

## **ASX ANNOUNCEMENT**

**8 December 2015**

### **Market Update: Termination of Emission Reductions Purchase Agreement (ERPA) between Mistral Engineering Sdn. Bhd (Mistral Engineering) and NE Climate (NE).**

Timah Resources Ltd (“**Timah**” or “**the company**”) wishes to inform the market that through its wholly owned subsidiary, Mistral Engineering, it has terminated its ERPA with NE. Previously Mistral Engineering had agreed to sell Certified Emission Reductions (CER) from its biogas power plant to NE.

However, due to a number of factors including high equipment maintenance costs associated with monitoring the level of biogas generated, the low level of CER’s currently being generated by the biogas plant and a lack of interest in purchasing CER’s particularly from the Eurozone, the directors believe it is in the best interest of shareholders to terminate the agreement.

A negotiated compensation payment for the termination of the ERPA with NE has resulted in agreement whereby NE will pay Mistral Engineering an amount of RM2,000,001 (approximately \$AUD 650,000) in three equal instalments. The first instalment will be within 30 days of entering of the agreement, the 2<sup>nd</sup> instalment within 1 year of the first payment and the 3<sup>rd</sup> instalment within 2 years of the first payment.

The Company will keep the market informed on any further developments.

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