



10 November 2010

Resource Generation Limited
ABN 91 059 950 337

Level 12, Chifley Tower
2 Chifley Square
Sydney NSW 2000
GPO Box 5490
Sydney NSW 2001

Dear Shareholder

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Fax +61 2 9376 9013

www.resgen.com.au
ASX: RES
JSE: RSG

INVITATION TO PARTICIPATE IN THE RESOURCE GENERATION SHARE PURCHASE PLAN

I am pleased to advise that your Board of Directors has decided to invite shareholders to participate in the Company's Share Purchase Plan ("the Plan"). The Plan entitles shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of shares in the Company at 50 cents per share being the same price paid by institutional shareholders in the recent share placement undertaken by the company.

This letter and enclosed Terms and Application Form set out the terms and conditions of the offer under the Plan. By accepting the offer to purchase shares under the Plan, you will have agreed to be bound by those terms and conditions.

The maximum allowable subscription under a Plan is \$15,000, pursuant to Australian Securities & Investments Commission Class Order [CO 09/425]. All shareholders with a registered address in Australia or New Zealand as at 7.00pm on 3 November 2010 are eligible to participate in the Plan in accordance with the conditions set out in the enclosed Terms.

The Plan is being offered to existing shareholders on terms equal to the proposed placement to sophisticated and institutional investors ("Placement") announced on 4 November 2010. The Placement seeks to raise A\$30 million at an issue price of 50 cents.

WHAT WILL THE NEW FUNDS BE USED FOR?

The funds raised as a result of the Placement together with the Plan 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. Specifically other uses are for associated costs for the rail link, initial expenditure on power and water infrastructure and payments to BEE partners for the increase of the Company's shareholdings, in accordance with the shareholders' agreements.

HOW TO PARTICIPATE

If you would like to participate in the Plan, please read the attached Terms and return your completed Application Form, together with your cheque representing the purchase price for the number of shares applied for. Your Form must be received **on or before 5.00 pm on the Closing Date of 3 December 2010**. Alternatively, payment can be made by **Bpay** (in which case you do not need to return the form) by following the instructions in the enclosed application form. If you pay by **Bpay** payment must be received by the Company **by 5.00 pm on 3 December 2010**.

Eligible shareholders may apply for a minimum of \$2,000 up to a maximum cost of \$15,000. No stamp duty or brokerage will apply to shares purchased under the Plan on application. If the exact amount of money for the shares applied for is not tendered with the Application Form, the Company reserves the right to disregard your application and not to allot any shares. The Company may conduct a Share Purchase Plan in the future, but is not obliged to do so.

If you wish to participate in the SPP, you may do so by selecting one of the following four alternatives:

Offer A	4,000	Total amount payable @ A\$0.50 per share	A\$2,000.00
Offer B	10,000	Total amount payable @ A\$0.50 per share	A\$5,000.00
Offer C	20,000	Total amount payable @ A\$0.50 per share	A\$10,000.00
Offer D	30,000	Total amount payable @ A\$0.50 per share	A\$15,000.00

If the Company believes that the allotment of Shares would contravene any law or rules of the Australian Securities Exchange or JSE Limited, on which the Shares are listed, the Company reserves the right to issue fewer Shares than an Eligible Member applied for under the Plan (or none at all) at the discretion of the Company.

Before deciding whether to accept the offer, please consider the price at which the Company's shares have been trading on the stock exchange and read the enclosed Terms carefully, including Clause 3.2.

The Company will apply for quotation of the shares to be issued under the Plan on the Australian Securities Exchange and JSE Limited on or within 3 business days of the Closing Date. Shareholders will be issued with a holding statement or confirmation shortly after the allotment of the shares.

Yours faithfully
Resource Generation Limited



Brian Warner
Chairman



Resource Generation Limited
ABN: 91 059 950 337

Registries

All correspondence to
Registries Limited
GPO Box 3993
Sydney NSW 2001

Tel: 1300 737 760 (within Aust)
Tel: + 61 2 9290 9600 (outside Aust)
Fax: + 61 2 9279 0664
www.registries.com.au
registries@registries.com.au

Share Purchase Plan - Application Form

Record Date: 3 November 2010

Close Date: 3 December 2010

Issue Price \$0.50 cents per share

* «SRReferen

A Offer Choice

Indicate your choice below by marking one box only

<input type="checkbox"/>	Offer A 4,000 shares A\$2,000.00	<input type="checkbox"/>	Offer B 10,000 shares A\$5,000.00	<input type="checkbox"/>	Offer C 20,000 shares A\$10,000.00	<input type="checkbox"/>	Offer D 30,000 shares A\$15,000.00
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B Payment Details

Payment may only be made by BPAY or by cheque, bank drafts or money orders. Cash will not be accepted via the mail or at the Resource Generation Limited Share Registry and payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code: 27888

Ref: «BPAYCRN»

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

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- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form
- If paying by BPAY, you must provide a unique identifier when making payment
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for. For your application to be valid you can only make payment for one of the amounts specified above in section A.

Payment Option 2 – Cheque

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A\$

PAYMENT INSTRUCTIONS:

- Only cheques, bank drafts or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to **Resource Generation Limited and crossed Not Negotiable.**
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

C Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

D General

This personalised form can only be used in relation to the shareholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the Resource Generation Limited Share Purchase Plan (SPP) terms and conditions set out in the document sent to Resource Generation Limited securityholders dated 12 November 2010, Resource Generation Limited is offering eligible shareholders the opportunity to purchase fully paid ordinary shares in Resource Generation Limited up to a maximum value of \$15,000 per eligible shareholder, subject to a minimum application of \$2,000. Eligible shareholders are persons who are eligible to apply for Resource Generation Limited shares in accordance with the terms and conditions of the SPP.

If you do not wish to purchase additional shares under this offer, you do not need to take action.

By making your payment, you agree to be bound by the constitution of Resource Generation Limited and agree that the submission of your payment to Resource Generation Limited constitutes an irrevocable offer by you to Resource Generation Limited to subscribe for Resource Generation Limited shares on the terms of the SPP. In addition, by submitting this Application Form (together with your payment) or making your payment by BPAY you **certify or represent** (as the case may be) to Resource Generation Limited that the total of the application price for the following does not exceed A\$15,000:

- (a) the shares the subject of the application;
- (b) any other shares in the class applied for under the SPP, or any shares in the class issued under a similar arrangement in the 12 months before the application;
- (c) any other shares in the class which you have instructed a Custodian (as defined in the SPP) to acquire on your behalf, under the SPP; and
- (d) any other shares in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in the shares.

Resource Generation Limited may settle in any manner it deems appropriate, any dispute or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application of shares. The decision of Resource Generation Limited will be conclusive and binding on all persons to whom the determination relates. Resource Generation Limited reserves the right to waive compliance with any provision of the SPP terms and conditions. The Directors reserve the right to withdraw the offer of shares under the SPP, or reduce the amount of shares that may be subscribed for under the SPP in any manner, at any time prior to allotment. Any excess application moneys will be refunded. No interest will be paid on any refunded application money.

E Lodgement of Application

If you are a Custodian (as defined in the SPP) you must submit a Custodian Certificate to Resource Generation Limited (as defined in the SPP). Custodians who wish to apply on behalf of more than one Participating Beneficiary should first contact Registries Pty Limited on + 61 2 9290 9600.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

Payments via BPAY or Application Forms with an accompanying cheque must be received no later than 5.00pm (AEDT) on 3 December 2010

MAILING ADDRESS

Registries Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS

Registries Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.