

# Chapmans Limited

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23 November 2009

e-lodgement

FOR PUBLIC RELEASE

Manager - Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

Dear Madam

**Re Coal Mining Project - Indonesia**

Chapmans Ltd advises that it has entered into a conditional agreement through its 78% subsidiary, Hallmark Minerals N L (with 22% held by another listed company- Southern Cross Exploration N L) to acquire an initial 10% interest in the share capital of an overseas company controlling a start-up coal mining project in Indonesia.

Hallmark Minerals will also be entitled to a royalty payment per tonne of coal mined and sold.

The initial amount required for this transaction is in the region of \$1,000,000 whilst an opportunity is being made available to provide larger capital for expansion of the operations.

The acquisition is proposed to be funded by a consortium of companies comprising the following:

Chapmans Ltd (through Hallmark Minerals N L )  
Longreach Oil Ltd  
Southern Cross Exploration N L

Other companies are being invited to participate, especially for expanded operations for which there is scope in the near future.

Funding will be provided from equity capital raised for the purpose and not from borrowings.

For and on behalf of

Chapmans Ltd

P. Hetherton  
Secretary

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