

13 December 2017

Australian Securities Exchange Announcement

Leaf Malaysia Signs LOI for Provision of Biomass

Leaf Resources (ASX: LER) advises that Leaf Malaysia, a subsidiary of Leaf Resources and Claeris' joint development company Leaf Developments, and Biovision & Greenery Sdn Bhd (B&G) have signed a Letter of Intent (LOI) for the stated purpose of evaluating opportunities to collaborate or integrate existing operations in Segamat, Johor, including the provision of empty fruit bunch (EFB) biomass.

B&G currently process 500,000 Mt of EFB annually (PA), and produce two products for export: dried long fibre and sludge palm oil as well as dried short fibre for power generation. The EFB is directly sourced from local palm mills.

Leaf Malaysia has recently agreed the material terms for a two year option on land at Segamat, Johor. The land is immediately adjacent to B&G's facilities and Leaf Malaysia intends to develop a 100,000 BTd PA (bone dry tonnes) EFB biomass biorefinery, incorporating Leaf Resources' Glycell™ process.

The LOI between Leaf Malaysia and B&G has been signed on the basis of all parties intention to pursue binding commercial agreements in relation to the supply of 100,000 BTd PA of EFB from B&G's handling facility and treatment process to Leaf Malaysia's biorefinery project;

In addition B&G will provide sufficient treated EFB to Leaf for their current evaluation work at BPF in Holland and which will produce samples of fermentable sugars, glycerol and lignin.

The Parties have also agreed to explore a range of potential business integration structures, including joint collaboration and value chain cooperation for the respective Segamat operations.

Leaf Resources Managing Director Ken Richards commented:

"A potential relationship with B&G was one of the reasons we selected and have moved forward on the Segamat site.

Leaf's staff have been extremely impressed with the professionalism of B&G's operation and their leadership team. In particular, their supply chain management of EFB from the palm oil mills to their facility is a best practice and ideally suited for Leaf's requirements.

Whilst there is still work to be done, the business case for co-operation is very strong and both parties are entering this next phase with a positive view of the mutual benefits that working together can bring."

ENDS

About Biovision & Greenergy Sdn Bhd

Biovision has completed the building of a fully integrated Biomass Processing Plant in Segamat, Johor which treats and process Empty Fruit Bunch (EFB) by utilizing zero waste management concepts to produce large quantities of high quality dried long fibres for export and sludge palm oil. More on <http://bvgreenergy.com/en/>

About Leaf Resources Ltd (ASX: LER)

Leaf Resources is one of the world's leading companies in converting plant biomass into fermentable sugars. Our proprietary process for converting biomass-to-functional industrial sugars enable a myriad of downstream technologies for the production of renewable chemicals that will substitute petrochemicals used in manufacturing today. With our project development and continued technical innovation we are building a robust global business centered on renewable carbon containing products to deliver environmental and economic benefits to our shareholders and our planet. More on www.leafresources.com.au

Contacts:

Ken Richards (Managing Director)
Jay Hetzel (Chairman)

M: +61 403 385 051
M: +61 413 045 478