

Chapmans Limited

A.C.N. 000 012 386

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PLEASE ADDRESS ALL CORRESPONDENCE TO GPO BOX 4246 SYDNEY NSW 2001

26 May 2010

e-Lodgement

FOR PUBLIC RELEASE

Manager – Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Madam

Re Annual General Meeting 2010 – Chairman’s Address

Attached is a copy of the Chairman’s Address which is being read to shareholders and distributed at today’s Annual General Meeting.

For and on behalf of

Chapmans Limited

P Hetherton
Secretary

jf/954.108

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CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING - WEDNESDAY 26 MAY 2010

Ladies and Gentlemen - Shareholders and Visitors - Welcome to the 87th Annual General Meeting of the Company.

As you would be aware, the last two years have not been good years for the Company, whilst it was also a very bad period financially worldwide, as the Global Financial Crisis created lots of problems for most economies and markets.

INVESTMENTS

As in the past, investment proposals are sought by the Company and/or are received and these are continually being assessed.

Litigation funding

During the previous year, a 12% interest in a private company providing legal claim management services and litigation funding was acquired. Since then various actions have been considered for participation and only one case was selected, which resulted in a draw and no funds were earned or expended.

Obviously, litigation can be seen as a growth industry and I believe that a niche market in this field can be established, given its potential. These operations have the ability to produce significant revenue, even from only one or two cases which may be undertaken and cases continue to be considered on their merits for participation.

Coal Mining Project - Kalimantan, Indonesia

An investment in a coal mining project in Kalimantan, Indonesia has been made through the Company's partly-owned subsidiary, Hallmark Minerals N L, as already announced and detailed in the Directors' Report.

Property Investment

A small investment in an Australian property project is currently being negotiated and further details will be advised when an agreement is concluded.

CONSTITUTION

Directors believe that the proposed new Constitution being re-submitted to shareholders for approval is of benefit to all shareholders and the Company. Directors strongly recommend its adoption.

SHARE CAPITAL

Only two placements were made during the year, totaling 9,000,000 shares, as detailed in the Annual Report. Additional share capital can be raised for general purposes and/or for any specific acquisition of assets in future. An appropriate resolution is on the Agenda and Directors recommend its adoption.

FUTURE

Directors are aware that the Company needs to be revitalised. The investments made to date - and particularly the re-activation of Hallmark Minerals - are all steps being made in that direction. It is envisaged that the participation in the coal project and greater activity in mining projects by Hallmark Minerals and the Company in other projects will in due course contribute to improved prospects and results for the Company.

Boris Ganke

Chairman