 2010, Jatenergy formed a joint venture with another established Jatropha oil producing company, Waterland Group, to develop biofuel farms in Indonesia. They established a company in Indonesia to pursue the venture, PT Jatoil Waterland (PTJW), which is 70% owned by Jatenergy.

Under agreement with the Department of Forestry in Indonesia PT Jatoil Waterland acquired the rights to approximately 2,000 hectares of Jatropha plantation in Central Java, all up to three years old that also had an off- take agreement covering the total production from this plantation.

Production started in July 2010, under a profit share agreement, with the sale of the first container load of 10 tonnes destined for the aviation industry. This was followed in 2011 by an export of

200 tonnes of oil for use in Europe in the aviation industry and for power generation and joint venture Company. PTJW have the rights for 25 years plus two five year extensions to harvest biofuel crop within the area of the Department of Forestry Indonesia.

Over the past six months we have been informed by our operators PT Waterland International that production has been suspended due to changing weather conditions generally over Indonesia. To maintain the profitability of the investment the Company has been seeking third party interest in JV the plantation. The investment would be used:

To increase yield per hectare by growing Camelina alongside the currently existing Jatropha plants. Pursuing greenfields acquisition to expand to the number of growing hectares.



Figure 5 - PT Jatoil Waterland location

The directors will be completing due diligence on current operations to determine the profitability of the current Jatropha fields.

## 5. Dividends

The Company has not paid dividends and is not proposing to pay dividends.

## 6. Statement of profit or loss and other comprehensive income

Refer to attached Statement of profit or loss and other comprehensive income

## 7. Statement of financial position

Refer to attached statement of financial position

## 8. Statement of changes in equity

Refer to attached statement of changes in equity

## 9. Statement of cash flows

Refer to attached statement of cash flows

## 10. Segment results

The Company has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of product category. The Company's operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold provided by the segment;
- the planting process;
- the type or class of customer for the products;
- the distribution method; and

- external regulatory requirements.

The primary business segments and the primary geographic segments within which the Company operates are biofuel and coal mining in the Asia Pacific regions respectively. For primary reporting purposes, the entity operates predominantly in two geographical areas, being Australia and Indonesia. The acquisition of Blackrock Resources Pty Ltd in April 2011 included mining tenements and contracts located in Indonesia.

(i) Segment performance

	Coal \$	Oilseeds \$	Total \$
<b>2014</b>			
<b>REVENUE</b>			
External Sales	433,093	79,674	512,767
<b>Total Segment Revenue</b>	433,093	79,674	512,760
Reconciliation of			
<b>Reconciliation of segment revenue to group revenue</b>			
Interest Revenue			15,758
Other revenue			43,896
Total Group Revenue			572,421
Segment net profit(loss) from continuing operations before tax	(1,137,941)	64,286	(1,312,654)
Amounts not included in segment result but reviewed by the Board			
- Corporate Expenses			(1,089,947)
- Depreciation and amortisation			(1,914)
<b>Net (loss) from continuing operations</b>			(2,404,515)

	Coal \$	Oilseeds \$	Total \$
<b>2013</b>			
<b>REVENUE</b>			
External Sales	89,781	-	89,781
<b>Total Segment Revenue</b>	89,781	-	89,781
Reconciliation of			
<b>Reconciliation of segment revenue to group revenue</b>			
Interest Revenue			22,480
Other revenue			19,931
Total Group Revenue			132,192
Segment net loss from continuing operations before tax	(1,427,034)	(24,438)	(1,451,472)
Amounts not included in segment result but reviewed by the Board			
- Corporate Expenses			(737,702)
- Depreciation and amortisation			(4,144)
<b>Net (loss) from continuing operations</b>			(2,213,417)

(ii) Segment assets

	Coal \$	Oilseeds \$	Total \$
<b>2014</b>			
<b>Segment Assets</b>			
Segment assets increases for the period			
- Capital expenditure	-	-	-
- Acquisitions	-	-	-
Reconciliation of segment assets to group assets	2,043,208	357,770	2,400,978
Corporate assets			480,062
<b>Total Group Assets</b>			<b>2,881,040</b>
<b>2013</b>			
	Coal \$	Oilseeds \$	Total \$

<b>Segment Assets</b>			
Segment assets increases for the period			
-	Capital expenditure		
-	Acquisitions		
<hr/>			
Reconciliation of segment assets to group assets	3,887,456	304,268	4,191,724
Corporate assets			861,673
<b>Total Group Assets</b>			<b>5,033,397</b>

(iii) Segment liabilities

	Coal \$	Oilseeds \$	Total \$
<b>2014</b>			
<b>Segment Liabilities</b>			
Reconciliation of segment liabilities to group liabilities	151,174	-	151,174
Corporate liabilities	-	-	200,400
<b>Total Group Liabilities</b>			<b>351,574</b>

	Coal \$	Oilseeds \$	Total \$
<b>2013</b>			
<b>Segment Liabilities</b>			
Reconciliation of segment liabilities to group liabilities	-	-	-
Corporate liabilities	-	-	124,447
<b>Total Group Liabilities</b>			<b>124,447</b>

(iv) Revenue by geographic location

	2014 \$	2013 \$
Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer		
Australia	57,722	42,411
Indonesia	514,699	89,781
<b>Total Revenue</b>	<b>572,421</b>	<b>132,192</b>

(v) Assets by geographical location

	2014 \$	2013 \$
Australia	480,062	1,161,673
Indonesia	2,400,978	3,747,168
<b>Total Assets</b>	<b>2,881,048</b>	<b>4,908,841</b>

**11. Details of entities over which control has been gained or lost**

There have been no amendments to the Group in the current year.

**12. Details of associates and joint venture entities**

The company has equity investments of up to 45.96% in a foreign entity, Green Energy Joint Stock Company as at 30 June 2014. This has nil book value at 30 June 2014.

**13. Status of audit and description of likely disputes or qualifications**

This preliminary final report is in the process of being audited. No matters have arisen which would result in a dispute or qualification.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

		Consolidated Entity	
		2014	2013
	Note		\$
Revenue	5	572,421	132,192
Consultancy expenses		(340,095)	(361,905)
Insurance expense		(45,773)	(52,016)
Depreciation and amortisation expense	6	(12,334)	(11,689)
Professional fees		(52,659)	(170,044)
Director's fees		(222,500)	(267,636)
Employee benefits expense		(133,553)	(237,763)
Travel expenses		(16,748)	(90,312)
Occupancy expenses		(121,088)	(145,105)
Finance costs	6	(5,415)	(13,770)
Foreign exchange gains (losses)		(97,243)	283,788
Other expenses		(125,024)	(93,374)
Coal production costs		(88,666)	(19,190)
Impairment of assets	6	(1,715,839)	(1,166,593)
<b>Loss before income tax</b>		<b>(2,404,515)</b>	<b>(2,213,417)</b>
Income tax expense	7	-	-
<b>Loss for the year</b>		<b>(2,404,515)</b>	<b>(2,213,417)</b>
<b>Other Comprehensive Income</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operating		(74,760)	(176,488)
<b>Total comprehensive loss for the year</b>		<b>(2,479,275)</b>	<b>(2,389,905)</b>
Loss attributable to:			
- Members of parent entity		(2,416,027)	(2,170,661)
- Non-controlling interest		11,512	(42,756)
		<b>(2,404,515)</b>	<b>(2,213,417)</b>
Total comprehensive loss attributable to:			
- Members of parent entity		(2,490,787)	(2,347,149)
- Non-controlling interest		11,512	(42,756)
		<b>(2,479,275)</b>	<b>(2,389,905)</b>
<b>Loss per share for loss attributable to the ordinary equity holders of the company:</b>			
			Cents
Basic loss per share		(2.3)	(2.4)
Diluted loss per share		(2.3)	(2.4)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

		Consolidated Entity	
		2014	2013
	Note	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	258,344	708,772
Trade and other receivables	9	871,705	952,733
Assets held for sale	10	1,478,235	1,478,235
Total current assets		2,608,281	3,139,740
<b>Non-current assets</b>			
Property, plant and equipment	11	272,759	287,905
Investments	12	-	-
Intangibles	13	-	1,605,643
Total non-current assets		272,759	1,893,548
<b>Total assets</b>		<b>2,881,040</b>	<b>5,033,288</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	251,574	124,447
Borrowing	16	100,000	-
Short term provisions	15	-	-
Total current liabilities		351,574	124,447
<b>Total liabilities</b>		<b>351,574</b>	<b>124,447</b>
<b>Net assets</b>		<b>2,529,466</b>	<b>4,908,841</b>
<b>Equity</b>			
Contributed equity	17	26,526,160	26,426,160
Non-controlling interest		974,465	962,953
Reserves	18(a)	(264,447)	425,888
Accumulated losses	18(b)	(24,706,712)	(22,906,160)
<b>Total equity</b>		<b>2,529,466</b>	<b>4,908,841</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Contributed Equity	Non- Controlling Interest	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2012</b>	<b>25,655,160</b>	<b>5,709</b>	<b>602,376</b>	<b>(20,735,499)</b>	<b>5,527,746</b>
Loss for the year	-	(42,756)	-	(2,170,661)	(2,213,417)
Foreign Currency Translation	-	-	(176,488)	-	(176,488)
Total comprehensive income	-	(42,756)	(176,488)	(2,170,661)	(2,389,905)
Issue of capital	771,000	1,000,000	-	-	1,771,000
Transaction with owners	771,000	1,000,000	-	-	1,771,000
<b>Balance at 30 June 2013</b>	<b>26,426,160</b>	<b>962,953</b>	<b>425,888</b>	<b>(22,906,160)</b>	<b>4,908,841</b>
<b>Balance at 1 July 2013</b>	<b>26,426,160</b>	<b>962,953</b>	<b>425,888</b>	<b>(22,906,160)</b>	<b>4,908,841</b>
Loss for the year	-	11,512	-	(2,416,027)	(2,392,515)
Foreign Currency translation	-	-	(74,760)	-	(74,661)
Total comprehensive income	-	11,512	(74,760)	(2,416,027)	(2,479,190)
Issue of Capital	125,000	-	-	-	125,000
Transaction Cost	(25,000)	-	-	-	(25,000)
Transaction with owners	100,000)	-	-	-	100,000
Reserves released to retained earnings	-	-	(615,575)	615,575	-
<b>Balance at 30 June 2014</b>	<b>26,526,160</b>	<b>974,465</b>	<b>(264,447)</b>	<b>(24,706,712)</b>	<b>2,529,466</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

		Consolidated Entity	
		2014	2013
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		88,687	82,439
Payments to suppliers and employees		(1,113,769)	(1,340,132)
Interest received		15,758	22,480
Interest paid		-	(1,016)
Net cash outflow from operating activities	26	(1,009,324)	(1,236,229)
<b>Cash flows from investing activities</b>			
Sale of Assets		406,529	-
Deposits		-	(433,520)
Net cash inflow/(outflow) from investing activities		406,529	(433,520)
<b>Cash flows from financing activities</b>			
Proceeds from convertible note		100,000	-
Proceeds from issues of shares, options and other equity securities net of transactions costs		52,905	756,001
Proceeds from issue of shares from non-controlling interest		-	1,000,000
Net cash inflow from financing activities		152,905	1,756,001
<b>Net (decrease)/increase in cash and cash equivalents</b>			
		(449,890)	86,252
Cash and cash equivalents at the beginning of the financial year		708,772	618,901
Effect of exchange on cash holdings in foreign currencies		(538)	3,619
<b>Cash and cash equivalents at end of year</b>	8(a)	258,344	708,772

The above statement of cash flows should be read in conjunction with the accompanying notes.