

**ASX: RES**

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**ASX Release**

### **New export offtake contract and IPP arrangements**

Resource Generation Limited has entered into two arrangements with Valu Investments Pte. Ltd (*Valu*), 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.

Valu has entered into a 20 year export coal offtake contract for 1.0 million tonnes per annum of coal, with supply after production commences at the Boikarabelo mine. Coal prices will be set by reference to an internationally recognised index at the time of each shipment. Following the commencement of stage 2 production, the volume increases to 2.0 million tonnes per annum. In conjunction with this, the existing 0.5 million tonnes per annum contract with Bhushan Steel Limited (*Bhushan Steel*) has been terminated with no penalty payable by either party. Bhushan Steel is not a shareholder in Resource Generation.

Valu has undertaken to conduct feasibility studies for the development of both a 200 MW power station and a larger 1200 MW coal fired power station proposed to be located adjacent to the Boikarabelo mine. Resource Generation has granted Valu the right to own, build and operate both of the coal fired power stations as an independent power project. In conjunction with this, the feasibility study arrangements with CESC Limited have been terminated with no penalty payable by either party.

The export coal contracts are currently as follows in mtpa:

	Stage 1		Stage 2					
	Y1-Y3	Y4-Y7	Y8	Y9-12	Y13-14	Y15-20	Y21-35	Y36-Y38
CESC	1.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0
Noble	0.5	0.5	0.5	1.5	2.0	2.5	2.5	
Valu	1.0	1.0	2.0	2.0	2.0	2.0		
<b>Total</b>	<b>2.5</b>	<b>3.5</b>	<b>6.5</b>	<b>7.5</b>	<b>8.0</b>	<b>8.5</b>	<b>6.5</b>	<b>4.0</b>

Note. If, as expected, Stage 2 production commences earlier, both CESC and Valu tonnages increase by 1mtpa in those earlier years.

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