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## **ASX Release**

# **Acquisition of Further Tenements in South Africa and Exploration Update**

## **Acquisition**

Resource Generation Limited has purchased an additional coal permit adjacent to its Waterberg No.1 (W1) project in South Africa.

The company has purchased the shares of Apex Resources Holdings Inc from Saber Energy Corp. Apex holds a 49% joint venture interest in a coal exploration permit, which covers seven properties adjacent to the south eastern boundary of W1, as depicted in the diagrams below.

The coal exploration permit covers an area of approximately 8,000 hectares of which portions closer to Waterberg No.1 are expected to provide a continuity of coal sequences existing in Waterberg No.1. Estimates of coal present will be known after confirmation drilling is undertaken during 2009.

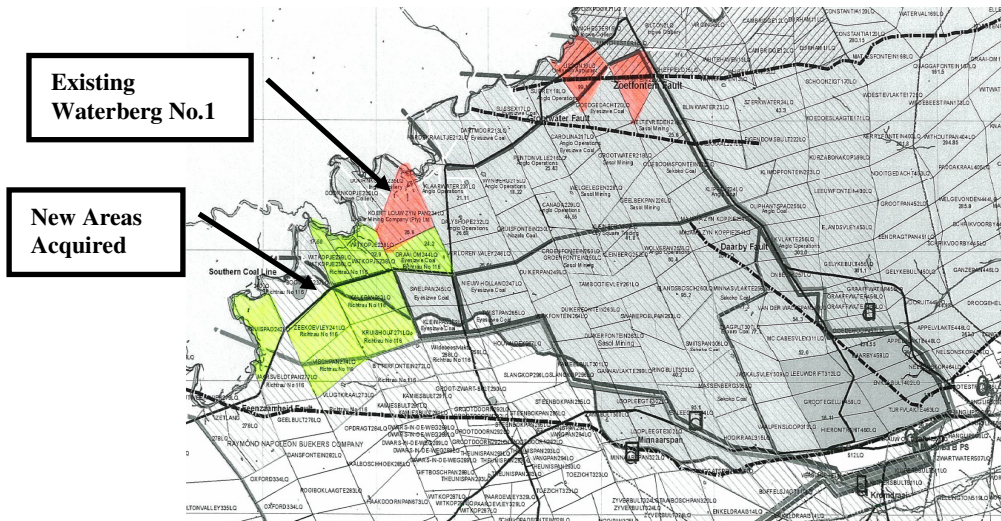
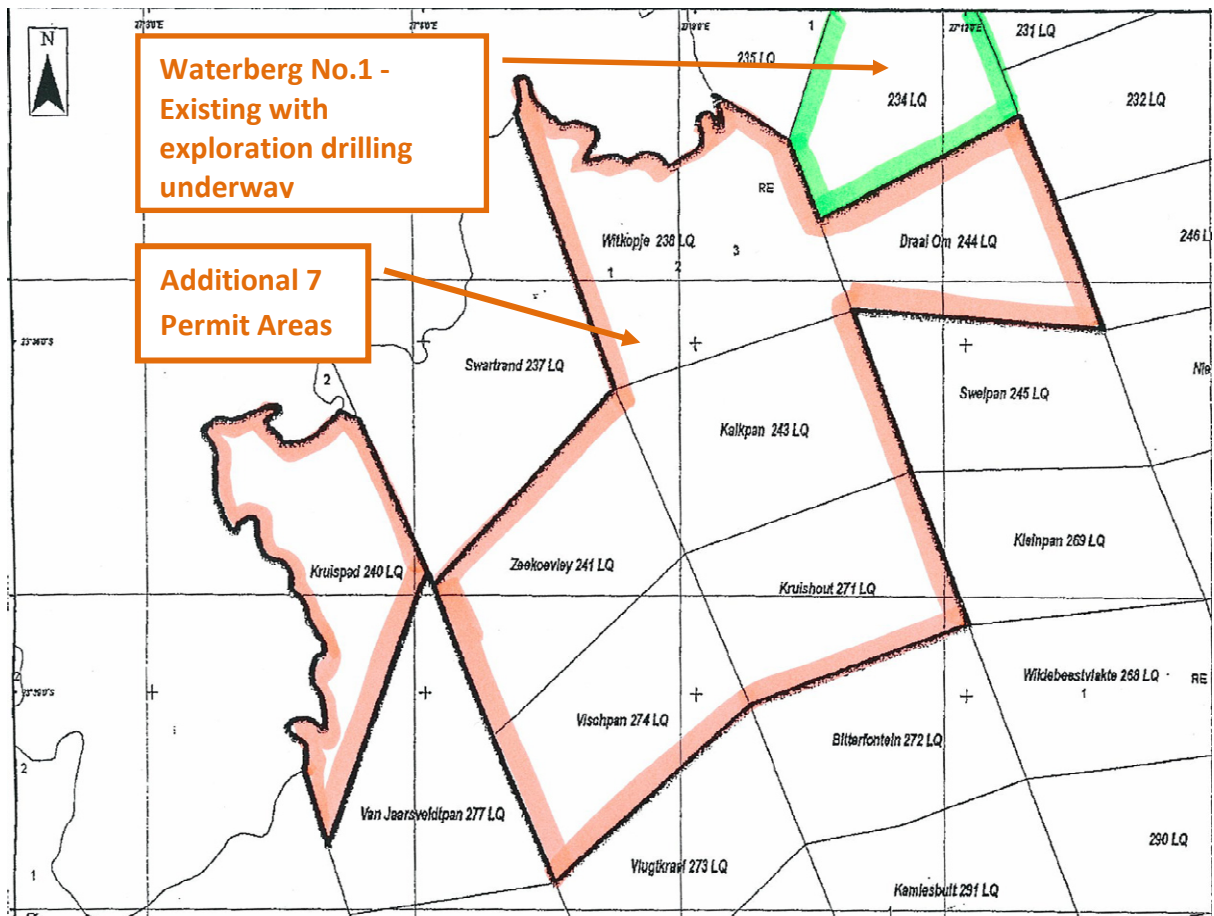
It is envisaged that mining synergies may exist through amalgamation of the respective areas.

Purchase terms include a cash payment of US\$1.5 million and a royalty of R30 million to be paid at R2/saleable tonne on coal produced from the Apex area.

## **Exploration Update**

Exploration activities in the Waterberg tenements have been suspended over the Christmas holiday season; however the programme of both percussion and open holes has been achieved as planned. Analysis of the results will be undertaken in the first half of 2009.

To date 77 percussion holes and 5 open holes have been completed. In Waterberg No.1, coal seam intersections of approximately 120 metres thick have been encountered, commencing at an average depth of 20 metres below the surface, which is consistent with expectations.



### Contacts

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