



ASX: RES

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ASX Release

Sale of Tasmanian Assets

Resource Generation Limited has agreed to divest its Tasmanian coal tenements through the sale of all its shares in Energy Investments Pty Limited and Tiger Coal Pty Limited for \$1.5 million. In addition, Resource Generation will receive a royalty of \$1.20 per tonne on all coal sold from any mine developed on these tenements.

Following exploration and analysis the potential for the development of a mine, whilst present, would require funding and personnel commitments that would detract management from its main asset, the proposed Boikarabelo coal mine in South Africa, where there are probable reserves of 745 million tonnes of coal on 35% of the company's tenements.

Completion of the sale is targeted for 16 September 2011. The purchaser, which is a private company, has paid a non-refundable deposit of \$150,000.

Contacts

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Resource Generation has coal interests in South Africa and Tasmania. Its current priority is to develop its planned Boikarabelo mine in the Waterberg region of South Africa where there are probable reserves of 744.8 million tonnes of coal on 35% of the company's tenements.