

Nova Resources Limited ('Nova')

Enerstry Korea secures offtake agreement with Hansung Industries

Nova, the investment company focussed on high growth opportunities in the energy, infrastructure, technology, natural resources and manufacturing sectors, on Monday announced that Enerstry Co., Limited ('Enerstry Korea'), has secured an 10 year offtake contract with Hansung Industries Co., Ltd ('Hansung'), where Hansung is to purchase steam from a renewable energy plant (the 'Hansung Plant') which is to be built, owned and managed by Enerstry Korea. Hansung is a styrofoam manufacturer with a production facility in South Korea's Kyungsang province.

Enerstry Korea is 93.33% owned by Enerstry Group ('EG'), in which Nova recently secured a 23.72% shareholding, and already has an offtake agreement with Yonsei Milk, South Korea's 7th largest milk producer, for which it built, owns and operates a plant that was commissioned in November last year.

Enerstry Korea will build a plant which uses wood pellets as feedstock to create heat energy and steam for use at a site owned by Hansung. Enerstry Korea expects to commission the Hansung Plant by 31 August 2014. As is the case with the Yonsei Plant, the Hansung Plant will be wholly owned and managed by Enerstry Korea. Construction of the Hansung Plant will be funded through a combination of debt finance, which has already been secured by Enerstry Korea, and existing cash resources.

The Hansung Plant is expected to start generating revenues in September 2014 and, based on certain assumptions, Enerstry Korea expects revenues of approximately US\$700,000 per annum from the Hansung Plant. Together, the Hansung Plant and the Yonsei Plant are expected to deliver total combined revenues of US\$19.5 million over the period of the respective 10 year offtake agreements.

Commenting, Fook Meng Chan, Chairman and CEO of Nova, said:

"We are delighted to announce this latest offtake agreement. The project will follow a similar process to Enerstry Korea's existing Yonsei Milk project, and will be the second contract Enerstry Korea has."

"Enerstry Korea is currently involved in discussions with a number of counterparties in South Korea regarding similar offtake agreements and I, along with my fellow Nova Board members, am both excited and confident of its ability to secure further opportunities rapidly and grow its business."

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