

NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD

Australian Securities Exchange Announcement

Wednesday 11 February 2015

**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**).

GRII has informed the independent directors of Novarise (**Independent Directors**) that it expects to be able to provide to Novarise in clear funds:

- 30% of the total proposed consideration for the Capital Reduction (ie. approximately A\$7.32 million) (**30% Consideration**) by 15 March 2015; and
- 70% of the total proposed consideration for the Capital Reduction (ie. approximately A\$17.08 million) (**70% Consideration**) by 31 March 2015.

GRII has informed the Independent Directors that, at the date of this announcement, GRII does not have access to these funds.

GRII has also informed the Independent Directors that it remains committed to the implementation of the Capital Reduction at A\$0.23 per Novarise share.

In light of this, the Independent Directors have decided to:

- provide GRII until 15 March 2015 to provide the 30% Consideration to Novarise in clear funds;
- provide GRII until 31 March 2015 to provide the 70% Consideration to Novarise in clear funds; and
- extend the 'End Date' for the implementation of the Capital Reduction to 30 June 2015.

In doing so, the Independent Directors have 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.

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

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If the 30% Consideration is not received by 15 March 2015, the Independent Directors will promptly consider what recourse Novarise may have against GRII in respect of GRII's breaches of the Implementation and Funding Agreement. If the 30% Consideration is received by 15 March 2015, the Independent Directors will notify the market accordingly.

Dated: 11 February 2015

Signed:  _____

Name: John O'Brien

On behalf of the Independent Directors of Novarise