RNS Number : 2781Y
Obtala Resources Limited
20 February 2013

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

**Funding agreement signed**

**Highlights:**

- Funding agreed for approximately £2 million
- Agreed subscription issued in three instalments over a period of 90 days
- Proceeds to accelerate the development of the East African agriculture and timber business

Obtala Resources Limited (AIM:OBT), the natural resource investment and development company, is pleased to announce that it has signed a subscription agreement for raising of additional funding.

The Company has signed an agreement to issue up to 13,131,312 new Ordinary Shares of 1p each ("Ordinary Shares") to an institutional investor over three equal instalments. The first instalment of 4,377,104 shares will be issued on 20 February 2013 with the second instalment due to be completed within 45 days of the first issue. The final instalment, due within 90 days of the first instalment, is subject to the Company receiving the relevant shareholder authorisations at a general meeting.

**Issue of equity**
An application has been made for the issue of 4,377,104 new Ordinary Shares for the first instalment, at a price of 14.85p per Ordinary Share, raising gross proceeds of £650,000. The same number of Ordinary Shares will be issued on the second and third instalments regardless of the share price at the time of issue, will be admitted to trading on AIM, and will rank *pari passu* with the Company's existing Ordinary Shares. Trading in the 4,377,104 new Ordinary Shares on AIM is expected to commence on or around 21 February 2013.

Following the issue of the Ordinary Shares, the total number of shares in issue and the total number of ordinary shares in the Company with voting rights will be 254,506,456. This figure may be used by shareholders in the Company as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change of interest in, the share capital of the Company under the Financial Service Authority's Disclosure and Transparency Rules.

**Issue of warrants**
Following the completion of the first instalment of the placing the Company has issued 4,377,104 warrants exercisable immediately with a strike price of 18.56p and valid for four years.

The Company will further issue one warrant for each new Ordinary Share subscribed to in the two following instalments, at an exercise price equal to 125 per cent. of the respective subscription price.

**Chairman's comment**

**Francesco Scolaro, Chairman of Obtala** commented: "I am pleased to announce this funding into the Company which will allow for the acceleration of our development plans in East Africa. As recently announced we are currently engaged in the process of planting groundnuts in Tanzania and actively working on our new horticultural project which is targeting high value, high margin crops close to the main export conduit in Tanzania to produce year round revenues through the use of best irrigation and farm management practices. Our group of companies remain debt free and we intend to use this funding to continue our move towards building a cash generating, highly attractive margin producing businesses "

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