



ASX: RES

5 November 2010

ASX Release

**RESOURCE GENERATION SUCCESSFULLY RAISES
A\$30 MILLION THROUGH AN EQUITY RAISING**

Resource Generation Limited (*Resource Generation* or *the Company*) is pleased to announce the success of its equity raising. A\$30 million has been raised through 60 million shares at A\$0.50 per share. Citigroup Global Markets Australia Pty Limited acted as Sole Lead Manager and Bookrunner to the placement and placed the shares with institutional and sophisticated investors. The offering was oversubscribed and received strong interest from Australian and global investors.

The placement will be issued in two tranches, with an initial unconditional tranche of 27.4 million shares to be issued on Wednesday, 10 November 2010 and the balance of 32.6 million shares to be issued conditional on the receipt of shareholder approval. Resource Generation will seek shareholder approval for the conditional tranche of the placement and ratification of the unconditional tranche at a general meeting to be held on or about 13 December 2010.

Following the share issues in these two tranches, the Company will have 242,680,530 ordinary shares on issue.

Resource Generation has previously announced that it is bringing forward the need to construct the rail link from the Boikarabelo mine to the existing rail network in South Africa. The proceeds raised under the equity raising will be used primarily for the rail link land acquisitions and access rights as well as other expenditure for the Company's Boikarabelo Mine in South Africa and for working capital.

The Board has also decided to invite shareholders to participate in the Resource Generation Share Purchase Plan ("*the SPP*"). The SPP entitles shareholders in the Company, irrespective of the size of their shareholding, to purchase up to A\$15,000 worth of shares in the Company at A\$0.50 cents per share, being the same price paid by institutional shareholders in the share placement. The record date for participation is 3 November 2010. Further details will be sent to shareholders shortly.

Resource Generation has coal interests in South Africa and Tasmania. Its current priority is to develop its resources in the Waterberg region of South Africa.

Contacts

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