

ASX Announcement & Media Release

5 June 2015



COMPANY UPDATE

The Directors of Chesser Resources Limited (**ASX:CHZ**) provide an update to Shareholders in relation to the Company's activities and the proposed equal access buy back (**EABB**) announced by the Company on 6 March 2015.

Subsequent to the announcement of the proposed EABB on 6 March 2015, the Company prepared a notice of meeting, commissioned an Independent Expert Report and commenced the process to obtain the required regulatory approvals in relation to the proposed EABB.

The Company's 31 March 2015 Quarterly Activities Report noted that the final terms and timing of the EABB were dependent on the status of the Company's restricted cash position and the timing of its release.

The Company has been undertaking negotiations with various counterparties to obtain an expedited release of the restricted cash. As a consequence of those negotiations, the Company was offered an expedited release of the restricted cash in return for accepting a discount on the cash released.

After considering various factors, including the uncertainty as to the timeframe within which the conditions for removal of the restrictions on the use of the cash would be released, the benefit to shareholders of certainty and the opportunity to immediately return a larger amount of cash to shareholders, the Board elected to accept the offer, resulting in a reduced level of final available funds for the purposes of calculating an appropriate EABB price.

Taking into consideration the above matters, the Directors have determined to amend the terms of the EABB as follows:

Proposed buy back price	\$0.0343 per share
Maximum number of shares to be bought by the company	220,636,100 shares
Maximum cash to be returned to shareholders	\$7.57 million
Forecast cash balance after EABB if all shareholders participate fully	\$0.3 million

The Company's largest shareholder Sandon Capital Pty Limited (**Sandon**) has advised the Company that it does not intend to fully participate in the EABB. This will provide all other shareholders the discretion to offer up to 100% of their shares into the EABB, or to retain whatever proportion of their Shares they may choose.

The Company is now in the process of finalising the steps necessary to convene an extraordinary general meeting of shareholders (**EGM**) to consider the proposed EABB on the amended terms described above including obtaining regulatory and ASX approval for the amended terms of the EABB. The Company expects the EGM will be held in July 2015.

Further information is available at: www.chesserresources.com.au or by calling:

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About Chesser Resources Limited

Company Directors & Management		Company Information
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Simon O'Loughlin	Non-Executive Director	
Simon Taylor	Non-Executive Director	
Philip Amery	Non-Executive Director	
Gabriel Radzynski	Non-Executive Director	
Stephen Kelly	Executive Director/Company Secretary	