



**ASX: RES**

28 June 2013

**ASX Release**

## **Resource Generation launches A\$62.6 million equity capital raising**

Resource Generation Limited (**Resource Generation** or the **Company**) is pleased to announce that it is seeking to raise A\$62.6 million (before costs) through a 1 for 1 pro-rata non-renounceable entitlement offer of 284,698,002 fully paid ordinary shares (**New Shares**) at A\$0.22 per share (**Entitlement Offer**). The Entitlement Offer is not underwritten. However, commitments have been received from three independent parties that 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 (**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 (refer below re further arrangements with Valu); 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.

Proceeds from the Entitlement Offer will be used primarily to commence major construction to proceed towards production at the Boikarabelo mine in the Waterberg region of South Africa, and for working capital. The commencement of major construction at Boikarabelo will be a significant milestone for Resource Generation, and will allow the Company to reduce the risk of the development of the project. The Company is also negotiating the offer of equipment finance, coal handling and preparation plant) (**CHPP**) funding alternatives and is in discussions with ten banks with a view to augmenting the debt facility provided through the Noble Group Limited (**Noble**), announced to the market on 2 April 2013.

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.

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 leveraged finance is under consideration for all or part of the CHPP.

As announced earlier today, Noble Group Limited has agreed to lend US\$55.3 million for the construction of the 38 kilometre rail link from the Boikarabelo mine to the existing Transnet Freight Rail network.

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**Entitlement Offer**

The Entitlement Offer will be open from 9 July 2013 to 22 July 2013. Eligible Shareholders (as defined below) will be entitled to 1 New Share for every existing share held on the record date at the offer price A\$0.22 per share.

Entitlements are non-renounceable. They cannot be traded on the ASX or JSE or otherwise. Entitlements not taken up will lapse.

The Entitlement Offer is only open to Eligible Shareholders. An *Eligible Shareholder* is a person who:

- is registered as a holder of shares in the Company as at the Record Date, being 7.00pm (Sydney time) on 8 July 2013;
- has a registered address in Australia, New Zealand, the European Economic Area, Hong Kong, Papua New Guinea, Singapore, South Africa, Switzerland and the United Kingdom;
- is not in the United States and are not 'US persons' (as defined in Regulation S under the US Securities Act), or acting for the account or benefit of US Persons; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Offer Booklet will be lodged with ASX and the JSE Stock Exchange News Service on 28 June 2013 and be dispatched on 9 July 2013. The Offer Booklet will contain further details on the Entitlement Offer including a personalised entitlement and acceptance form.

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 22 July 2013
Deferred settlement trading commences on ASX	23 July 2013
Settlement of the Entitlement Offer	26 July 2013
Allotment of New Shares under the Entitlement Offer (except for Shortfall Shares)	29 July 2013
Dispatch of holding statements for New Shares under the Entitlement Offer (except for Shortfall Shares)	29 July 2013
Allotment of Shortfall Shares	Within 3 months of the close of the offer



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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 dates, without prior notice.

Any queries regarding the Entitlement Offer can be made to 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 (Sydney time) Monday to Friday.

### **Contacts**

Paul Jury, Managing Director on (02) 9376 9000 or  
Steve Matthews, Company Secretary on (02) 9376 9000

### **Media enquiries**

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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.*