



ASX: RES

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ASX Release

Blumont to acquire 15% of Resource Generation

Resource Generation has signed a share subscription agreement with Blumont Group Ltd (Blumont) (SGX: A33) for the issue of shares to Blumont representing 15% of Resource Generation's expanded capital base. The issue of shares will be at \$0.22 per share, the same as the recent entitlement offer. If any shares are available as part of the entitlement offer shortfall, Blumont will subscribe for those shortfall shares and the balance will be issued after the annual general meeting, subject to shareholder approval.

Blumont's investment in Resource Generation is expected to be between \$20 million and \$25 million, depending on the final structure of the placement of the shortfall shares from the entitlement offer. The finalisation of the placement of the shortfall shares is expected to occur by the end of September 2013.

Paul Jury, managing director, said: 'We are pleased to welcome Blumont, a global institutional investor focussed on strategic long term investments in the resources sector, onto our share register. We will be detailing our positive recommendation to shareholders in the notice of annual general meeting in due course, but together with the leveraged funding alternatives we are vigorously pursuing, the extended equity placement to Blumont minimises any further equity requirements for the development of the Boikarabelo mine.'

Blumont is listed on the Singapore Stock Exchange with a market capitalisation of approximately A\$2.9 billion. It is a Singapore-based company with a global portfolio of diversified assets in the minerals and energy resources sector, including coking coal, thermal coal, gold, copper and uranium. Blumont is also engaged in transferable securities investments, the provision of sterilisation and polymerisation services and development of properties for sale and rental.

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Resource Generation is developing the Boikarabelo coal mine in the Waterberg region of South Africa, which accounts for 40% of the country's remaining coal resources. There are probable reserves of 744.8 million tonnes of coal on 35% of the tenements under the company's control. Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.