

August 21, 2013

Turquoise Hill Resources enters into pre-bid acceptance deed in respect of 14.9% of shares in Inova Resources Limited (*Inova*)

Turquoise Hill Resources (*Turquoise Hill*) has entered into a pre-bid acceptance deed with Shanxi Donghui Coal Coking & Chemicals Group Co., Ltd (*Shanxi*) in respect of 14.9% of the issued ordinary shares in Inova (*Sale Shares*) and notes Shanxi's announcement regarding its intention to make a takeover bid for all of the issued shares in Inova at A\$0.22 cash per share (*Takeover Offer*). The Takeover Offer is subject to a number of conditions, including regulatory approvals and a 51% minimum acceptance condition.

Under the pre-bid acceptance deed:

- Turquoise Hill agrees to procure that its wholly-owned subsidiary, IAL Holdings Singapore Pte Ltd (*IAL*), accepts the Takeover Offer in respect of the Sale Shares by not later than five business days after the day on which Shanxi declares or announces that (except for the 51% minimum ownership condition) all of the conditions to the Takeover Offer have been satisfied or waived.
- IAL is not required to accept the Takeover Offer in respect of the Sale Shares earlier than two weeks after the date of the offers under the Takeover Offer or if a superior proposal is publicly announced or made which is not at least matched by Shanxi within five business days.

Turquoise Hill has advised Inova that, unless a superior proposal emerges, it intends to procure that IAL accepts the Takeover Offer in respect of all of the other Inova shares held by IAL, but it does not intend to do so before IAL accepts in respect of the Sale Shares. In total (including the Sale Shares), IAL currently holds approximately 56.2% of the issued ordinary shares in Inova, which based on the A\$0.22 cash per share offer price equates to approximately A\$90 million.

A copy of the pre-bid acceptance deed, and further details of the Takeover Offer (including the bid conditions), have been released by Shanxi in its announcement earlier today.