



1 July 2013

Resource Generation Limited
ABN 91 059 950 337

Level 12, Chifley Tower
2 Chifley Square
Sydney NSW 2000
GPO Box 5490
Sydney NSW 2001

Tel +61 2 9376 9000
Fax +61 2 9376 9013

Dear Shareholder

www.resgen.com.au
ASX: RES
JSE: RSG

**RESOURCE GENERATION LIMITED –
NON RENOUNCEABLE ENTITLEMENT OFFER**

On 28 June 2013, Resource Generation Limited (*Resource Generation*) announced a capital raising of \$A62.6 million. A 1 for 1 pro rata non-renounceable entitlement offer (*Entitlement Offer*) is being made to eligible shareholders at \$A0.22 per share.

The Entitlement Offer is not underwritten. However, commitments have been received from three independent parties who are willing to take up to approximately 80% of the issue or any available shortfall. The three parties are:

- Barsington Limited, a wholly owned subsidiary of Noble Group Limited (an existing shareholder);
- Valu Investments Pte. Ltd, a special purpose vehicle which will be jointly owned by Mr Jaimin Vyas, who is an entrepreneur, investor and project developer in the infrastructure sector, and IL&FS Energy Development Company Limited (“IEDCL”), an Indian company which specialises in the energy infrastructure space; and
- Altius Investment Holdings (Proprietary) Limited, a South African black economically empowered investment company focused on the food, mining and water sectors and also representing other large institutional investors.

BBY Limited is acting as broker to the issue. The directors of the Company reserve the right to place the shortfall shares at their discretion, which will include ensuring no party obtains a position of control.

The funds raised via the Offer, together with Resource Generation's existing cash reserves and funds from the Rail Link loan (announced on 28 June 2013), will be utilised to provide funding primarily for the commencement of major constructions works for Stage 1 production of the Boikarabelo mine in the Waterberg region of South Africa; and also to provide funding for working capital requirements of Resource Generation.

Should the Entitlement Offer not achieve full subscription or take up of the shortfall, the Company will prioritise the expenditure in areas which provide maximum leverage in de-risking completion. For example, expenditure on the CHPP would be deferred on the basis that we are presently considering leveraged finance for all or part of the CHPP.

Resource Generation will not issue a prospectus for the Entitlement Offer as the offer will be made under provisions of the *Corporations Act 2001* which allow entitlement offers to be made without a prospectus. Instead, an Offer Booklet detailing the non-renounceable entitlement offer will be sent to eligible shareholders and be available on Resource Generation's website at www.resgen.com.au and at www.asx.com.au.

The Entitlement Offer entitlement is for eligible Resource Generation shareholders on the share register as at 7.00pm (AEDT) on 8 July 2013 (*Record Date*) with registered addresses in Australia, New Zealand, the European Economic Area, Hong Kong, India, PNG, Singapore, South Africa, Switzerland and the United Kingdom. Shareholders with registered addresses

outside these countries are not eligible to participate in the Entitlement Offer. However, the Company may (at its absolute discretion) extend the Offer to certain institutional shareholders (as at the Record Date) in foreign jurisdictions subject to compliance with applicable laws.

Entitlements to New Shares pursuant to the Retail Entitlement Offer are non-renounceable and accordingly will not be traded on the ASX. Under the Entitlement Offer, eligible shareholders can choose whether or not to take up all or part of their entitlement or otherwise have their equity interests diluted.

The New Shares will rank equally with the existing ordinary shares from the date of allotment. The current number of ordinary shares on issue in Resource Generation is 284,698,002. Under the Offer a further 284,698,002 shares are expected to be issued.

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Record Date for the Entitlement Offer	7.00pm (Sydney, NSW time) on 8 July 2013
Mailing of Offer Booklet and Entitlement and Acceptance Form to Shareholders	9 July 2013
Entitlement Offer opens	9am 9 July 2013
Entitlement Offer closes	5.00pm 23 July 2013
Deferred settlement trading commences on ASX	24 July 2013
Settlement of the Entitlement Offer	29 July 2013
Allotment of New Shares under the Entitlement Offer (except for Shortfall Shares)	30 July 2013
Dispatch of holding statements for New Shares under the Entitlement Offer (except for Shortfall Shares)	30 July 2013
Allotment of Shortfall Shares	Within 3 months of the close of the Offer

Dates and times are indicative only and subject to change. Subject to the ASX Listing Rules, the Directors of the Company reserve the right to vary these dates, including the Closing Date, without prior notice.

Before making a decision whether to subscribe for any of these shares, please carefully read the Offer Booklet and related information when you receive it. **The offer closes at 5.00pm on 23 July 2013.** If you have any queries regarding your rights or the mailing of the Offer Booklet and the accompanying Entitlement and Acceptance Form please contact Boardroom Pty Limited on 1300 737 760 (local call cost from anywhere in Australia) or from outside Australia on +61 2 9290 9600 at any time from 9:00 am to 5:00pm (AEST) Monday to Friday.

Further information in relation to Resource Generation's activities and the Entitlement Offer is available on the Company's website at www.resgen.com.au.

Yours faithfully



Steve Matthews
Company Secretary