



RESOURCE GENERATION LIMITED
ACN 059 950 337

QUARTERLY REPORT
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008

HIGHLIGHTS

- Acquisition of joint venture interest in South African coal tenements completed successfully.
- Appointment of new Managing Director and Executive Director.
- Equity placement raised \$12 million.
- New strategic direction as an energy resources company communicated.
- Company name changed from Comdek to Resource Generation.
- Company reclassified as an Energy business.
- Corporate base moved from Perth to Sydney.
- Satellite communications business closed down.
- Post the quarter end in early October 2008, acquisition of Tasmanian coal tenements completed successfully.

OPERATIONS

- On 31 August 2008, the company closed its satellite communications business operated by its wholly owned subsidiary Comdek Satellite Communications Pty Limited (previously named Fusion Communication Services Pty Limited).
- Operations are now solely focused on the exploration and development of energy related resources.

EXPLORATION RIGHTS AND ACTIVITIES

- In July 2008, the company purchased a South African company that has the right to earn a 70% joint venture interest in three coal tenements by spending USD5 million. This expenditure is expected to enable a bankable reserve to be determined which will enable a mining feasibility study to be finalised. The properties are located in the Waterberg Coalfields of South Africa and total 3,160 hectares.
- Initial JORC-compliant inferred resource of 738.8 million tonnes* in the Waterberg region of South Africa with significant potential to increase the resource with additional data interpretation, drilling and testing.
- A drilling programme commenced in September 2008.



- Ten open holes were drilled at Waterberg No.2 (previously referred to as the Lisbon tenement), where access was available during September. This drilling confirmed that the Zoetfontein Fault is further to the south than previously predicted. Drilling of Waterberg No.3 (previously referred to as Zoetfontein) commenced in October 2008. Waterberg No.1 (previously referred to as Koert Louw Zyn Pan) contains 87% of the JORC-compliant inferred resource of 738.8 million tonnes* and has the majority of planned exploration holes. Access to the privately owned farm has been negotiated to enable the company to commence drilling in November 2008.
- Tenders for aeromagnetic surveys to be undertaken on the uranium tenements in Cameroon were received during the quarter and are currently being evaluated.

CORPORATE

- A new Managing Director, Paul Jury, was appointed on 15 July 2008. Paul was most recently the Managing Director of Resource Pacific Holdings Limited, prior to its \$1.1 billion takeover by Xstrata. He was joined by a new Executive Director, Steve Matthews, who was previously Senior Commercial Manager of Resource Pacific Holdings Limited. Following these appointments, the company's corporate base was moved from Perth to Sydney.
- On 15 August 2008, the company raised \$12 million through a placement of 66,666,667 shares at 18 cents per share. The shares were placed with a broad portfolio of institutional and sophisticated investors. 51,231,756 shares were settled on 21 August 2008 and the balance of 15,434,911 shares are subject to shareholder approval at the company's AGM on 6 November 2008.
- At a general meeting of shareholders on 5 September 2008, the company's name was changed from Comdek Limited to Resource Generation Limited.
- On 15 September 2008, a prospectus was distributed to issue 10,000 shares at 22 cents per share. This was prepared by Resource Generation at the request of the ASX to enable it to reclassify the company from the telecommunications list to the resources list. The shares were fully subscribed for and issued on 22 September 2008. A supplementary prospectus was issued on 25 September 2008.
- After the end of the quarter, on 9 October 2008, the company completed the acquisition of Energy Investments Limited and Tiger Coal Pty Ltd. Through these transactions, Resource Generation now owns four exploration licences in Tasmania, being:
 - EL64/2007 – Latrobe (Bonneys Tier);
 - EL65/2007 – Woodbury (Turnbridge);
 - EL25/2008 – Jericho East (Melton); and
 - EL26/2008 – Jericho West (Tiberius).

In addition there is one exploration licence application awaited, being ELA41/2008 – Jericho North (Oatlands).

Coal mineralisation is present in the properties and the company is planning an exploration drilling program to determine the extent of the mineralisation in accordance with the JORC Code.



CORPORATE INFORMATION

Directors

Michael Hunt	Chairman
Scott Douglas	Non-Executive Director
Paul Jury	Managing Director
Steve Matthews	Executive Director

Company Secretary

Steve Matthews

Registered Office

Level 12, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Telephone: 02 9376 9000
Facsimile: 02 9376 9013
Website: www.resgen.com.au

Mailing Address

GPO Box 3590
Sydney NSW 2001

Contacts

Paul Jury
Steve Matthews

** Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Dawie Van Wyk who is a consultant to the Company and is a member of a Recognised Overseas Professional Organisation. Mr Van Wyk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Van Wyk has given and has not withdrawn consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Resource Generation Limited

ABN

91 059 950 337

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3months) \$A'000
1.1 Receipts from product sales and related debtors	64	64
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(10) (323) - (760)	(10) (323) - (760)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	116	116
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(913)	(913)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	- - (43)	- - (43)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(43)	(43)
1.13 Total operating and investing cash flows (carried forward)	(956)	(956)

1.13	Total operating and investing cash flows (brought forward)	(956)	(956)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	8,625	8,625
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	8,625	8,625
	Net increase (decrease) in cash held	7,669	7,669
1.20	Cash at beginning of quarter/year to date	1,401	1,401
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	9,070	9,070

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	186
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	2,076
4.2	Development	500
Total		2,576

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	483	47
5.2	Deposits at call	8,481	1,340
5.3	Bank overdraft	-	-
5.4	Other (Bank guarantees)	106	14
Total: cash at end of quarter (item 1.22)		9,070	1,401

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2	Interests in mining tenements acquired or increased	Prospecting rights for coal P678/2007 – Waterberg #2 & #3	20% joint venture interest in both P678/2007 and P720/2007. Resource Generation has the ability to increase JV interest to 70% with the expenditure of US\$5 million	Nil	20%
		Prospecting rights for coal P720/2007 – Waterberg #1		Nil	20%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	618,323,172	618,323,172		
7.4 Changes during quarter (a) Increases through issues 85,602,365 1,531,309 20,000,000 51,231,756 10,000 (b) Decreases through returns of capital, buy-backs Nil				
			\$0.34* \$0.01 \$0.29* \$0.18 \$0.22	Fully paid Fully paid Fully paid Fully paid Fully paid
			* Issue of shares re acquisition of Waterberg JV at market price for accounting purposes	
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7	Options <i>(description and conversion factor)</i>		<i>Exercise price</i>	<i>Expiry date</i>
	8,180,961	Nil	\$0.01	31/12/2009
	4,500,000	Nil	\$0.025	28/11/2012
	18,750,000	Nil	\$0.05	31/12/2012
	10,000,000	Nil	\$0.05	7/7/2011
	2,500,000	Nil	\$0.05	17/3/2013
	4,500,000	Nil	\$0.06	28/11/2012
	2,500,000	Nil	\$0.07	17/3/2013
	3,500,000	Nil	\$0.10	17/3/2013
	3,500,000	Nil	\$0.15	17/3/2013
	3,750,000	Nil	\$0.155	28/5/2013
	3,750,000	Nil	\$0.185	28/5/2013
	41,971,317	Nil	\$0.20	5/9/2009
	5,000,000	Nil	\$0.205	28/5/2013
	41,971,317	Nil	\$0.275	5/3/2010
	41,971,317	Nil	\$0.35	5/9/2010
7.8	Issued during quarter			
	41,971,317	Nil	\$0.20	5/9/2009
	41,971,317	Nil	\$0.275	5/3/2010
	41,971,317	Nil	\$0.35	5/9/2010
7.9	Exercised during quarter			
	1,531,309	Nil	\$0.01	
7.10	Expired during quarter			
	Nil			
7.11	Debentures <i>(totals only)</i>	N/A		
7.12	Unsecured notes <i>(totals only)</i>	N/A		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 29 October 2008

Print name: STEPHEN JAMES MATTHEWS.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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