

NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD

Australian Securities Exchange Announcement

Friday 05 December 2014

**The Manager
Companies Announcements Officer
Australian Securities Exchange Limited
PO Box H224
Australia Square
Sydney NSW 1215**

ASX Announcement – Update on proposed selective capital reduction

Novarise Renewable Resources International Ltd (**Novarise**) provides the following by way of update on the proposed selective capital reduction of those shares in Novarise not held by its controlling shareholders, Great Rises International Investment Ltd, Great Rises New Resources Technology Co., Ltd and Great Rises International Group Investment Ltd (together, **GRII**), and their associates (**Capital Reduction**).

As announced on 1 December 2014, Novarise has not received any part of the 30% of the total proposed consideration for the Capital Reduction (ie. approximately A\$7.32 million) (**30% Consideration**) that GRII was originally required to provide by 6 November 2014, which due date Novarise agreed to extend to 30 November 2014.

However, since that time GRII has communicated to the independent directors of Novarise that it remains confident that it will obtain access to the funding required to complete the Capital Reduction in the short term.

In light of this, the independent directors of Novarise have decided to provide GRII until 19 December 2014 to provide the 30% Consideration to Novarise in clear funds. In doing so, Novarise has informed GRII that, with respect to all existing and previous breaches by GRII of the Implementation and Funding Agreement in relation to the Capital Reduction, Novarise reserves all of its rights.

If the 30% Consideration is not provided by 19 December 2014, the independent directors of Novarise will promptly consider what recourse Novarise may have against GRII in respect of GRII's breaches of the Implementation and Funding Agreement. This may include issuing proceedings against GRII.

Dated: 05 December 2014

Signed: 

Name: John O'Brien

On behalf of the Independent Directors of Novarise

NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD ACN 138 537 596

Australian Office: Suite 5, Level 1, 325 Pitt Street, Sydney, NSW 2000

Chinese Office: No 2-16A Qingmeng Park, Quanzhou Economy & Technology Development Zone, Quanzhou, Fujian Province, The People's Republic of China

www.novarise.com.au