



ASX: RES

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ASX Release

Update on South African Exploration Results

Further to the presentation made at the Shareholders Meeting on 23 January 2008 the following update is provided:

A total of 67 percussion holes and 20 cored holes were successfully completed on schedule. This required a concentrated effort involving five core rigs operating simultaneously; a significant result given the short period of time involved. All cored holes and 47 of the percussion holes were completed in the main deposit known as Waterberg No.1. As previously announced, the coal seam is present across the total tenement area of 1,365 hectares and is approximately 120 metres thick, commencing approximately 20 metres below the surface.

Following completion of the exploration program, analysis of the first two of the cored holes has been completed providing confirmation that the coal sequence is as anticipated. Coal quality results are such, that a range of thermal coals suitable for both the domestic and export markets can be produced as well as a soft coking coal with a PCI coal fraction. Although preliminary, these results are very encouraging.

Given the large amount of coal core requiring analysis, completion of this process will take approximately six months and involves two laboratories working full time. The company will endeavour to publish an updated JORC statement during this period as sufficient results become available.

An exploration program for the recently acquired adjoining tenements, within the Ledjadja joint venture, is expected to commence in March. This should provide confirmation as to the extent and continuity of the same coal sequence into areas adjoining Waterberg No.1.

Significant progress has been made in respect to the mining approval process with initial public consultation now completed and documentation well advanced for submission to the Department Minerals & Energy.

Contacts

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Resource Generation is an energy resource company, primarily with coal interests in South Africa and Tasmania. Its current priority is to develop its resources in the Waterberg region of South Africa.