



JATENERGY LIMITED
ABN 31 122 826 242

ASX CODE: JAT

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ASX ANNOUNCEMENT

23 October 2013

Significant Jatropha yield produced and discussions commenced to increase production at PT Jatoil Waterland Biofuel Fields, Indonesia.

HIGHLIGHTS

- Over 530MT of Jatropha seed collected from start of the year for six months.
- Currently in discussions with potential third party investors to fund the increased production of biofuel feedstock production.
- The opportunity to substantially increase production and profit for Jatenergy.

The Board of Jatenergy Limited ("Jatenergy", the "Company") is pleased to announce that the current approximate 2,000 hectares of producing biofuel fields have yielded over 530MT tonne in Jatropha seed over the past six month period. This is the low production period for our Jatropha and expectations weathering considered in increased yield in the second half of the year. The rights to these fields are held in a Joint Venture Company, PT Jatoil Waterland (PTJW), of which Jatenergy owns 70%. These biofuel feedstock fields are cash flow positive and there are no further costs associated in regards to field payments, maintenance or management.



Image 1 – Indonesian Jatropha fields



Increased Production

The Company is currently in discussion with a number of potential third party investors who have expressed an interest in funding the Company's plans to increase production at the PTJW's biofuel fields. The expansion strategy is based on a two-tier approach which will result in increased yield per hectare as well as an overall increase in the total number hectares used for growing:

- 1- To increase yield per hectare by growing Camelina alongside the currently existing Jatropha plants.
- 2- Pursuing green fields acquisition to expand to the number of growing hectares.

Jatenergy aims to receive this investment directly into PTJW and testing work conducted by Jatenergy and its joint venture partner on a 100 hectare sample, indicated that by growing Camelina alongside the currently existing Jatropha plants, the yield per hectare could be increased from 5 tonnes of seed per hectare to 13 tonnes per hectare. This increased yield will increase the profitability at the Jatropha filed.

The Project

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, which is 70% owned by Jatenergy.

PT Jatoil Waterland acquired approximately 2,000 hectares of Jatropha plantation in Central Java, all up to three years old and has also signed 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.

Waterland Asia group are producing ever-improving seed lines of the Calophyllum tree, the Jatropha bush and the Camelina flowering plant that are used in the production of biofuel. The increasing harvests and yields of all three are producing excellent results, while their hardiness enables the Indonesian Authorities to earmark marginal, critical, degraded and denuded land for bio fuel cultivation. As a result, the biofuel crops produced by PT Jatoil Waterland do not compete in the food chain but enhance the symbiotic relationship.

In addition to helping Indonesia to reach and surpass its renewable energy quotas, the plantations of PT Jatoil Waterland are also helping to revive agricultural communities in some of the poorest rural areas. Growth is impressive, returns on investment high and especially Camelina is proving to be a star performer that is catching the attention of the (bio) fuel industry worldwide.

Camelina

Camelina sativa is a member of the mustard family, a distant relative to canola, and an exciting new player on the biofuels scene. Camelina plants are heavily branched, growing from one to three feet tall producing seed pods containing many small, oily seeds containing between 35-38% oil. Camelina has a number of advantages over its competitors, including using far less water, thus allowing it to be grown on marginal land, thereby not taking food acreage out of production. Furthermore Camelina has a relatively short growing season of 60 to 80 days in Indonesia, and requires no special equipment to harvest. Coming into production within the first year of planting and producing no fewer than three harvests per annum means Camelina provides cash flow within year one. There are no controversial slash and burn issues associated with the cultivation of Camelina, and the entire plant is used – with



additional income coming from such by-products as omega 3 rich animal fodder for cattle, chickens and fish, and straw high in fiber for the paper industry having positive benefits to deforestation.

With its climate, land and labour resources, Indonesia is in a prominent position not only to become a leading world producer of bio fuels, but also a leader in the field of research and development. To this end PT Jatoil Waterland was founded, with main operations in Central Java, to manage the production and development process of bio fuel crop plantations. This it does in close collaboration with the Local (state owned) and National Ministry of Forestry and its Research and Development Centre of Forest Productivity Agency and also with LITBANG the Research and Development agency for The Ministry of Agriculture.



Image 3 – GEA seed processing unit



Image 4 - Camelina Seed 45 days old in Central Java

It is a success story built out of the commitment of the Indonesian authorities and the quality of the partnerships that have been forged to create excellence. At the heart of this partnership are PT Jatoil Waterland and the local and National Indonesian Authorities.

About Jatenergy

Jatenergy (ASX:JAT) is an ASX listed energy investment company, focused on conventional, second generation and energy conversion technologies. Jatenergy acquires projects, creates value through development and then sells or Joint ventures the projects to provide a return for investors.

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About Jatenergy

Jatenergy Limited is a Sydney-based diversified energy company operating in both Australia and Asia. Jatenergy's strategic focus is on producing cash returns from its coal and Jatropa assets as well as implementing the proprietary Coal Plus technology for upgrading low grade coal into high value energy products.

Directors

Tony Crimmins
Executive Chairman

Richard Pritchard
Non-Executive Director

Mr Xipeng Li
Non-Executive Director

Mr Wilton Yao
Alternate Director

Jatenergy Limited

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Ordinary fully paid shares

98,565,568

Listed options

31,898,547