



TERMS AND CONDITIONS OF THE RESOURCE GENERATION SHARE PURCHASE PLAN

1. DEFINITIONS

In this Plan, unless the context otherwise indicates:

Act means the Corporations Act 2001 (Cth).

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the Board of Directors of the Company.

Business Day means a day when the ASX is open for business.

Closing Date means 3 December 2010 or such later date as may be determined by the Board.

Company means Resource Generation Limited ACN 059 950 337.

Dollars or \$ means Australian dollars.

Eligible Members means members of the Company eligible to participate in the Offer as determined under Clause 2.

Offer means a non-renounceable offer of ordinary fully paid shares in the Company to Eligible Members under Clause 2.

Plan means the Share Purchase Plan approved by the Board from time to time.

Purchase Price means 50 cents per share.

Record Date means 3 November 2010.

Terms means the terms and conditions of the Plan, as set out in this document.

Shares means fully paid ordinary shares in the Company.

Reference to the singular including the plural and vice versa.

Reference to a person including a corporation.

2. ELIGIBILITY TO PARTICIPATE

2.1 Those members of the Company who will be eligible to apply for Shares under the Offer ("the Eligible Members") are those who:

- are recorded in the Company's register of members at 7.00pm (AEDT) on the Record Date; and
- have an address (as recorded in the Company's register of members) in Australia or New Zealand.

Single Holders – If you are the only registered holder of a holding or fully paid ordinary Company shares, but you receive more than one offer under the Plan, you may only apply for up to a maximum amount of \$15,000 of new Shares.

Joint Holders – If you are a joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purposes of the Plan, and you are entitled to participate in the Plan in respect of that single holding only. If you are a joint holder and you receive more than one Offer under the Plan, you may only apply for up to a maximum amount of \$15,000 of new Shares.

Custodians – Eligible Members who hold shares as a custodian nominee ("**Custodian**") on behalf of one or more other persons ("**Beneficiaries**") may apply for up to a maximum amount of \$15,000 of new Shares for each Beneficiary, subject to the following:

The Custodian must:

- (a) hold an Australian financial services licence that covers the provision of a custodial or depository service or that includes a condition requiring the holder to comply with ASIC Class Order [CO 02/294]; or

- (b) be exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
 - (i) paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (the **Regulations**); or
 - (ia) paragraph 7.6.01(1)(na) of the Regulations; or
 - (ii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
 - (iia) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
 - (iib) an individual instrument of a relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iia); or
 - (iii) paragraph 911A(2)(h) of the Act; or
- (c) be a trustee of a:
 - (ii) self-managed superannuation fund; or
 - (iii) superannuation master trust; or
- (d) be the responsible entity of an IDPS-like scheme (as defined in ASIC Class Order [CO 02/296] or any ASIC class order that replaces it; or
- (e) be the registered holder of Shares and noted on the register of members of the Company as holding the Shares on account of another person.

2.2 An Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

2.3 The Offer has been made based on ASIC Class Order 09/425. In accordance with the relief Eligible Members may only acquire up to a maximum of fifteen thousand dollars (\$15,000) worth of Shares in any consecutive twelve (12) month period. This maximum amount applies even if an Eligible Member receives more than one Offer or receives the Offer as a joint holder of Shares. If an Offer is received by a member who is expressly noted on the Company's register of members as a Custodian on account of a Beneficiary then any Shares issued in relation to that Offer will not be included in calculating the maximum number of Shares that can be applied for by the Beneficiary.

2.4 Offers made under the Plan are not renounceable. This means that members cannot transfer their right to purchase Shares under this Offer to another person.

3. PURCHASE PRICE

3.1 Purchase Price is 50 cents per Share, being the same price paid by institutional and sophisticated investors in the company's share placement announced on 4 November 2010.

3.2 By accepting an Offer and applying for Shares under the Plan, each Eligible Member acknowledges that the Shares are a speculative investment and the price of the Shares quoted on ASX may change between the date of the Offer and the date of issue of the Shares and that the value of Share received under the Plan may rise or fall accordingly. Accordingly you should seek your own financial advice in relation to this Offer and your participation in the Plan.

4. TERMS OF ISSUE OF SHARES

- 4.1 The Board reserves the right to refuse an application if it considers that the applicant is not an Eligible Member or has not otherwise complied with the terms of the Plan or for any other reason. If an application is refused, the application monies received will be refunded without interest.
- 4.2 Subject to clause 4.1 Shares to be issued under the Plan will be allotted within 7 business days of the Closing Date. Shareholders will be issued with a holding statement or confirmation shortly after the allotment of the Shares.
- 4.3 Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of issue.
- 4.4 The Company will apply to ASX and JSE Limited for quotation of the Shares issued under the Plan upon allotment.
- 4.5 ASX Listing Rules 7.2 *Exception 15* and 10.12 *Exception 8* apply such that the total number of shares that may be issued under this Plan must not be greater than 30% of the number of ordinary fully paid shares on issue at the Record Date.
- 4.6 Eligible shareholders may choose from a minimum cost of \$2,000 up to a maximum cost of \$15,000.

5. GENERAL

- 5.1 The Plan will be administered by the Board or a committee of the Board that will have an absolute discretion to:
- (a) determine appropriate procedures for administration of the Plan consistent with the Terms;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or the Terms; and
 - (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of their powers or discretions under the Plan or the Terms.
- 5.2 The Plan and the Terms may be suspended, terminated or amended at any time by the Board. In particular the Board may waive compliance with any provision of the Terms, or vary the Terms if required to comply with the ASX Listing Rules.
- 5.3 If the Company believes that the allotment of Shares would contravene any law or rules of the Australian Securities Exchange, 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.
- 5.4 The Terms are governed by and constructed in accordance with the laws for the time being in force in the State of New South Wales.
- 5.5 The Directors of the Company are eligible to participate in the Plan and to the extent that they do so, the Company will rely upon the exemption afforded by ASX Listing Rule 10.12 *Exception 8*.

6. DECLARATION AND ACKNOWLEDGMENT

- 6.1 **By forwarding and completing the application form, each member/Custodian:**

- (a) acknowledges that they have read and understood the Terms and agrees to be bound by the Terms and by the Constitution of the Company;
- (b) acknowledges that the Company has reserved the right to scale back applications under the Plan and as such the aggregate number of shares which may be allotted to them under the Plan;
- (c) certifies that (except where Shares are held as a Custodian on account of a Beneficiary which is expressly noted on the Company's register of members) the aggregate of the application price for:
 - (i) the Shares the subject of the application; and
 - (ii) any other Shares applied for by, or on behalf, or on your behalf by a Custodian, the shareholder under the Plan or any similar plan operated by the Company in the 12 months prior to the application, does not exceed A\$15,000; and
- (d) certifies that where Shares are held as Custodian on account of one or more other Beneficiaries who have instructed you to apply for shares under the Plan, the aggregate of the application price for:
 - (iii) the Shares the subject of the application; and
 - (iv) any other Shares applied for by, or on behalf of, the Beneficiary under the Plan or any similar plan operated by the Company in the 12 months prior to the application, does not exceed A\$15,000.

A Custodian should also provide the Company with a list and certify the number, name and address of each Beneficiary and the number of shares held on their behalf and dollar amount for which an application is made.

Any Custodian forwarding and completing an application form also certifies that it falls within the definition of a Custodian as set out in paragraph 14 of ASIC Class Order [CO 09/425] as described in clause 2.1 above.

The Company may settle in any matter it thinks fit, any dispute or anomalies which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any applicant or application for shares. The decision of the Company will be conclusive and binding on all persons to whom the determination relates. The Company reserves the right to waive compliance with any provision of the Terms, or to vary the Terms if required to comply with the ASX Listing Rules.

7. TIMETABLE

<i>Event</i>	<i>Date</i>	<i>Description</i>
Record Date	3 November 2010	Date for determining Eligible Members
Cleansing Notice	11 November 2010	ASIC Class Order 09/425, paragraph 7(f)(ii)
SPP Offer Opens	12 November 2010	Date SPP offer dispatched to shareholders with the Terms and Application Form
Closing Date	3 December 2010	Date SPP Offer closes
Quotation Date	8 December 2010	Date shares are expected to be traded on ASX