



ASX: RES

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ASX Release

Resource Generation signs domestic offtake contract

A domestic coal offtake contract for 3.0 million tonnes of coal per annum has been entered into with Noble Resources International Pte. Ltd, a wholly owned subsidiary of the Noble Group (*Noble*). The term is for 8 years, with supply to begin after production commences at the Boikarabelo mine. The contract is based on commercial terms which are expected to facilitate completion of debt funding, whilst maintaining appropriate rates of return to shareholders.

Detailed discussions with potential financiers of the mining equipment, materials handling equipment, the rail line and project funding are all taking place in tandem.

Paul Jury, managing director, said: 'this contract for domestic offtake now ensures revenue for Stage 1 of the Boikarabelo project is nearly fully underwritten. It provides certainty of cash flow generation further bolstering project value. It also highlights the tangible strategic value of the relationship with Noble.'

Regular logistics meetings are being held with Transnet Freight Rail (*TFR*) to plan the timely delivery of haulage services following the commencement of production at Boikarabelo. TFR is making good progress with the first upgrade works on the Thabazimbi line which will help to ensure initial capacity requirements are met.

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.