



**ASX: RES**

28 June 2013

**ASX Release**

### **Resource Generation obtains US\$55.3 million loan for the rail link**

Resource Generation has signed a binding term sheet for a US\$55.3 million loan facility, with Noble Resources International Pte Ltd, a wholly owned subsidiary of the Noble Group (*Noble*), which will be used for construction of the Boikarabelo rail link.

The 38 kilometre rail link from the Boikarabelo mine to the existing Transnet Freight Rail network is one of the longer lead time items for the construction of the mine. The loan will have a term of 8 years and will begin to be drawn down and construction commence as soon as possible. Security will be granted over the rail link and associated servitude rights.

Paul Jury, managing director, said: 'Commencing the rail link is a major catalyst for the construction of the Boikarabelo coal mine. The loan enabling the works is also another innovative example of our efforts to finance construction and mitigate completion risk. The knock-on effect of this construction activity is significant in terms of physical site establishment as well as providing a stimulus for further funding of the remaining construction.'

It complements action already undertaken with respect to mobile equipment and material handling leveraged funding, in addition to the continuing negotiations with ten banks for project finance.'

By agreeing to this rail link loan facility, the parties have agreed to reduce the existing loan facility of US\$123 million by US\$55.3 million to US\$67.7 million. The other terms of the existing loan facility, which was announced on 2 April 2013, remain the same.

Noble is a global supply chain manager of agricultural and energy products and metals, minerals and ores. Noble is listed in Singapore (SGX: N21) and operates from over 140 locations.

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*Resource Generation is developing the Boikarabelo coal mine in the Waterberg region of South Africa where there are probable reserves of 744.8 million tonnes of coal on 35% of the tenements under its control. Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.*