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Obtala Resources Limited
10 May 2012

10th May 2012

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

Montara Mozambique
Additional Timber Sales Contract Concluded

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 a further Agreement ("Agreement") to provide wooden railway sleepers to a private Mozambican company which has been commissioned by Vale to upgrade the railway infrastructure in northern Mozambique.

Highlights:

- Agreement concluded to provide 33,200 railway sleepers in Northern Mozambique
- Line upgrades commissioned by Vale
- Further development of satellite business to operate in parallel to main hardwood business
- Near-term revenue stream
- Negotiations on-going to expand this order
- Negotiations underway for hardwood orders

Montara has concluded an Agreement with a private Mozambique registered company to supply 33,200 wooden railway sleepers over the next 7 months, with negotiations currently on-going to significantly expand this production as the country upgrades and improves the existing rail infrastructure.

This agreement allows the Company to further develop its new satellite business which will continue to operate in parallel to the main business of sustainable management of the forest concessions and the export of hardwood timber which is currently being developed. The timber used for the manufacture of the sleepers does not affect the standing stock of the 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 delighted to announce this new order to our shareholders and the market. The operations are now ramping up with increased production capacity and we have made additional investments in sawmills for the project. Our target is to make our first delivery of sleepers at the end of the month and commence generating a revenue stream, which will aid in off-setting costs as we grow and develop the main business of exporting hardwood timber. The Company continues to progress 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. The Company remains debt free and has cash reserves to grow both the agriculture and forestry business in Africa."

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