



10 November 2008

The Manager
Company Announcements Office
Australian Stock Exchange Limited

Jat Oil to Seize Asian Renewable Fuel Opportunities and Updates Project Progress

Renewable fuels company Jat Oil Ltd (ASX code: JAT) wishes to announce it was seeking to purchase attractive biofuel production operations in the Philippines, expanding further into Asia by leveraging off its existing projects in Vietnam.

Executive chairman Dr Mike Taverner said that Jat Oil's board has approved the diversification after a detailed analysis of the market potential. Due diligence on a jatropha project in the south of the Philippines is underway, along with three other advanced projects. A local Jat Oil subsidiary has been registered.

There are significant areas of suitable land available in the Philippines and there is a favourable regulatory environment, Dr Taverner said. Our initial due diligence has shown the potential for very good medium term financial returns, with the added benefits of being aligned with the Philippine Government's initiative for sustainable bio-feedstock generation.

Jat Oil has a strong cash position, allowing it to expand its program in Vietnam and also to seize emerging opportunities elsewhere. It intends to be a player in the consolidation of the jatropha biofuels industry in Asia by using its cash, intellectual property and operational experience to enter ventures that show clear longer term viability.

Vietnam: The development of Jat Oil's Green Energy joint venture jatropha operations in the Ninh Thuan province of Vietnam is proceeding on target. Plantings at the first biofuel farm reached 90 hectares at the end of October, with further expansion to 2000 hectares during the next year through deals with 1000 contract farmers.

After three years of piloting the dual agristation-contract farmer model, the joint venture has earned the attention and trust of the local farmers and government to readily open out in Vietnam, Dr Taverner said. To ensure the quality of the planting and crop maintenance, Green Energy has established a farmer training and development program to be delivered through SNV, a Dutch non-government organisation. SNV has significant experience with similar programs throughout Vietnam.

Indonesia: Further to the Company's announcement on 15 September 2008, Jat Oil has completed its review of its Indonesian operations and advises that the board has resolved to conclude its 50% owned joint venture with PT Biodiesel Austindo. Jat Oil has been unable to obtain acceptable outcomes in relation to its investment and various aspects of the operation of the joint venture. Jat Oil will now proceed with legal action to recover funds provided to PT Biodiesel Austindo (approximately US\$226,000) and also seek the return and/or cancellation of the 20 million Jat Oil shares issued to the founding shareholders of PT Biodiesel Austindo.



Dr Taverner said that the decision to discontinue with the joint venture would preserve significant amounts of cash, allowing Jatoil to redeploy its funds to more attractive investment opportunities that are currently presenting themselves. We will continue to investigate other opportunities to invest in jatropha in Indonesia, but for the moment we believe that our actions are being taken in the best interests of shareholders.+

ABOUT JATOIL

Jatoil is renewable energy company that listed on the Australian Securities Exchange in January 2008. The company is focused on developing *Jatropha curcas* as a biodiesel feedstock, and has a vision to be a global business growing and producing renewable energy in a socially and environmentally sustainable way. Jatoil is establishing significant investments in jatropha oil production in Vietnam and is investigating other opportunities in Asia.

Further information:

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