



12 November 2018

ASX ANNOUNCEMENT

Private Placement to raise \$5.2 million

The Board of Jatenergy Limited (JAT) intends to hold a general meeting of shareholders on or before 21 December 2018 to seek approval for the following:

1. Approval for the issue of up to 86,666,667 fully paid ordinary shares at an issue price of 6c per share to sophisticated and strategic investors to raise \$5.2 million. Each share will have an attached option to subscribe for one additional share at 6 cents with an expiry date of 30 June 2019.
2. The issue of 1,000 shares pursuant to a prospectus to raise \$60. The prospectus will be prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the shares referred to above.

Background

JAT commenced to establish its fast-moving consumer goods ("FMCG") business in 2015. On 27 March 2018, shareholders of JAT approved at a general meeting the change in the nature and scale of JAT's activities to the FMCG business.

JAT has in 2018 acquired 51% of Golden Koala Group Pty Limited, 50% of Green Forest International Pty Limited and 51% of Sunnya Pty Limited ("Sunnya"), it is establishing its own retail business in China (see the ASX announcement on 30 May 2018) and is continuing to develop its own retail products.

Use of funds

As set out in the Appendix C released to the ASX on 16 October 2018, sales receipts had increased from \$320,000 in the June 2018 quarter to \$10.6 million in the September 2018 quarter. In that period, inventory and debtors increased to approximately \$5.4 million. The growth in JAT's business is continuing and as a result, additional funding is required to support the increase in sales as follows:

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|---|--------------------|
| Completion of Sunnya acquisition | \$2,600,000 |
| Marketing promotion and working capital | \$1,100,000 |
| Manufacturing (under contract) and stockpiling of inventory | \$1,500,000 |



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Shareholder approval

A notice of meeting for the general meeting is expected to be forwarded to shareholders in the next few days.

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