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Australian Securities exchange Announcement

## Term sheet signed for Malaysian biorefinery site

### Highlights

- **Leaf Malaysia signs 2-year land purchase option in Segamat, Johor**
- **Site is ideally suited for Leaf's proposed Glycell™ biorefinery project**
- **Established industrial scale biomass supply chain at competitive cost**
- **Site located within industrial development with existing infrastructure and utilities**
- **Potential for "Less Developed Area" incentive with up to 15 year tax exemption**

Leaf Resources (ASX: LER) ('Leaf') advises that a Term Sheet covering the material terms for an option to purchase land located in Segamat, Johor has been signed by Leaf Malaysia, the 100% owned subsidiary of Leaf Resources and Claeris' joint venture company, Leaf Development LLC. The Term Sheet details the main commercial terms to be incorporated in a legal contract which is expected to be finalised in December 2017.

Key points of the Term Sheet are:

- A 2-year option to purchase land area of 5.7 ha;
- The option fee is payable on signing the legal agreement and will be taken off the purchase price when the option is exercised; and
- The legal agreement will incorporate the key material terms from this non-binding term sheet and be subject to normal warranties and other commercial terms.

The 2-year option allows Leaf Malaysia time to develop the FEL3 engineering package for the site, arrange permitting, negotiate and sign an EPC contract.

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### Site is highly suited to Leaf's proposed operations

Leaf's Malaysian project is currently planned as a 100,000 bone dry tonnes (BDT) per annum plant processing Empty Fruit Bunch (EFB) waste from the palm oil industry to fermentable sugars, glycerol and lignin.

The site at Segamat, Johor is well established with freehold titles available and has the following major advantages for Leaf's proposed project:

- **Excellent biomass availability:** Within an approximate 120 km radius of the site there are 52 palm mills that can provide 10,000 metric tonnes (mt) per day of EFB biomass (Leaf's first commercial requirements for EFB biomass is 600 mt per day);
- **Industrial scale EFB handling:** established facilities are adjacent to the site, that is currently handling up to 500,000 mt of EFB per annum;
- **Key infrastructure and utilities** are established and accessible to the site;
- **Excellent logistics**, road and rail, via the Segamat Inland Port to Johor and Kuala Lumpur ports, and;
- **Income tax Exemption:** There is the potential for "Less Developed Area" incentives including Income Tax Exemption for up to 15 years of assessment (Conditions will apply, and an application is necessary).

Negotiations are currently underway for the provision of the utilities and supply of EFB biomass.



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## ENDS

### 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](http://www.leafresources.com.au)

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