



13 December 2010

The Manager

Company Announcements Office

Australian Securities Exchange Limited

## **CHINESE INVESTOR BECOMES CORNERSTONE SHAREHOLDER IN JATOIL**

- **Mr Li Xipeng commits to buy an initial 17.1 million Jatoil shares (13.04%)**
- **Commits to an extra \$1.536 million if the proposed Blackrock coal purchase proceeds**
- **Mr Li to buy first rights to invest directly in Jatoil's Indonesian biofuel and coal assets**

Energy company Jatoil Limited (ASX code JAT) said today that it had executed a share subscription agreement with a company owned by a Chinese electric power and road infrastructure developer, Mr Li Xipeng.

An Australian company owned by Mr Li, Sheng Run Holdings Group (Australia) Pty Ltd, has been issued 17,144,888 fully paid ordinary shares in Jatoil at \$0.04 per share, to raise \$685,796. This placement represents 13.04% of the issued capital of the Company. The price represents a 15% premium to where the shares traded before the transaction was announced.

In addition to various private interests, Mr Li is the Chairman and Chief Executive Officer of the Nasdaq-listed China Infrastructure Investment Corporation (CIIC), a company that since 2006 has operated the Pinglin Expressway in China's Henan province.

Jatoil has also concluded a heads of agreement with Sheng Run for a further \$1.536 million capital injection once Jatoil's proposed deal to buy Blackrock Resources Pty Ltd, a company with significant coal resources in Kalimantan, Indonesia, concludes successfully. The coal acquisition is still subject to completion of due diligence by Jatoil, the approval at an Extraordinary General Meeting by Jatoil's shareholders and compliance with ASX Listing Rules. If completed, Sheng Run's second subscription would boost its total holdings to just under 20 %, at which point it would be invited to nominate a director to the Jatoil board.

"This is a very important milestone for Jatoil," said Jatoil's Chief Executive Officer, Phil Hodgson. "We have been looking for a cornerstone investor who understands our story and our potential for some time. Mr Li could not have been more ideal, and I look forward to working with him and his group in developing the potential of our jatropa and coal assets.



"Furthermore, Sheng Run provides us with a partnership that opens the door for Jatoil to sell fuel directly to the Chinese power industry," Mr Hodgson said. This deal validates our recent decision to broaden our operating base from solely being a biofuel company to becoming a more diversified energy provider."

Mr Li said: "I have been looking for an asset like Jatoil for some time. I like the Jatoil's focus on conventional energy for the present, with an equally important focus on renewable energy for future generations. Both fit well with my investment and business plans over the next decade."

The funds raised from both transactions will be used by Jatoil for working capital as it continues to operate its current projects and moves to expand its jatropa joint venture with Waterland and the Blackrock coal projects.

### **Cleansing Notice**

The Company gives this notice pursuant to Section 708A(5) of the Corporations Act.

The shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of the notice, has complied with:

- the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- Section 674 of the Corporations Act.

As at the date of this notice, there is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

### **About Mr Li Xipeng**

Mr Li Xipeng is Chairman and Chief Executive Officer of the NASDAQ-listed, China Infrastructure Investment Corp. CIIC operates a 106km dual carriageway tollroad in Henan Province, which is a component of China's main north-west to south-east road artery. Mr Li served as Chairman of HSV in China since May 2001, and prior to that he served as Chairman of Henan Shengrun Real Estate Co Ltd since May 2000. Mr Li graduated from Zhongnan University of Economics and Law and he earned his EMBA at Cheung Kong Graduate School of Business.

### **About Jatoil**

Jatoil is an energy company with a core business of developing biofuel "crude oil" from *jatropha curcas* plantation ventures initially in South-East Asia. Jatoil has also announced it would expand its energy resources into coal by entering into a heads of agreement to buy mining projects in Indonesia's Kalimantan coal region.

### **For Further Information**

Jatoil: Phil Hodgson, Chief Executive Officer - 02 9571 8300 [www.jatoil.net](http://www.jatoil.net)

Media: Alan Deans, Last Word Corporate Communications - 0427 490 992

### **Recent Media Releases**



7 October 2010

#### **JATOIL TO COMMENCE REGULAR BIOFUEL OUTPUT AFTER NEW PLANTATION PURCHASE**

JatOil plans to make regular weekly shipments of crude jatropha oil from its plantations in Central Java, Indonesia, after announcing today the purchase of more oil producing fields. The company's 70%-owned joint venture, PT JatOil Waterland, has bought 522 hectares of three to four year old jatropha trees near the 1,000 hectare plantation, which in July yielded JatOil's first shipment of the environmentally friendly, second generation biofuel.

<http://clients.weblink.com.au/clients/jatOil/article.asp?asx=JAT&view=2608605>

28 September 2010

#### **JATOIL TO EXPAND ITS JATROPHA INVESTMENT IN INDONESIA**

JatOil is to boost its initial jatropha land holdings in Central Java, Indonesia, by 50% as it moves into the second stage of a joint venture. The company has committed to plant 500 hectares of additional land with oil-bearing jatropha curcas trees next to plots already held by its PT JatOil Waterland venture.

<http://clients.weblink.com.au/clients/jatOil/article.asp?asx=JAT&view=2607394>

24 September 2010

#### **JATOIL TO FOCUS INVESTMENT ON INDONESIA AFTER STRATEGIC REVIEW**

JatOil Limited has announced that it would concentrate future investment on its growing Indonesian jatropha biofuel project and its recently announced proposed coal development.

<http://clients.weblink.com.au/clients/jatOil/article.asp?asx=JAT&view=2607065>

6 September 2010

#### **JATOIL DIVERSIFIES INTO COAL**

JatOil has entered into a Heads of Agreement to acquire significant coal assets in Kalimantan, Indonesia. It is expected that an early-stage coal mining operation would commence within nine months, providing cash flow to assist with the funding of the expansion of JatOil's oil feedstock operations in South-East Asia and exploration activities on its acquired coal portfolio.

<http://clients.weblink.com.au/clients/jatOil/article.asp?asx=JAT&view=2604846>

8 July 2010

#### **LANDMARK FOR JATOIL AS FIRST BIOFUEL PRODUCTION COMMENCES**

JatOil has announced its first sale of a commercial quantity of crude jatropha oil. The oil, sourced from the company's recently purchased joint venture operations in Central Java, Indonesia, comes several months earlier than anticipated and means that regular oil sales will now be made as crops are harvested.

<http://clients.weblink.com.au/clients/jatOil/article.asp?asx=JAT&view=2598132>



22 June 2010

**JATOIL COMPLETES INDONESIAN TRANSACTION FOR FIRST 1,000 HECTARES OF JATROPHA**

An initial investment in the PT Jatoil Waterland joint venture in Central Java has been completed, including the formation of a special purpose subsidiary company controlling 1,000 hectares of established jatropha plantations.

<http://clients.weblink.com.au/clients/jatoil/article.asp?asx=JAT&view=2596343>