RNS Number : 8445W
Obtala Resources Limited
06 February 2012

6th February 2012

Obtala Resources Limited
("Obtala" or the "Company")
(AIM: OBT)

Montara Mozambique
Operational Update

Obtala Resources Limited (AIM:OBT), the natural resource investment and development company, today announces that the Mozambican operating company of its subsidiary Montara Continental Corp ("Montara") has signed an Agreement ("Agreement") to provide wooden railway sleepers to a privately owned Mozambican company.

Highlights:

- Agreement concluded to provide railway sleepers in Mozambique
- Creates satellite business to operate in parallel to main hardwood business
- Near term revenue stream

Montara has concluded an Agreement with a private Mozambique registered company to supply an initial amount in excess of 700 wooden railway sleepers per month with the potential for this business to significantly grow as the Mozambican railway authorities and their joint venture partners upgrade and improve the rail infrastructure within the country.

This agreement allows the Company to develop a new satellite business which will operate in parallel to the main business of sustainable management of the forest concessions and the export of exotic hardwood timber which is currently being developed. The timber used for the manufacture of the sleepers does not affect the standing stock of the exotic hardwood species. Negotiations are currently in progress with a number of internationally based end-users with samples of the timber products being dispatched.

Chairman's comment

Francesco Scolaro, Chairman of Obtala, commented "I am very pleased to announce this recent development which will allow us to start generating a revenue stream, which will aid in off-setting costs as we grow and develop the main business of exporting hardwood timber. This agreement is the first step in establishing a new satellite business which we hope to grow and takes us another step closer to fulfilling our objective of creating a self-sustainable, profitable forestry and agricultural business.The Company is progressing discussions and negotiations with international third parties on timber related business opportunities in East Africa which will further develop and increase revenue streams in this exciting investment sector"

Obtala Resources +44 (0) 20 7099 1940
Francesco Scolaro - Chairman
Simon Rollason - Managing Director
www.obtalaresources.com

Macquarie (Nomad and Broker)
Nicholas Harland +44 (0) 20 3037 2000
Steve Baldwin

Newgate Threadneedle
Beth Harris
Laurence Read +44(0) 20 7653 9855

This information is provided by RNS
The company news service from the London Stock Exchange

END

AGRDMGGZRVLGZZG