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## **Chapmans takes stake in Indonesian coal mining project**

*Monday, 30 Nov, 2009*

Proactive Investors reported that Chapmans has entered into a conditional agreement through its 78% subsidiary Hallmark Minerals 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, where the remaining 22% of the company is held by Southern Cross Exploration 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 USD 1 million while 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 Chapmans through Hallmark, Longreach Oil and Southern Cross Exploration. 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.

(Sourced from Proactive Investors)

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