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Heidelberg. Approaching the end of 2012, Deutsche Rohstoff AG (DRAG) gives an overview of the key developments of the group and it's subsidiaries as well as an outlook for the year 2013:

Deutsche Rohstoff AG/Holding

The board framed different targets for DRAG and the group for 2012/2013 which have been achieved to a large extent:

- Streamlining the Portfolio: With the sale of the Georgetown Gold Mine and the partial sale of Rhein Petroleum, two major transactions have been completed successfully. Other transactions are pending for 2013.

- Investment focus: DRAG now invests their funds almost exclusively into the already producing subsidiaries Tekton Energy and Wolfram Camp Mining. All other activities are funded by shareholders of the respective subsidiaries.

- Build up a strong cash position: Both the above-mentioned sales as well as other equity and debt financings secured the liquidity of the Group and their subsidiaries at all times. As of the end of November the liquidity of the Group, despite temporary investments, especially to Wolfram Camp, amounted to EUR 13.3 million.

For 2013, the growth of the production of oil/gas and tungsten is the priority, in addition to the ongoing modification of the portfolio. It is planned to pay a dividend for 2012. Given the rapid progress in 2012, it is also conceivable that DRAG could invest in new projects in 2013. The Board is currently reviewing several offers. The solid financial situation of DRAG and the quite difficult market for young resource companies represents an essential factor for success and competitive advantage.

In the individual divisions/subsidiaries the following project status has been reached as of 2012:

Oil and Gas
Tekton Energy LLC (Interest of Deutsche Rohstoff AG: 63%)

Tekton Energy drilled nine vertical wells in the Wattenberg Field in the area of Windsor, north of Denver, Colorado, US, in the course of 2012. All wells were successful and were brought into clean, safe and stable production.

By the end of November, a little over 40,000 barrels oil equivalent (approximately 90% oil, 10% gas) were produced, which corresponded fairly closely to plan. Tekton is now concentrating on the preparation of horizontal drilling in the project area. The so far available data from horizontal drillings in the Niobrara and Codell-layers, which were published by two major companies operating in the Wattenberg Field, indicate an extremely attractive economic potential. Initial daily production of the two major companies amounted to 250-800 barrel of oil equivalent (for comparison: vertical wells produce 20-60 barrels). The average calculated total reserve per horizontal well rates between 325,000 to 350,000 barrel. On average, the investment was re-earned within on year.

Over the last few months, in the course of the intense horizontal drillings in the Wattenberg Field, it was shown that the optimal spacing between the horizontal wells is much lower than previously thought. Based on the experiences of the large companies the results for Tekton are therefore 60-80 drillings in its own license area and possible reserves of 20 million barrels of oil equivalent. The undertaken 3D-seismic of Tekton this summer revealed no significant geological interferences that would doubt the drilling program. Meanwhile there are detailed strategies for over 70 drillings. Local permissions have been granted and the also required authorization of the Colorado Oil and Gas Conservation Commission will hopefully be entirely available by the end of January 2013.

Divergent from the original concept, Tekton is now planning to conduct all drillings within a maximum period of three years by itself. The management and DRAG are confident in being able to achieve the maximum capital growth thereby. Start of drilling may be as early as February 2013. Negotiations for the program are currently underway with various potential financing partners. The expected total sales until the end of 2015 amount to approximately USD 180 million (2013: USD 20 million).

Due to the unexpectedly favourable technical and economic conditions for horizontal drillings as well as the proven quality of the management of Tekton to carry out drillings fast, safe and successful, DRAG is set out for 2013 to focus on the development of this project.

Oil and Gas
Rhein Petroleum (Interest of Deutsche Rohstoff AG: 10%)

In mid-October, Rhein Petroleum has completed another 3D-seismic survey in the license area of Heidelberg-Weinheim. Overall, 750 square kilometres within the Rhine Valley and the Bavarian Alpine Upland have been surveyed for oil and gas carrying structures. It was the largest 3D-seismic survey on land within the last then years in Europe. Currently, intensive analyses of the seismic data and first drilling targets are being initialized. Rhein Petroleum plans on drilling several wells starting in the second quarter of 2013. Some will be operated with Joint Venture partners.

Tungsten, Molybdenum
Wolfram Camp Mining and Tropical Metals
(Interest of Deutsche Rohstoff AG: each 100%)

Since May 2012, Wolfram Camp is steadily producing tungsten concentrate, and has more recently also commenced with the production of molybdenum concentrate. Project evaluation has identified the requirement to upgrade the process facility to increase the daily production by an additional 40%. The new throughput rates will achieve production forecasts with a lower than anticipated WO3 feed grade:

- Rescheduling of the current mine plan has significantly improved the strip ratio to 6:1. Following additional improvements and upgrading the unit cost of mining will be at AUD 40 per ton of ore. This figure is comparable to medium size open pit mines worldwide.

- A major success factor is the throughput of the processing plant, which is currently operating at 29 tons per hour. The increase in capacity of the plant, which should be finalized in January/February, will allow for a throughput of 49 tons per hour. The recovery rate of metal content will increase to 75%. The cost per processed ton will be at AUD 20/ton, which is also in line with industry standards.

Based on the above, production forecasts Wolfram Camp will return a good profit with an average feed grade of 0.3% WO3, at an APT price of USD 350/mtu in 2013. This will result in revenue of approximately AUD 30 Million in 2013.

The relevant price for tungsten APT in Europe has dropped to USD 300/mtu over the past weeks due to the general global economic slowdown. Global tungsten analysts expect the price recover towards the 2012 average of approx. USD 400/mtu. WCM uses an average price of USD 350/mtu for its planning.

As a result of a detailed upgrade of the process facility, WCM is currently also producing saleable molybdenum concentrates. Negotiations have been initiated with different smelters in order to finalise a molybdenum-purchasing agreement.

Tin
Tin International Ltd. (Interest of Deutsche Rohstoff AG: 61%)

Tin International (TI) has performed several roadshows with investors in Europe, Asia and Australia to generate interest in an IPO or a private placement over the past two months. Generally, investors were very interested in the projects of Gottesberg and Geyer. However, given the weakness of the equity markets for resource companies in Australia and Canada, a postponement of the placement was recommended for 2013. Because of this feedback, the Board of Directors of TI decided to no longer perform this capital raising in 2012. However, the preparations have gone so far that the board can react very quickly when market conditions improve.

In the meantime, Tin International will continue to work on the development of its projects. The focus is currently on metallurgical studies in Gottesberg. First results are expected in the next few weeks. Furthermore the geologists are reviewing the deposit model to generate drill targets that could potentially define higher grade zones within the deposit. The company still has almost AUD 3 million on hand from the capital increase in April.

Rare Earth Elements
Seltenerden Storkwitz AG (Interest of Deutsche Rohstoff AG: 61%)

Seltenerden Storkwitz AG (SES) has not yet received the JORC report on the existing resource. However, currently available data indicate a high correlation with the GDR results. The management expects to receive the final report within the next few weeks. However, the delivery date is dependent of the independent Australian expert.

A capital raising is currently ongoing. The proceedings will be used to finance various cooperation that allow SES to develop new methods for upgrading and processing of rare earth elements. The company still envisages an IPO for next year.

Lead/Zinc/Silver
Devonian Metals Inc. (Interest of Deutsche Rohstoff AG: 47%)

Exploration of the Wrigley lead/zinc project in the Canadian North-West Territories continued in 2012 within the framework of the Farm-In Agreement between Devonian and Glencore. Inter alia metallurgical work was carried out, surface samples were conducted and older drill cores were reanalyzed. The final report is still pending. Based on the results, Devonian and Glencore will advise on how to further proceed. In November 2012, the total investment of Glencore of CAD 6.5 million, as defined in the Farm-In agreement, was reached. Glencore now holds 51% of Alapa Resources, the joint venture company founded in December 2011. Devonian holds 49% and will continue to act as the operator.

Gold
Deutsche Rohstoff Australia Pty Ltd, Georgetown Goldmine

Deutsche Rohstoff AG sold the company with a sales agreement as of 17th September 2012. The conditions specified in the contract were fulfilled by 22nd October 2012. The Purchaser paid the first part of the purchase price of AUD 10 million immediately. The remaining four instalments in the amount of AUD 1.5 million each are due at the end of December 2012 and at the end of each of the first three quarters of 2013. The four partial payments have been hedged against exchange rate movements.

Heidelberg, 19 December 2012

Deutsche Rohstoff AG (Heidelberg, Germany), listed in the Entry Standard segment of Frankfurt Stock Exchange, is establishing a new primary producer. The company's focus is placed on gold, oil & gas and so called high tech metals such as tin, tungsten, and rare earth metals. All projects are located in countries marked by political stability, the core area being Germany. The business concept is based on redeveloping deposits, which have been well explored in the past. For more information please visit www.rohstoff.de.

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