

9th September 2019
Australian Securities Exchange Announcement

Leaf Secures a Malaysian local partner to help progress biorefinery project funding

Leaf Resources (ASX:LER, "Leaf" or the "Company") is pleased to announce that Leaf Malaysia Op Co Sdn Bhd (Leaf Malaysia) has secured a Malaysian partner for a 51% ownership of Leaf Malaysia.

Formal documentation has been completed for an equity interest in Leaf Malaysia which is the project company that has been established to develop the first Glycell™ biorefinery in Malaysia.

The investment has been structured to protect the economic share of the Malaysian project for existing Leaf shareholders. The new local shareholding will assist Leaf Malaysia in qualifying for further potential Malaysian Government assistance, including possible funding under the Malaysian Technical Depository Agency (TDA) Industrial Collaboration Program (ICP).

An application is being made to the TDA which, in addition to project capital funding, seeks funding support for pre-construction expenses. A successful outcome will enable Leaf Malaysia to fund the project through to bankable feasibility stage, including the FEL3 study and associated expenses.

The application for funding through the TDA will take approximately 3 months. A further 3 months will then be required for the ICP Provider process to engage with an Original Equipment Manufacturer (OEM) with existing obligations through the program to provide funding. Leaf is investigating the possibility of these processes being undertaken concurrently so as to shorten that timeline.

Leaf CEO, Alex Baker, said the structuring of Leaf Malaysia to include a local shareholder is an important step that will help progress the project and give the Company an opportunity to secure valuable funding support.

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

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