

25 October 2016  
Australian Securities Exchange Announcement

## Leaf Resources further advances the development of commercial projects in Malaysia with assistance from Malaysian government agencies

### Highlights

- Leaf Resources and its US-based joint development partner are working with two agencies of the Federal Government of Malaysia to further advance the development in Malaysia of at least one commercial-scale, second-generation, bio-chemical production facility.
- Leaf has signed a Memorandum of Understanding with Agensi Inovasi Malaysia and a Letter of Facilitation and Collaboration with Malaysian Bioeconomy Development Corporation, both of which specify the objectives to be jointly undertaken by the parties to further advance Leaf's project development efforts in Malaysia.
- Leaf believes that Malaysia, with its abundant biomass resources, its advantageous location within the ASEAN region, and the active commitment of both the Federal and State Governments, presents a unique combination of all the attributes necessary to be a successful site for a "platform" Glycell™ production facility

**Leaf Resources Ltd** (ASX: LER, "Leaf"), together with Leaf Development, its US-based joint development partner, is pleased to announce the achievement of significant milestones related to the development in Malaysia of at least one commercial-scale, second-generation, bio-chemical production facility. More specifically, Leaf signed the following documents with the agencies specified below.

- Memorandum of Understanding ("**MOU**") with Agensi Inovasi Malaysia ("**AIM**"), a statutory body established under the Agensi Inovasi Malaysia Act 2010, under Prime Minister's Department. The MOU is to establish a close cooperation and collaboration in order to align the interests of all stakeholders for the development, construction, and operation of Bio-Manufacturing Facilities in Malaysia that are socially and environmentally sustainable and globally competitive.
- Letter of Facilitation and Collaboration ("**LFC**") with Malaysian Bioeconomy Development Corporation ("**MBDC**"), which functions under the purview of the Ministry of Science, Technology, and Innovation of the Government of Malaysia. The LFC specifies the objectives of MBDC and offers MBDC to act as project coordinator and to render, on a best efforts basis, facilitation, advisory, and business matching services related to the activities of our project.

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Leaf Development, the joint development entity between Leaf and Claeris, will lead the development efforts in Malaysia in conjunction with both AIM and MBDC. Leaf Development has a mandate to develop up to five commercial-scale projects around the world and these milestone documents with the Malaysian agencies mark a significant advancement towards the development of bio-chemical production facilities that incorporate the Glycell™ process.

Ken Richards, Managing Director of Leaf Resources, commented: "Having just returned from a week in Malaysia, which included visits to potential sites and meetings with numerous government officials, I am impressed with Malaysia's enthusiasm and commitment to create a high-value, bio-based industry. The proactive nature of all parties, government and private sector, demonstrate their commitment to make it happen. I believe that Malaysia, with its abundant biomass resources, its advantageous location within the ASEAN region, and the active commitment of both the Federal and State Governments, presents a unique combination of all the attributes necessary to be a successful site for a "platform" Glycell™ production facility. We look forward to actively pursuing this unique opportunity with the Malaysian government.

Mr. Richards continued: "The contribution of our development partner, Claeris, has been significant. Their local knowledge and contacts have been critical in moving this project forward at such a rapid rate and those skills will be extremely useful as our work in Malaysia progresses. Whilst there is still much work to be done, the potential benefits of a project in Malaysia are significant for all parties. This collaboration with the Malaysian agencies represents a big leap forward on the path to commercialising the Glycell™ technology."

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#### **About Leaf Resources Ltd (ASX: LER)**

Leaf Resources is commercialising the Glycell™ process.

The Glycell™ Process is an innovative technology that uses a low cost, recyclable, biodegradable reagent glycerol, in a simple process that breaks down plant biomass into lignin, cellulose and hemicellulose at low temperature and pressure. The cellulose is then converted to cellulosic sugars through enzymatic hydrolysis and the lignin, hemicellulose and glycerol become valuable co-products.

Cellulosic sugars are a major feedstock for green, renewable biobased chemicals, bioplastics and biofuels, products whose markets are multi \$billions and fast growing. Many biobased products can now economically replace petroleum based products.

The Glycell™ process can produce cellulosic sugars at under \$50 per tonne when co-products are included. This compares with \$220 per tonne for sugars produced from the conversion of corn starch, the cheapest alternative and \$280 per tonne for raw sugar.

By dramatically reducing the cost of the main feedstock for bio based chemicals, plastics and biofuels, the Glycell™ process has the potential to change the face of global renewable production.

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