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Obtala Resources Limited
10 December 2012

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

Additional Forest Concessions

Obtala Resources Limited (AIM:OBT), the natural resource investment and development company, is pleased to announce that it has increased its forest land holdings in Mozambique with the successful application for two additional concessions in northern Mozambique.

Highlights:

- Total forest land area increased by 43,000 hectares
- Concessions located adjacent to existing operational infrastructure
- Management and forest inventory studies indicate a combined permissible annual cut volume of 9,432m^3 timber
- First timber sales shipment on the water to buyer

Obtala through its agriculture and timber subsidiary Montara Continental ("Montara") has acquired two additional forest concessions in northern Mozambique adjacent to the Company's existing active operations.

Recently completed management and inventory plans on the concessions indicate the presence of numerous species of exotic hardwoods, including African Blackwood, Kiaat and Panga-Panga. The plans further indicate that the annual allowable cut which corresponds to the annual volume of timber that can be exploited to ensure the sustainability of the resource is 9,432m^3 per year based on a 20 year cycle. No species considered as rare in the forest inventory documents are included as exploitable. The concessions lie within 300km of the deep-water port facilities at Nacala, which has a regular container shipping service to Europe and the Far East.

The Company has initiated the process to secure Forest Stewardship Council ("FSC") certification which will allow the end user markets in Europe to open up to Montara. The Company has already put into place certain criteria, such as fire breaks, signage and the establishment of a sapling nursery for replanting purposes, which are prerequisite to the initial FSC site inspection, planned for mid-January 2013.

The first shipment of cut hardwood has left the port of Nacala for buyers in South Africa. Additional timber is on the water to a third party timber manufacturing facility in Europe to process high-end engineered flooring and decking.

Negotiations are well advanced to conclude an agreement to supply additional wooden railway sleepers in 2013, starting post the rainy season in April.

Chairman's comment

Francesco Scolaro, Chairman of Obtala, commented: "I am very pleased to announce this increase to our existing forest land holding which will provide guaranteed supply to our planned increase in production of timber products in 2013. These high quality concessions are ideally located close to our existing operational infrastructure, which we have built up over the past year. The export of our maiden container of timber to buyers in South Africa marks the passing of another significant milestone in the development of the Company. We remain optimistic with development plans to re-position the Company as a self-sustainable, profitable, African focused agribusiness and timber trading company with the land holdings providing the platform for the establishment of a vertically integrated company. The business is expected to grow significantly over the next 12-18 months and deliver value for our shareholders going forward"

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For further information on Montara Continental see our website
www.montaracontinental.com

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