

Chapmans Limited

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19 November 2013

Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Via: Electronic Lodgment

Chapmans Signs Binding Term Sheet with Jatenergy Limited

The directors of Chapmans Limited ('Chapmans') are pleased to advise that Chapmans has signed a binding term sheet with ASX listed Jatenergy Limited ('Jatenergy', ASX:JAT) for the short term financing of small coal production assets in exchange for profit sharing contractual rights.

Under the agreed terms Chapmans will invest \$200,000 for Jatenergy's Jongkang coal project to increase production and accelerate substantial cashflows in exchange for a 50% profit share with Jatenergy.

Jatenergy's Jongkang coal projects are in production and have already produced over 35,000 tonnes of high energy thermal coal used for power generation in South East Asia. The production site is located in Tenggara Province, a well known proven coal production region in East Kalimantan, Indonesia, only 30km's from the port of Samarinda, a major hub of Indonesia's coal industry.

The agreed terms also provide Chapmans with the option to invest a further \$850,000 into Jatenergy's Gerrongang coal project as project finance directly advanced into the project or indirectly through a 50% joint venture styled equity interest in Jatenergy's wholly owned Singaporean entity Blackrock Energy Pte Ltd which in turn owns Jatenergy's Indonesian registered PT Barata Energy, which holds profit sharing and other contractual rights for the Gerrongang coal project.

The Gerrongang coal project is located in the Kotabaru region in South Kalimantan, neighboring large scale high energy thermal production sites of two of Indonesia's largest coal producers PT Arutmin Indonesia and PT Bumi Resources.

Transportation infrastructure and low production costs are a significant advantage for the Gerrongang coal project with the mine site only 7km's from a newly constructed jetty fully funded and owned by the Gerrongang coal project landowner.

The agreed terms are to be documented on or before 30 November by way of a formal funding and profit share agreement.

In addition, the directors of Chapmans wish to advise that it has decided to terminate the non-binding heads of agreement with the Australian coal exploration company with projects in the Bowen Basin as previously announced on 4 October 2013.

Chapmans (ASX code: CHP) is an ASX listed specialist investment company engaged in short term high yielding special situation investments across a diversified range of industries including resources, property and technology.

Yours faithfully
CHAPMANS LTD

A handwritten signature in black ink, appearing to be 'PD', with a long horizontal flourish extending to the right.

Peter Dykes
Chairman