



ASX/Media Release

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Resource Generation secures first coal off-take contract

Resource Generation Limited (ASX:RES) has today signed a contract with Integrated Coal Mining Limited, part of the RPG Group, whereby Integrated Coal Mining will purchase coal for 20 years from Resource Generation's Boikarabelo mine in South Africa and will subscribe \$10.5 million for a 10 per cent shareholding in Resource Generation.

Under the terms of the contract, Integrated Coal Mining, on behalf of its affiliated company CESC Limited (BSE:CESC IN), will purchase one million tonnes of thermal coal per annum for three years and two million tonnes per annum for a further 17 years. These purchases will begin when the Boikarabelo mine commences production, which currently is scheduled for early 2013. The price will be agreed annually based on the international benchmark price at the time.

Resource Generation has agreed to place 18,268,053 shares with Integrated Coal Mining at a share price of \$0.575.

Integrated Coal Mining and CESC are both parts of the RPG Group, one of India's most respected industrial groups. CESC is India's third largest power utility, with a current installed generating capacity of 1225 MW serving nearly 2.5 million consumers across the twin cities of Kolkata and Howrah. Its published growth plan envisages an increase in its installed generating capacity to 5745 MW. Founded in 1899, the company introduced thermal power to India.

The RPG Group is a diversified industrial group with a market capitalisation of approximately \$US3.0 billion and annual revenue of approximately \$US3.5 billion.

Paul Jury, managing director of Resource Generation, said: 'This is a major step in our plan to establish our Boikarabelo mine as a significant supplier of coal to both export and South African domestic markets. It represents a vote of confidence by CESC in Boikarabelo's potential, and positions us to sell increasing quantities of coal as CESC's generating capacity grows.'

Resource Generation's planned Boikarabelo mine is in the Waterberg region of South Africa, one of the country's largest remaining coal deposits.

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