



11 December 2017

ASX Announcement

Coal Offtake Agreement

The Company, through its subsidiary, Ledjadja Coal Pty Ltd (**LCL**), has today signed an agreement with Noble Resources International Pte Ltd (**Noble**) for the supply of additional uncontracted coal to be produced from the Boikarabelo mine (**Uncontracted Tonnage Offtake Agreement**).

As announced on 14 March 2017, as part of the extension of the Facility Agreement dated 3 March 2014 the Company agreed to restate the existing domestic offtake and coal marketing agreements it has with Noble and its related bodies corporate, and grant Noble a first right of refusal to purchase any additional uncontracted coal to be produced from the mine.

The terms of the agreement were to be agreed by 30 June 2017, failing which they were to be on the same terms as the Agreement for the Sale and Purchase of Boikarabelo Thermal Coal dated 31 December 2012 (and restated on 28 March 2013) (**Noble Export Offtake Agreement**). By letters of agreement between Noble and LCL the date to agree the terms was extended from 30 June 2017 to 11 December 2017 to allow for completion of the negotiation process.

The key terms of the Uncontracted Tonnage Offtake Agreement are set out below:

- LCL has agreed to offer to sell and deliver to Noble:
 - for years 1 to 3, a committed quantity of 800,000 tonnes of coal per annum, plus up to 300,000 tonnes of coal per annum as advised by LCL to Noble on a quarterly basis; and
 - from year 4 onwards, up to 200,000 tonnes of coal per annum as advised by LCL to Noble on a quarterly basis.
- LCL's obligation to sell and deliver the coal under the Uncontracted Tonnage Offtake Agreement is subject to LCL having sufficient contracted rail and port capacity to deliver the tonnages (taking account of LCL's existing commitments).

The Uncontracted Tonnage Offtake Agreement is otherwise on the same terms as the Noble Export Offtake Agreement.

Performance of the Uncontracted Tonnage Offtake Agreement is subject to receipt of relevant regulatory/shareholder approvals. The Company intends to consult with ASX regarding what shareholder approvals (if any) it may require and will update the market in due course.

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Chairman

For and on behalf of the Board

About Resgen:

Resource Generation Limited (Resgen) is an emerging ASX and JSE-listed energy company, currently developing the Boikarabelo Coal Mine in South Africa's Waterberg region. The Waterberg accounts for around 40% of the country's currently known coal resources. The Coal Resources and Reserves for the Boikarabelo Coal Mine, held through the operating subsidiary Ledjadja Coal, were recently updated based upon a new mine plan and execution strategy. The Boikarabelo Coal Resources total 995Mt and the Coal Reserves total 267Mt applying the JORC Code 2012 (ASX Announcement :23 January 2017- In accordance with Listing Rule 5.23.2 the Company confirms that it is not aware of any new information that would impact on the Reported Coal Resources and Coal Reserves). Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum. Ledjadja Coal is a Black Economic Empowerment subsidiary (BEE) operating under South Africa's Broad-based Black Economic Empowerment Act, Section 9(5): Codes of Good Practice

ResGen's primary shareholders are the Public Investment Corporation of South Africa (PIC), Noble Group and Altius Investment Holdings.

For further information please contact:

Mike Meintjes, Company Secretary on mmeintjes@resgen.com.au or +61 413 706 143

Media enquiries:

Australia: Martin Debelle on + 61 282 340 102

South Africa: Marion Brower/ Charmane Russell on +27 11 880 3924