



resource generation

Investor Presentation

ASX: RES
TSE: RSG

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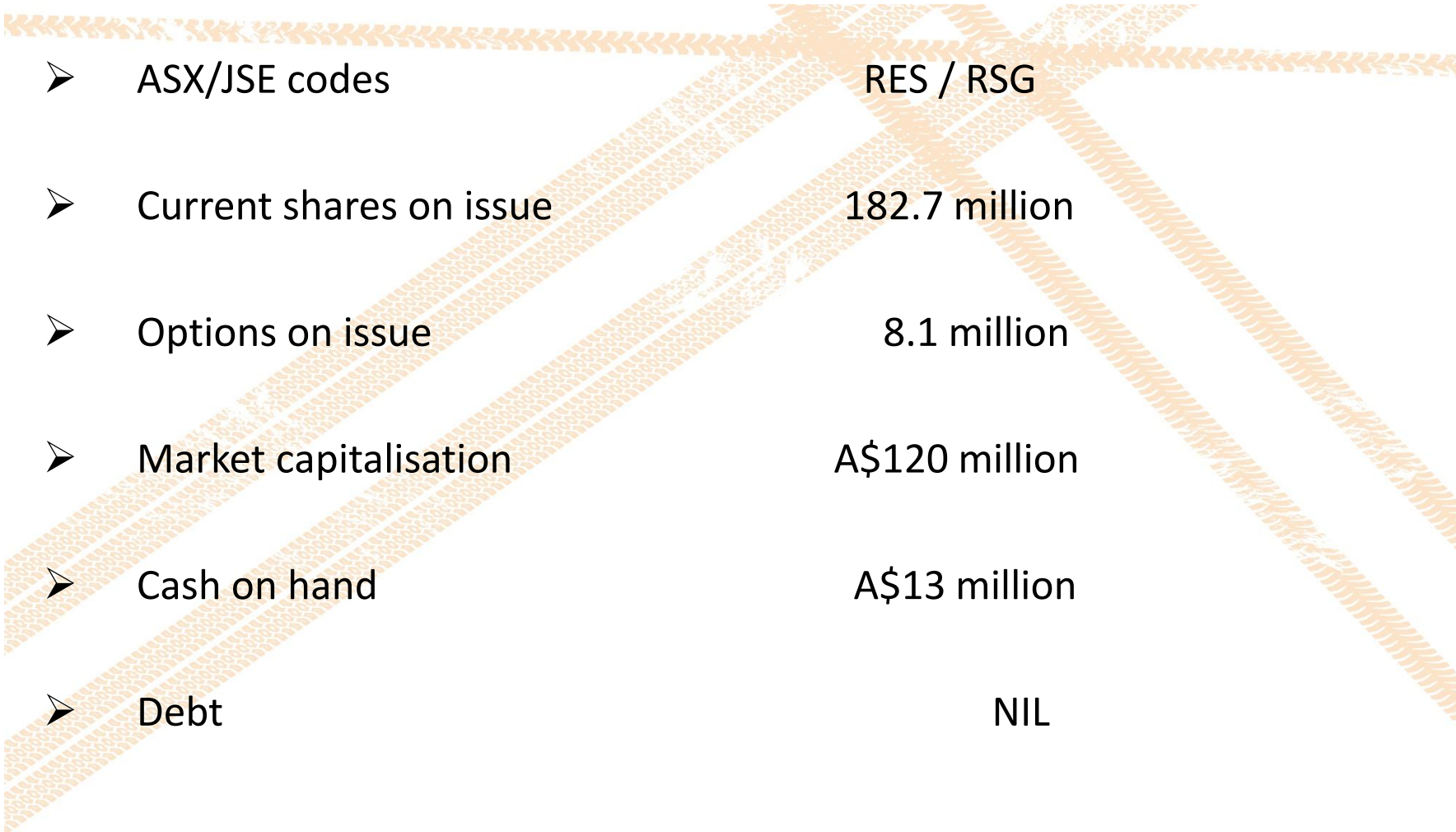
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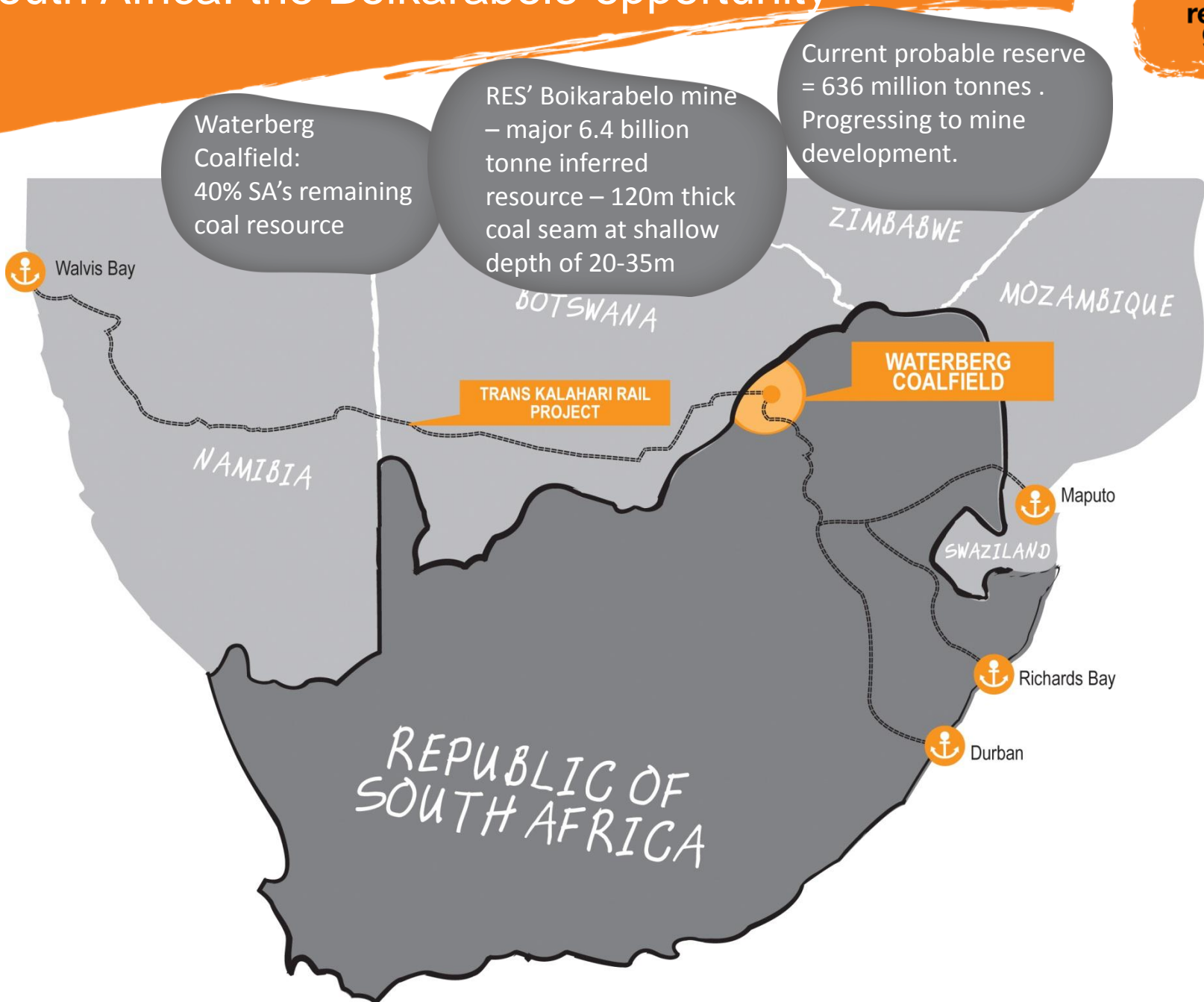
South Africa

Information in this presentation that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Dawie Van Wyk who is a consultant to the Company and is a member of a Recognised Overseas Professional Organisation. Mr Van Wyk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Van Wyk consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.



➤ ASX/JSE codes	RES / RSG
➤ Current shares on issue	182.7 million
➤ Options on issue	8.1 million
➤ Market capitalisation	A\$120 million
➤ Cash on hand	A\$13 million
➤ Debt	NIL

South Africa: the Boikarabelo opportunity

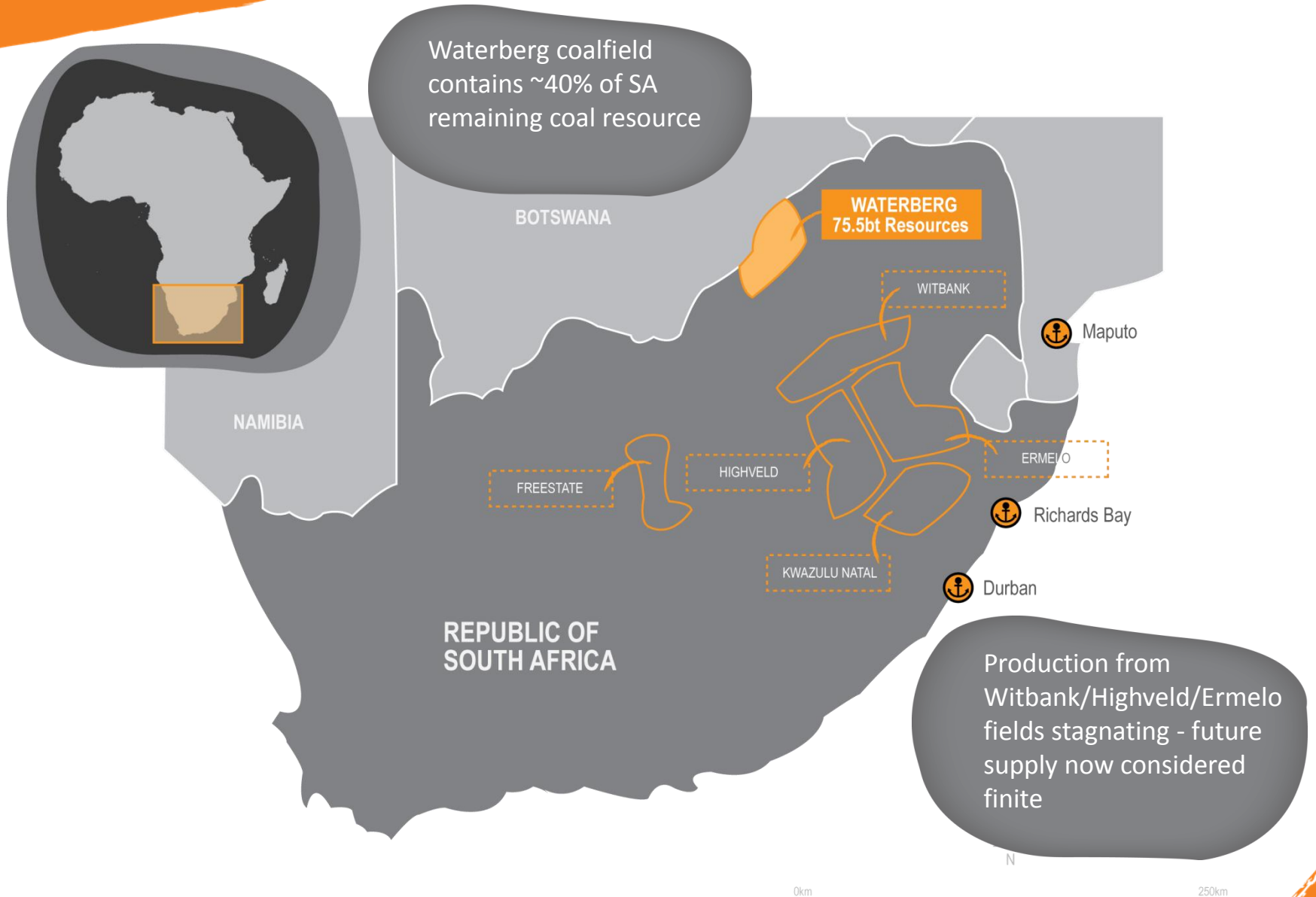


Waterberg Coalfield:
40% SA's remaining coal resource

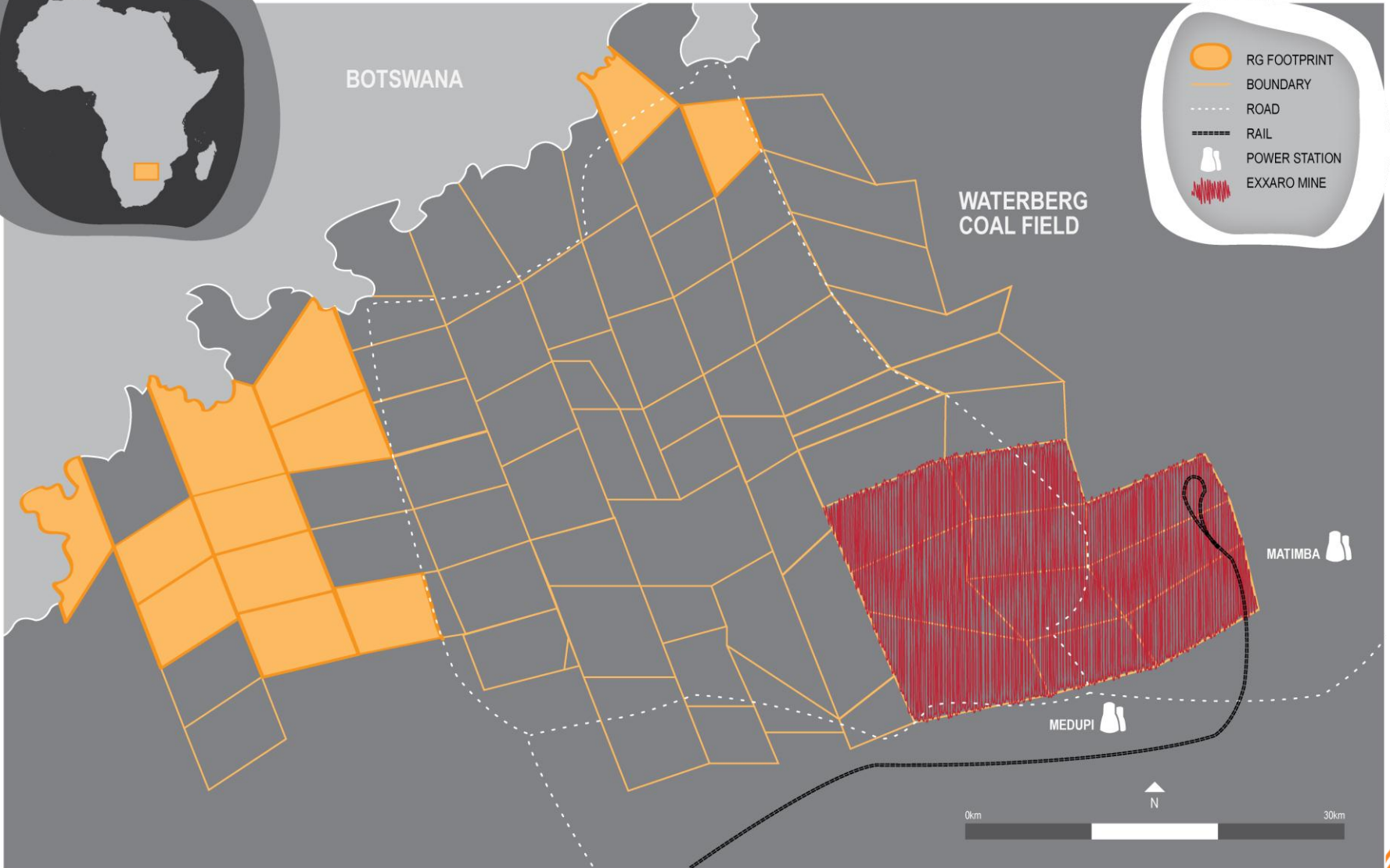
RES' Boikarabelo mine – major 6.4 billion tonne inferred resource – 120m thick coal seam at shallow depth of 20-35m

Current probable reserve = 636 million tonnes . Progressing to mine development.

South African coal fields: Waterberg the future



Waterberg coalfield location

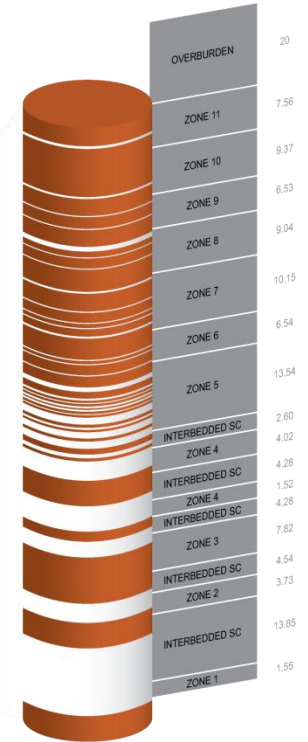
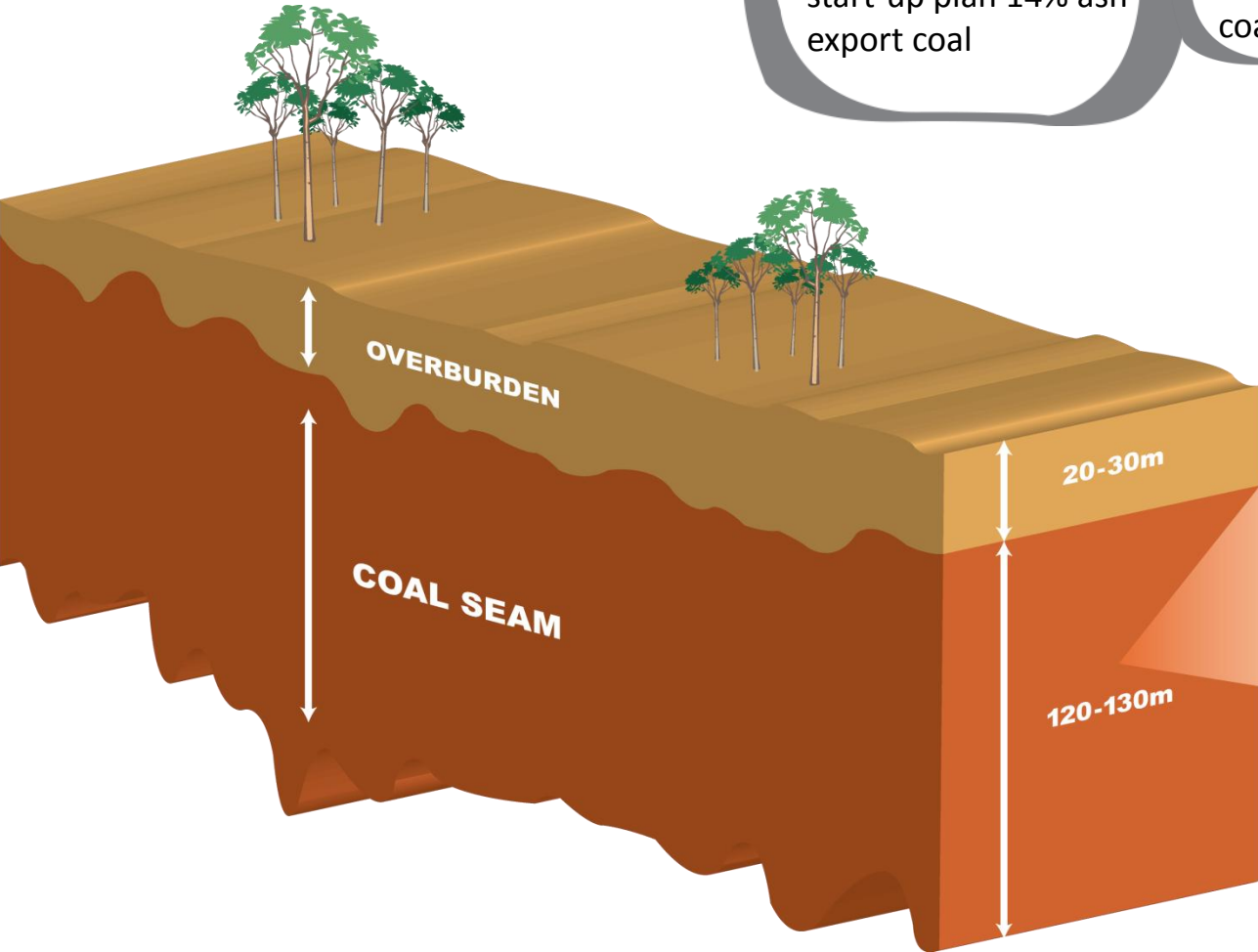


Boikarabelo coal seam: shallow cover, thick seam, zones of varying quality



Export semi-soft coking & thermal coal: start-up plan 14% ash export coal

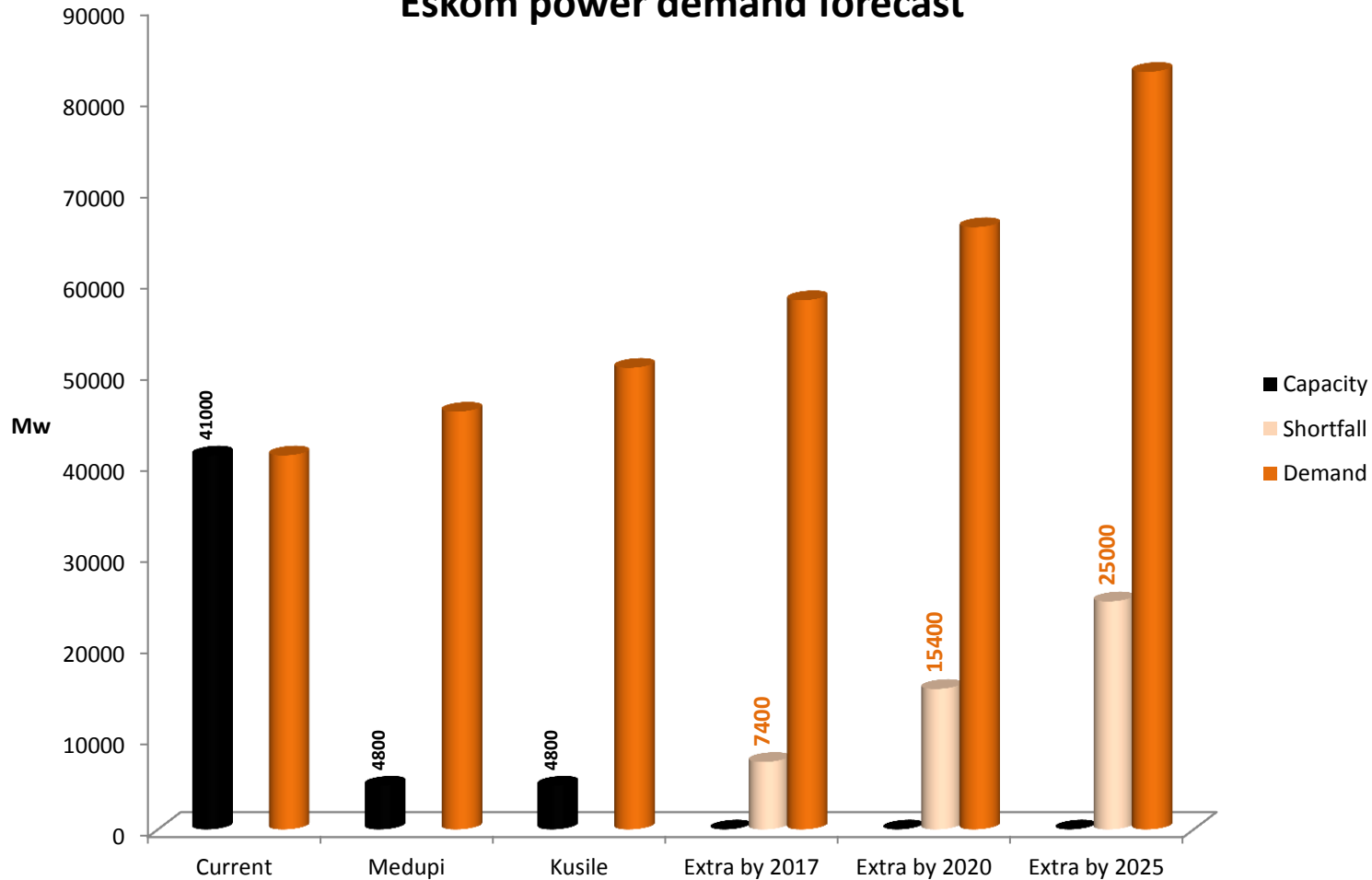
Domestic thermal coal



South African supply/demand imbalance: new mines needed



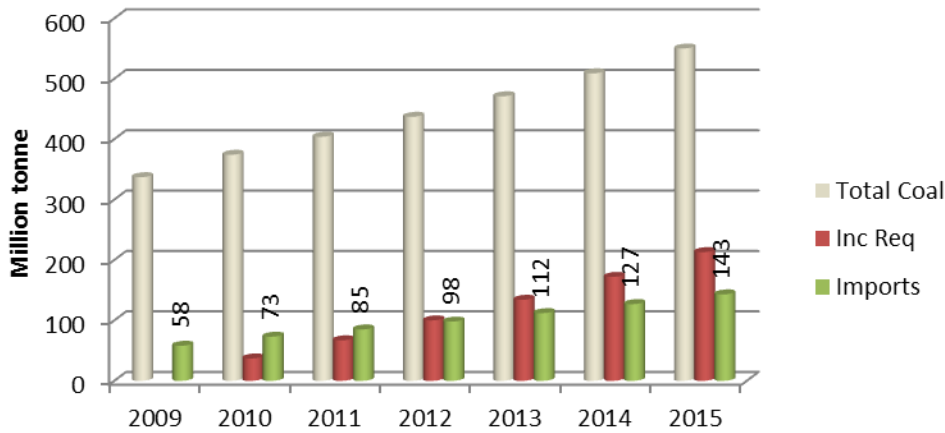
Eskom power demand forecast



South African coal exports: growing demand from India and China



India Coal / Power Generation Required

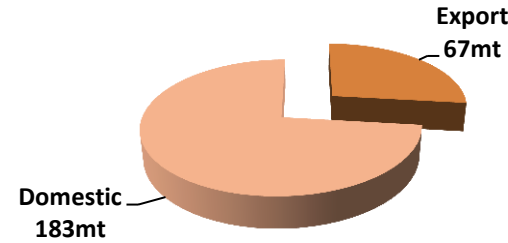


Source: Standard Chartered Research

RES 20 year supply contract with Calcutta Electric shows demand for LT quality supply

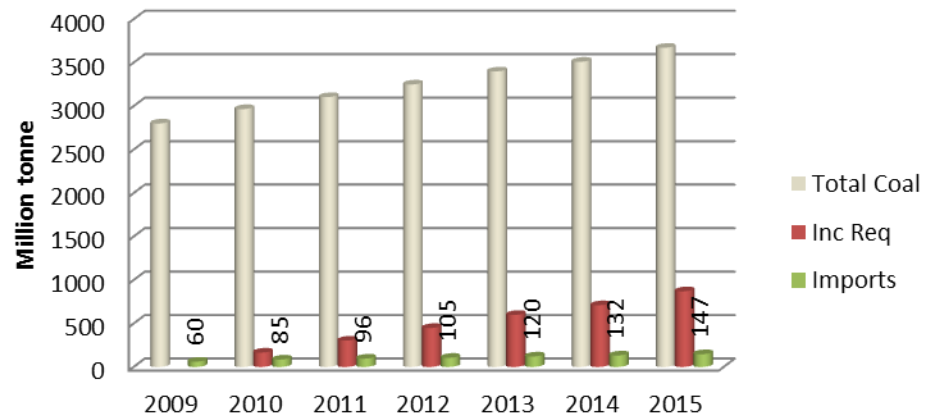


Current SA Total Production ~250mtpa



- Total Coal
- Inc Req
- Imports

China Coal / Power Generation Required

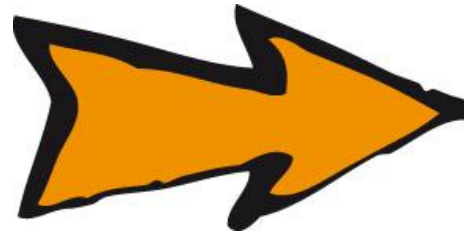


Source: Standard Chartered Research

Achievements: In 2 years have lodged a mining right and secured first offtake



- ✓ Secured prospecting rights
- ✓ Defined 6.4 billion tonne inferred resource
- ✓ Probable reserve 636mt from ~25% available area
- ✓ Defined infrastructure
- ✓ Defined transport, power and water solutions
- ✓ Completed social & labour plan
- ✓ Completed mine plan
- ✓ Acquired surface land
- ✓ Completed pre-feasibility study
- ✓ Submitted mining rights application
- ✓ Dual listed on JSE
- ✓ Secured 2 x S11 applications
- ✓ Completed additional exploration / resource upgrade
- ✓ First coal offtake agreement
- ✓ Progressed transport options
- ✓ Progressed project funding structure



Secure mining right

Fund then construct mine

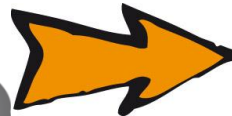
Commence production

Concern over sovereign risk – our record so far diminishes exposure



Regulatory consent completes RES ownership validation under BEE Laws.

Transparent and constructive meetings with DMR have led to S11 approvals



Similar transparency and constructive meetings to date with DMR over MRA approval.

Received '09: RES now 70%

Waterberg One Coal (Pty) Ltd

Received Jun '10: RES now 74%

Ledjadja Coal (Pty) Ltd

South Africa is an industrialised economy with significant value add potential due to low energy and labour costs

JSE Listing for RSG establishes local presence, facilitates funding flexibility.

South Africa is an active democracy, demonstrating significant resolve to succeed, e.g. 2010 World Cup

South Africa has an established legal and regulatory structure

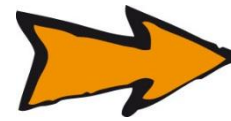
Infrastructure upgrades required to keep pace with global economic growth

Mining Rights Application (MRA) progress



- Land claims
- Soil
- Flora & Fauna
- Wetlands
- Floodlines
- Surface water
- Hydrology
- Noise
- Air quality
- Archaeology
- Traffic
- Tourism
- Social impacts
- Public participation
- Mine plans
- Emplacement

- Social & Labour Plan submitted, review continuing
- Environmental Impact Assessment and public consultation completed Sep – next stage underway submission to other Gov't Departments, evaluation and assessment



Working towards June Qtr 2011 for approval



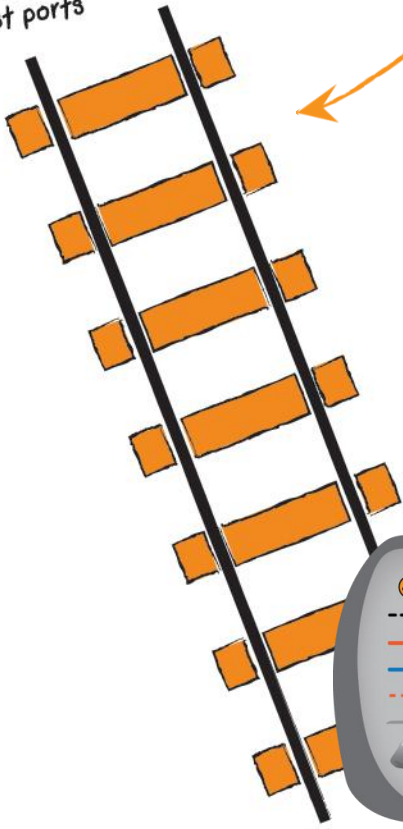
Only material complaint was use of haul road to rail siding, prior to rail link

Rail: initiated discussions with Transnet re rail network access

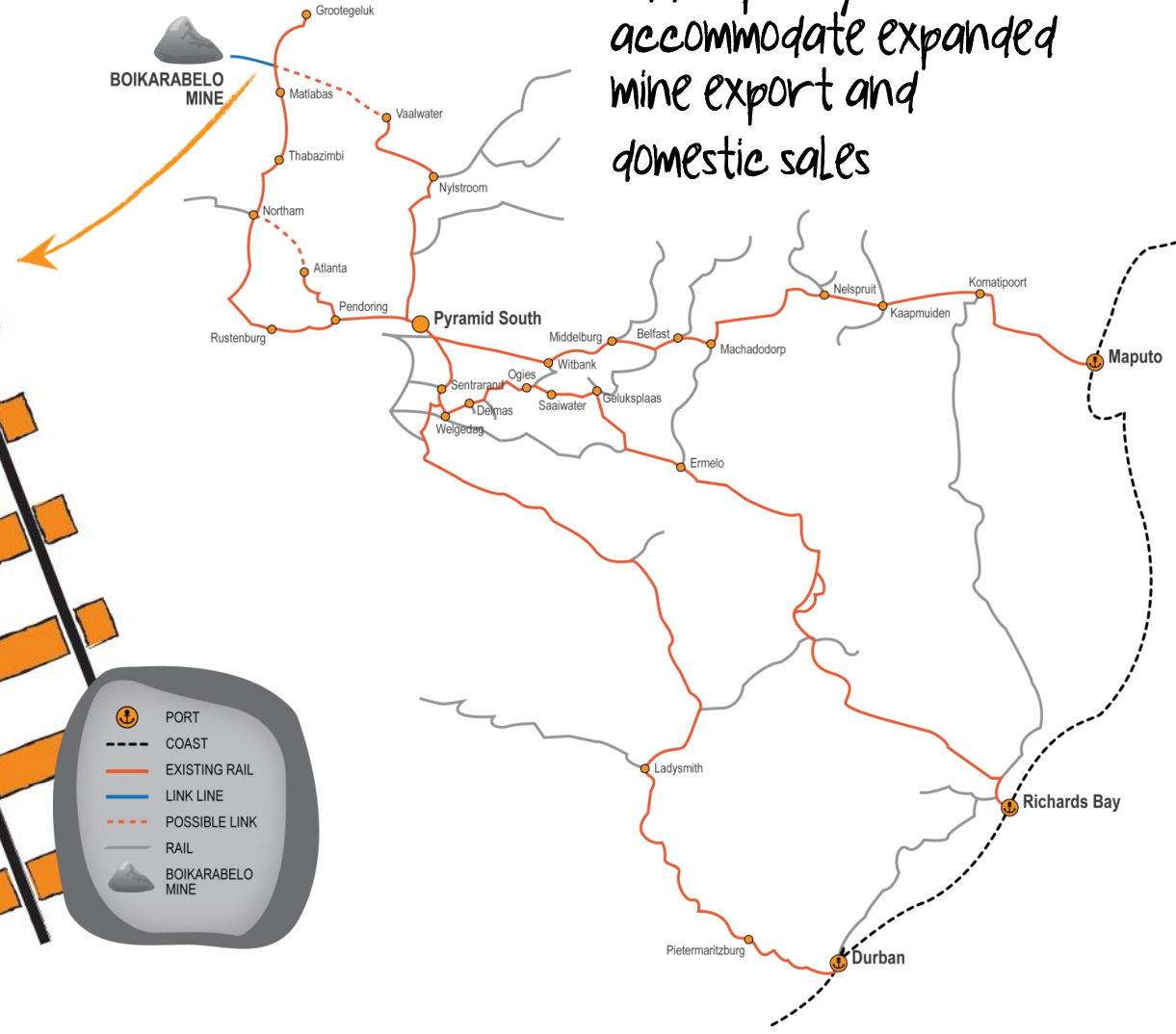


upgrades identified to add capacity to accommodate expanded mine export and domestic sales

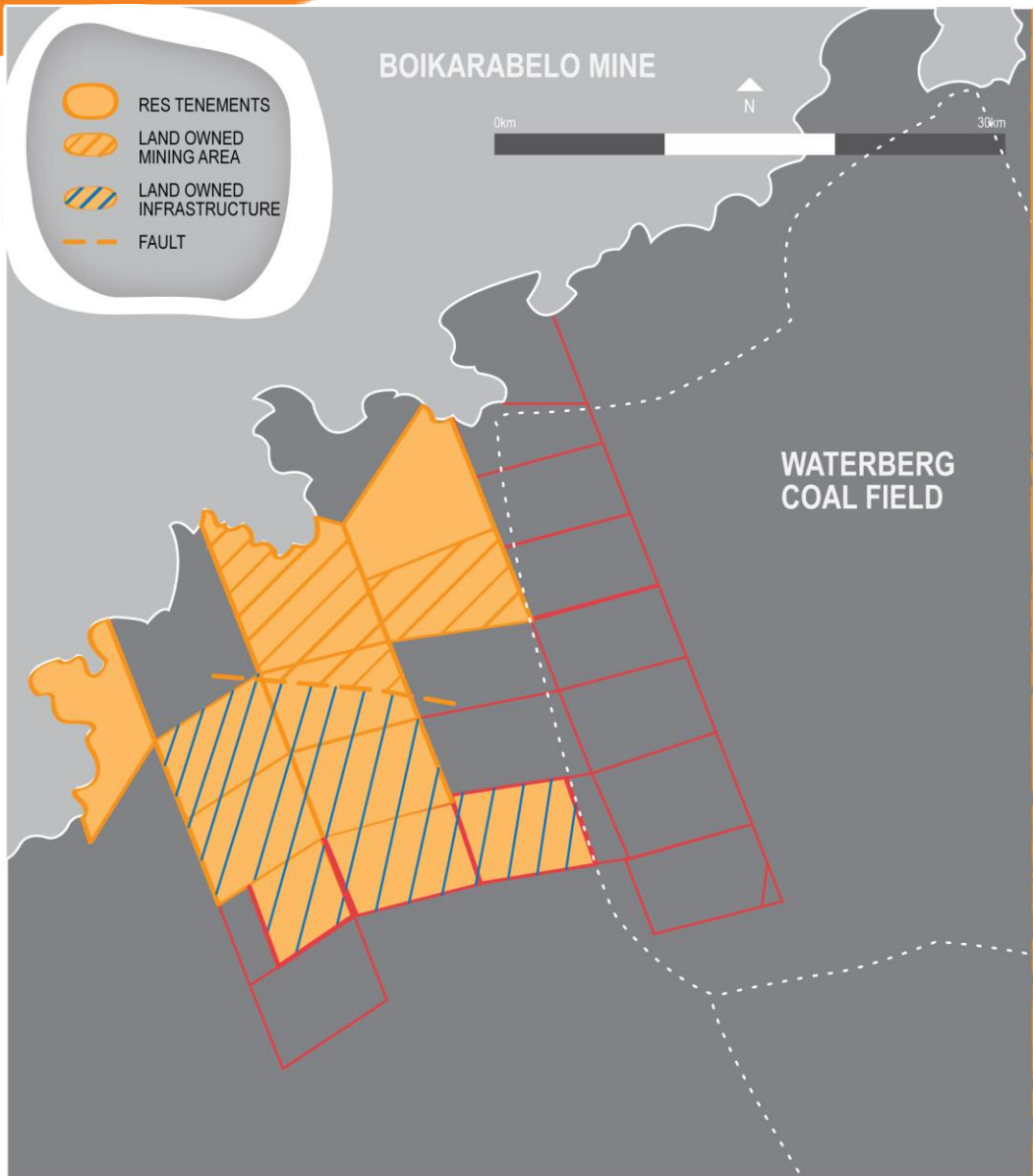
Proposed 45km link to existing rail system provides access to domestic markets and east coast ports



- PORT
- COAST
- EXISTING RAIL
- LINK LINE
- POSSIBLE LINK
- RAIL
- BOIKARABELO MINE



Land acquisition secured – facilitates development



Flat topography

Funding overview: plan refined; initial capex reduced to maximise early cash flows

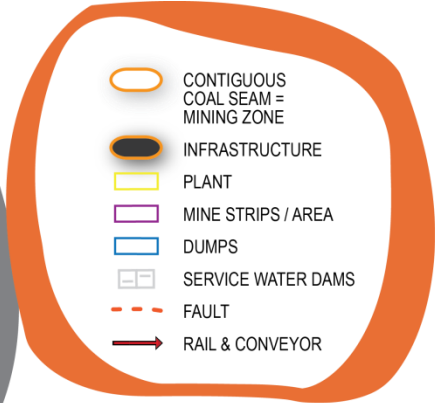
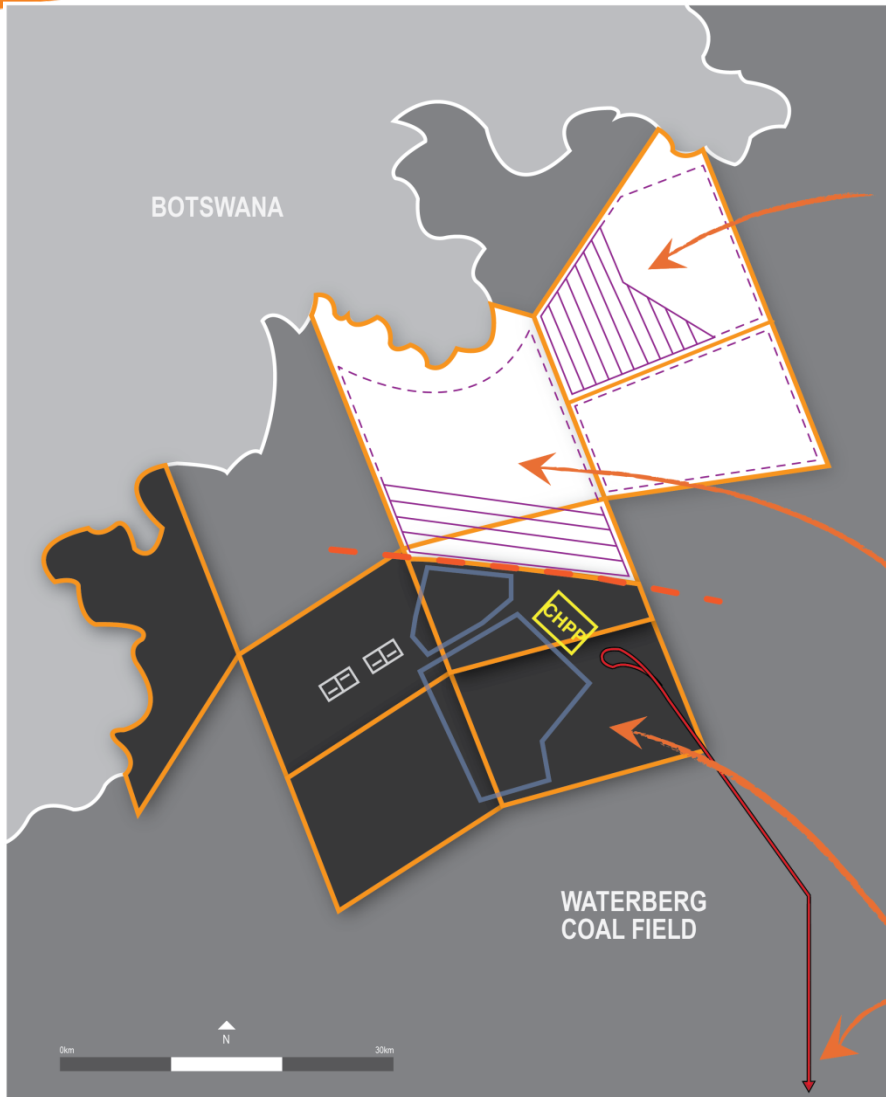


- Mine plan to extract full seam section (~120m)
- 2 stages; smaller scale start-up ~12mtpa ROM, providing 3 mtpa export thermal and 3 mtpa domestic thermal coal.
- Stage 1 to establish mine based on realistic sales to both export and domestic markets until rail upgrade completed
- Stage 2; expanded operation, fully utilises 1st shovel & introduce 2nd shovel + fleet



Key target - with rail access and upgrades optimum sales to both export and domestic possible.

Flexible mine plan to meet changing markets



Waterberg No.1
2.0 billion tonnes resource¹

Probable Reserve:
314 million tonnes (43% of area)

Indicated Resource:
552 million tonnes

Ledjadja exploration continuing.
4 billion tonnes resource¹

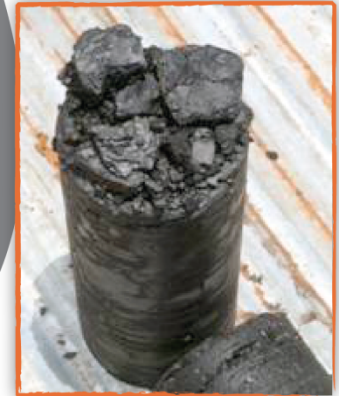
Probable Reserve:
322 million tonnes (16% of area)

Measured Resource:
204 million tonnes.

Inferred Resource:
1.5 billion tonnes.

Mine infrastructure location.

Transport / access corridors.



¹ INCLUDES RESOURCE RESERVES * PROBABLE

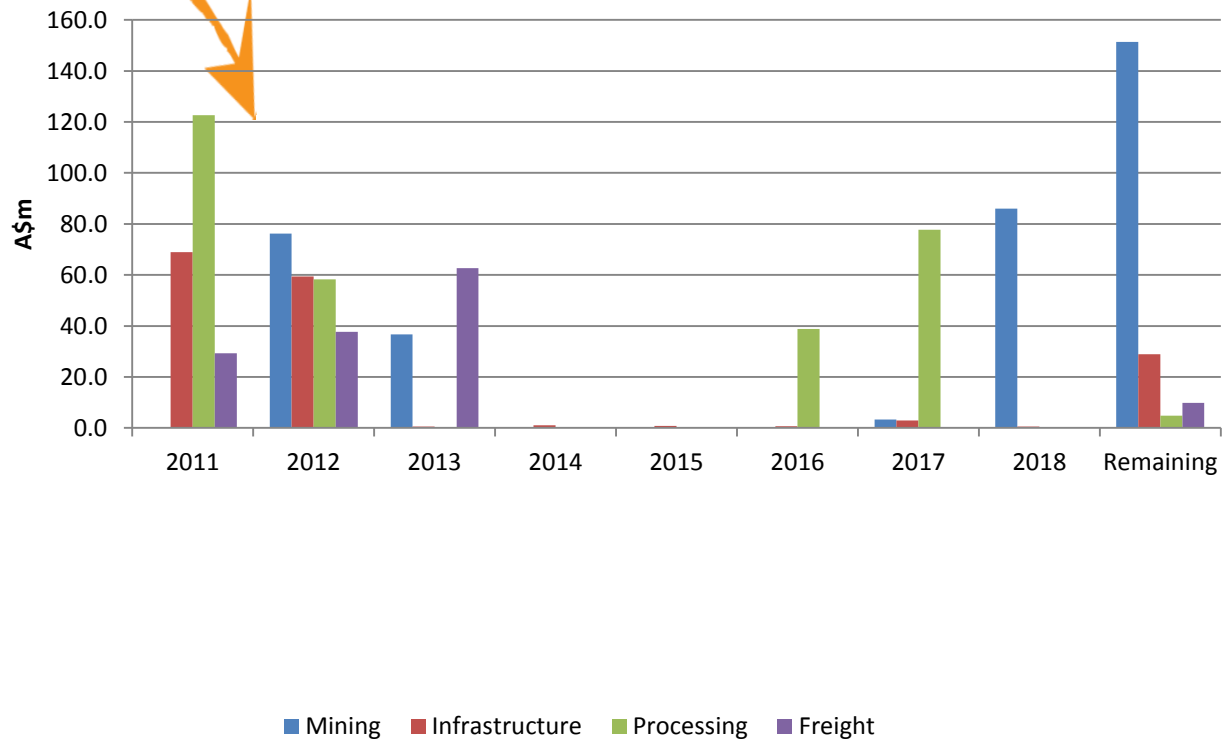
Start-up capital expenditure



Phase 1
1st 3 years:
ZAR 3.8 billion
A\$ 552 million

● Provides for rail Link
integral to mine start up

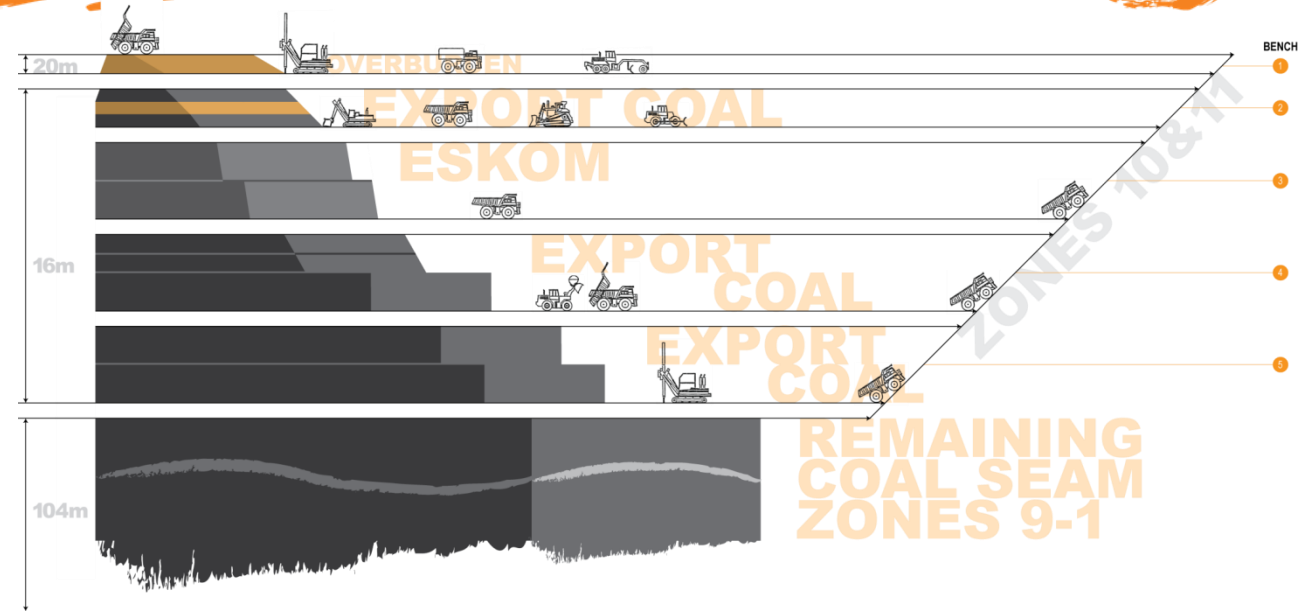
Capital Expenditure



Operating costs

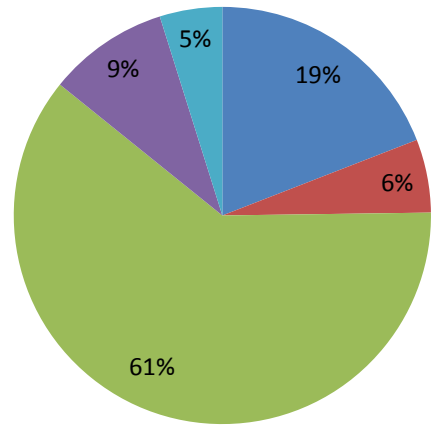


Low cost
open cut
mining:
simple
expansion
to increase
production

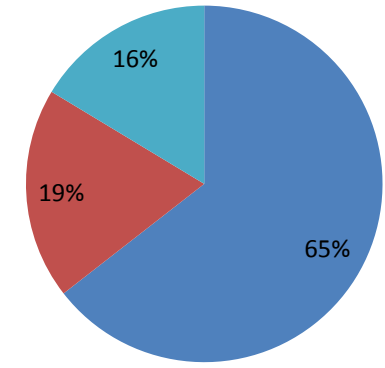


LOM Export Cost

**LOM Eskom Cost
(distribution on FOT basis)**



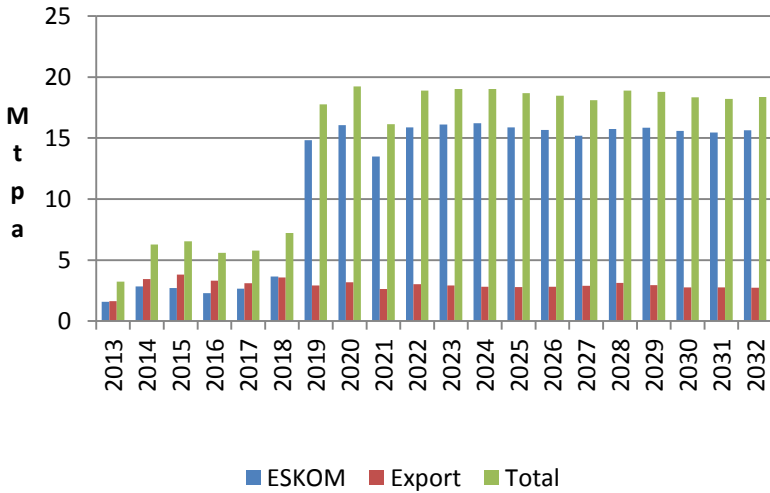
- Mining Cost
- Washing Costs
- Transport
- Port
- Other (incl Royalty)



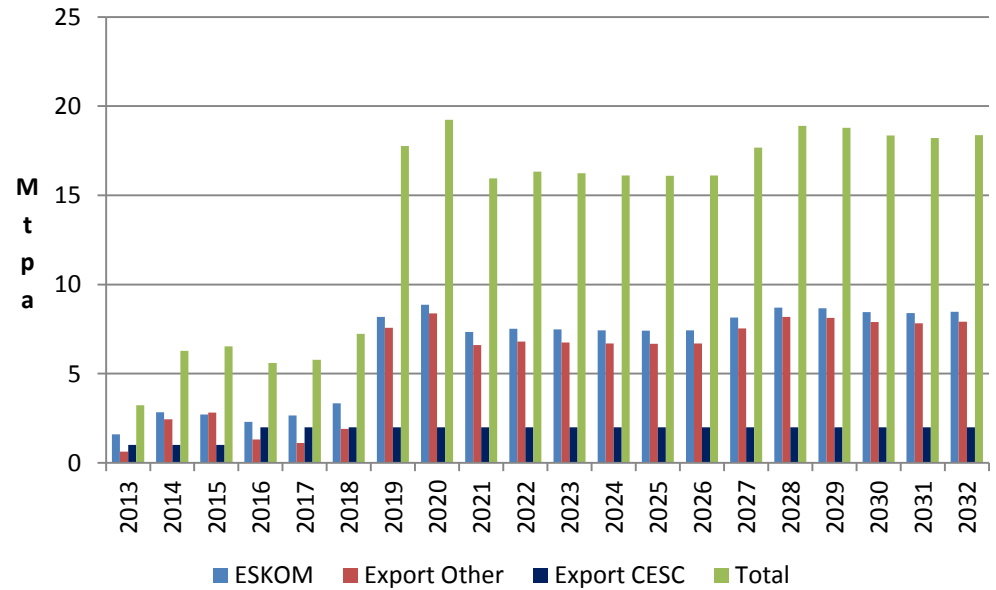
- Mining Cost
- Washing Costs
- Other (incl Royalty)

Two scenarios for Stage 2 model based on rail upgrade:
 Base case = all to domestic market
 Upside = additional export sales

Sales Tonnage Base Case



Sales Tonnage



First offtake secured. Other customer discussions continue

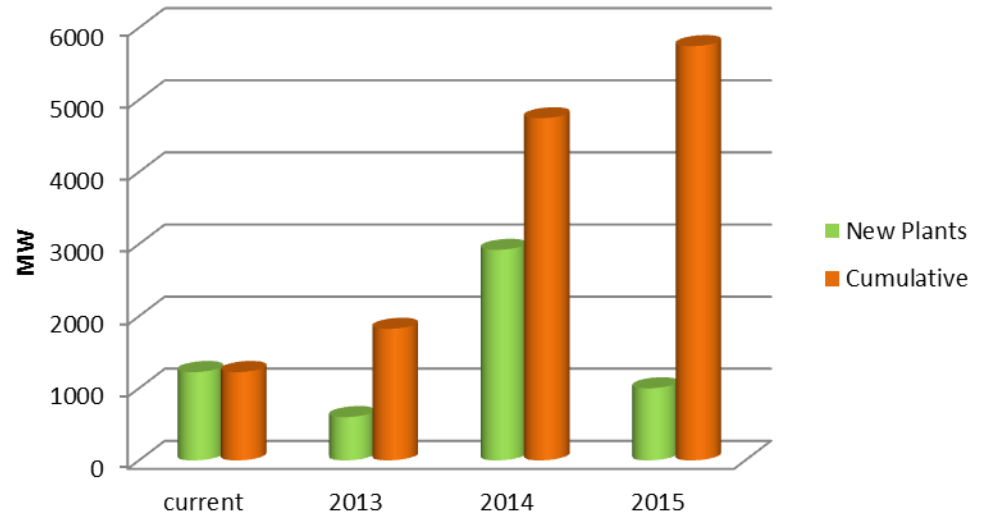


Potential for increased supply to CESC to meet capacity = 3mtpa / 1,000 MW increase.



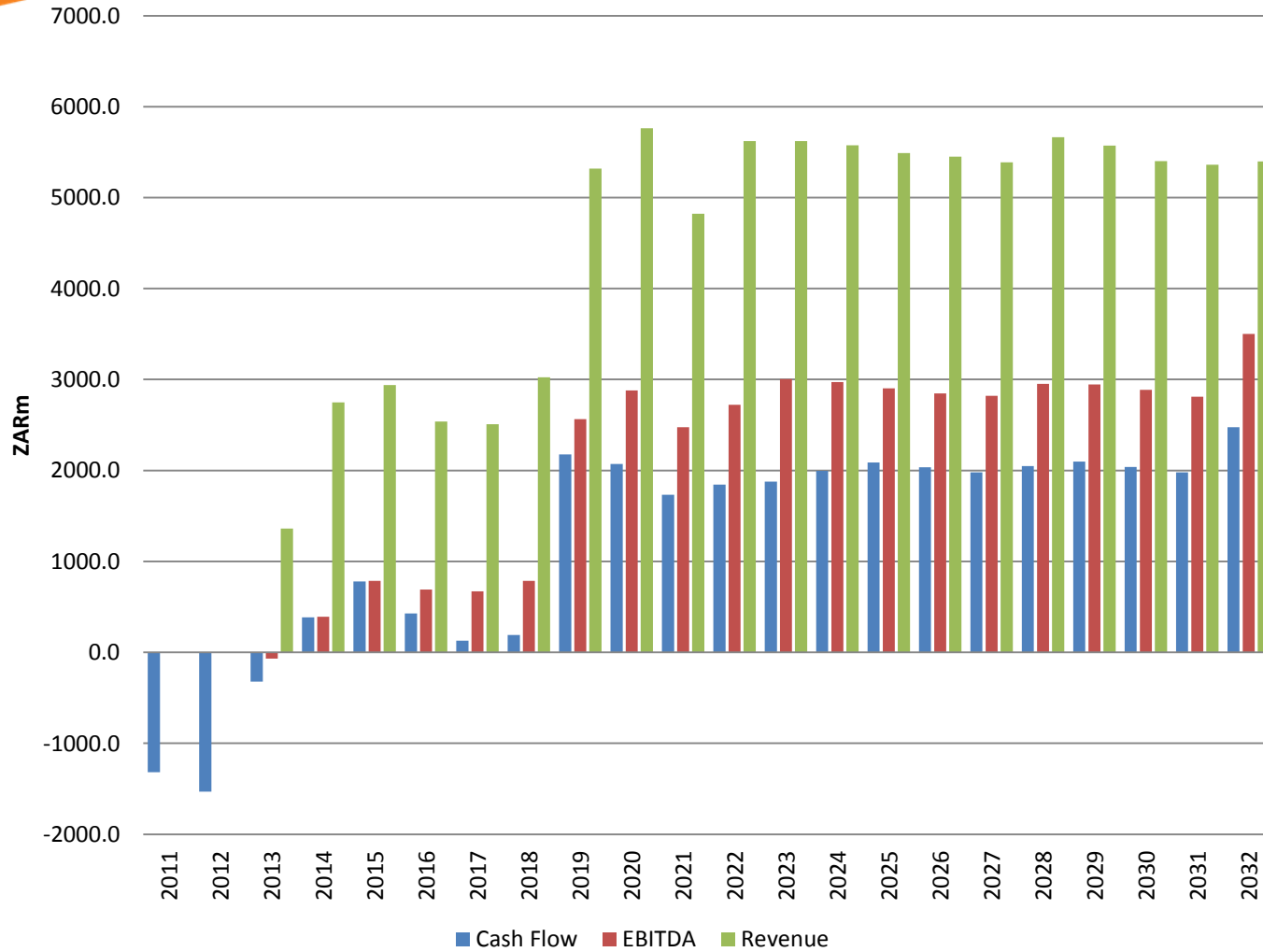
CESC India's 3rd largest power utility; 20 year contract; 1mtpa 1st 3 years, 2mtpa x 17 years

CESC Growth Plan



Discussions continue with Eskom for supply to Mpumalanga power stations

Base case cash flow utilised for project funding



Project timeline



2010*

✓ Lodge mining rights application

✓ Coal offtake

Transport

Infrastructure

* calendar years

1st offtake secured: continue target to get multiple number of initial contracts which can build up as production expands.

2011*

Mining right issued

Project funding

Commence mine construction

Order mine fleet

Rail studies completed determine max capacity. Discussions with Transnet commenced.

2012*

Complete mine construction

Delivery mine fleet

Bank Info Memo in preparation based on DSCR of 2x; Start-up funding of 60% project debt, 40% equity

**2013
Coal
Production**

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