

ASX Announcement & Media Release

6 March 2015



Chesser Directors recommend enhanced share buyback at 3.53 cents per share

On 2 March 2015, Chesser Resources Ltd (ASX: CHZ) advised shareholders that the Board was considering alternative means of returning cash to shareholders that may be more beneficial to all shareholders than the proposed further capital return of 2.75 cents per share to be considered at the extraordinary general meeting of shareholders scheduled for 12 March 2015.

Chesser is pleased to announce that the Directors have unanimously endorsed a proposed Equal Access Buyback of the Company's shares (Shares) at a buyback price of 3.53 cents per share (EAB). The current expectation of the Board is that some significant shareholders may elect not to participate in the proposed EAB, preferring to retain their existing holdings in the Company, allowing participating shareholders to offer up to 100% of their Shares.

The Board believes the EAB offers a more attractive mechanism for the following reasons:

- i. It will provide shareholders with the option to offer to sell up to 100% of their Shares at a price of 3.53 cents per share, or to retain whatever proportion of their Shares they may choose, at their discretion.
- ii. The proposed buyback price of 3.53 cents per Share is a 9% premium to the Company's closing share price of 3.2 cents per share on 5 March 2015.
- iii. The proposed buyback price of 3.53 cents per share is a premium of 27% to the proposed equal capital return of 2.75 cents per share.

The maximum funds to be returned to shareholders pursuant to the EAB is approximately \$6.2 million; the Company expects to retain a minimum cash balance of approximately \$2.2 million after completion of the EAB.

The Directors are currently considering strategic options for the use of the funds and the future direction of the Company after the EAB has been completed.

Chairman Frank Terranova said the proposed EAB provides a clearly superior outcome for all shareholders.

"Shareholders have the choice of crystallising the value of their shares at a premium to the recent market price, or continuing to hold some or all of their shares and participating in the future plans for the Company as they develop. All Directors were strongly supportive of the revised distribution strategy," he said.

As a result the Board resolved not to proceed with the proposed 2.75 cent per share return of capital and to cancel the extraordinary general meeting scheduled for 12 March 2015.

The Company is now in the process of taking all steps necessary to convene an extraordinary general meeting of shareholders to consider the proposed EAB. The Board currently expects that meeting will be held prior to 31 May 2015.

The Company will continue to update shareholders as additional information becomes available.

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Further information is available at: www.chesserresources.com.au or by calling:

Stephen Kelly, Company Secretary
+61 7 3844 0613

About Chesser Resources Limited

Company Directors & Management		Company Information
Philip Amery	Non-Executive Director	ABN: 14 118 619 042
Frank Terranova	Non-Executive Director	Address: 96 Stephens Road South Brisbane Qld 4101 Australia
Simon O'Loughlin	Non-Executive Director	Telephone: +61 7 3844 0613
Simon Taylor	Non-Executive Director	Contact: info@chesserresources.com.au
Stephen Kelly	Non-Executive Director/Company Secretary	Chesser Website: www.chesserresources.com.au

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