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Obtala Resources Limited
28 November 2012

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

**Equity line of credit agreement**

The Board of Obtala Resources Limited, the natural resources investment and development company, is pleased to announce that Obtala has signed a funding agreement for up to £10 million of ordinary shares over the next three years.

**Funding agreement**

The Company has entered into an agreement with GEM Global Yield Fund Limited ('GEM'), whereby GEM has made available to the Company an equity line of credit of up to £10 million ('the Facility'). The Facility will be used to assist in funding the Company's expansion that is not covered by revenue.

Under the terms of the Facility, the Company is able to make draw downs, at times of its choosing, by issuing new ordinary shares ("Shares") to GEM. The equity line is available for three years from 26 November 2012. The Company may issue a subscription notice requesting GEM to subscribe for a number of Shares of up to a maximum of 10 times the average daily trading volume in the 15 trading days immediately preceding the date of the subscription notice. The Shares will be priced at a 10% discount to the average closing bid price of the Shares over the 15 trading days immediately following the issue of the subscription notice. GEM is then required to buy between 50% and 200% of the Shares set out in the subscription notice. Furthermore, the Company has issued warrants to GEM over 20,000,000 Shares which are exercisable at 40p (subject to certain adjustments) for a period of five years from the date of issue.

Global Emerging Markets ("GEM") was founded in 1991 and is a $3.4 billion alternative investment group that manages a diverse set of investment vehicles focussed on emerging markets throughout the world.

Francesco Scolaro, Chairman of Obtala commented: "*I am pleased to announce this funding which will allow us to progress our development plans in East Africa. On the agriculture we intend to have over 2,500 hectares of land under cultivation by the end of 2013 with plans to trial high values crops such as tomatoes and chilli, in addition to groundnuts this year. The objective for the agriculture is to build up a vertically-integrated sustainable agribusiness in East Africa which will have its own crops, supported by out-grower programmes, which can be packaged, branded and sold into both domestic and international markets. The forestry business will benefit from secured funding to facilitate the purchase of additional capital equipment which will increase the overall production capability. The company is negotiating a second railway sleeper contract which we anticipate to be in place after the rainy season, and is currently shipping timber to Europe and to Asia for high-end engineered flooring and decking, which our dedicated sales team will be marketing in a number of different regions globally. We are very optimistic with the future plans for the Company and believe that the agribusiness and forestry arms of the Company will grow significantly over the next 12-18 months and deliver value for our shareholders going forward.*"


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**The Global Emerging Markets Group (GEM)**
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About GEM: GEM, www.gemny.com, was founded in 1991 and is a $3.4b alternative investment group that has completed 305 transactions in 65 countries around the world. The firm manages a diverse set of investment vehicles across the world. GEM's funds include: CITIC/GEM Fund; VC Bank/GEM Mena Fund *; Kinderhook; GEM Global Yield Fund; GEM India Advisors, and GEM Mexico Fund.
(*GEM exited both its LP and GP stakes in Q1 2010.)

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