



ASX: RES

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ASX Release

Increase in Resources and Reserves

Resource Generation Limited has upgraded its resource and reserve classification for the Boikarabelo Coal Project in the Waterberg region of South Africa. This follows the second stage of concentrated core drilling in 16% of its Ledjadja Coal Joint Venture area which has resulted in an increase in probable reserves to 603.3 million tonnes.

- Probable saleable reserves doubled to 603 million tonnes
- New inferred resource of 1.7 billion tonnes

The managing director, Paul Jury, commented that: 'these results confirm our expectation of a very large resource which is contiguous in terms of coal thickness and quality, present at shallow depth from the surface across a concentrated area of the Boikarabelo project from Waterberg #1 through Witkopje and Draai Om right up to the known fault half way across Kalkpan.

Completion of this second stage, comprising a relatively small area of what is yet available has resulted in a doubling of probable reserves which further underwrites the potential bankability of the project. This combined with an increase of 1.7 billion tonnes of inferred resource illustrates the considerable potential available from these tenements. Several more stages of drilling are planned for both the Ledjadja and Waterberg One tenements which are expected to improve the resource and reserve classifications and assist in the detailing of mine planning options.

We are confidently moving forward with our plans to develop a major mining operation that can sustain large levels of both export and domestic production over many years.'

Total reserves and resources across all Resource Generation's South African tenements are now as follows.

	Inferred Resource* million tonnes	Indicated Resource* million tonnes	Probable Reserve million tonnes
Waterberg One Coal JV			
Waterberg #1		569.5	302.4
Ledjadja Coal JV			
Witkopje			300.9
Draai Om, Kalkpan and Witkopje	1,735.5		
Total Boikarabelo Project	1,735.5	569.5	603.3
Waterberg #2 and #3	123.4		
Total	1,858.9	569.5	603.3

* Excludes shale content and comprises 100% for each joint venture

The resource categories have been defined following analysis of the cored holes from a drilling programme conducted during 2009 of 49 fully cored and RC boreholes, with analyses and all geophysically logged, on the Ledjadja tenements.

The Project has been divided into two parts for this purpose (refer to plan below):

- Part of the Witkopje tenement, which represents 16% of the total area drilled, contains a probable saleable coal reserve of 301 million tonnes.
- The balance of the Ledjadja area drilled encompassed the balance of the Witkopje tenement, Draai Om and approximately 50% of Kalkpan. This contains an inferred resource of 3.6 billion tonnes including interbedded shale or 1.7 billion tonnes excluding the shale component.

The details are as follows:

Ledjadja Coal JV	Area sq m	Resource tonnes	Resource* tonnes	Probable ROM Coal tonnes	Probable Saleable Coal tonnes
Mineable Reserve	5,385,041	N/A	535,653,451	476,276,534	300,887,800
Inferred Resource	28,545,091	3,626,395,134	1,735,543,485		

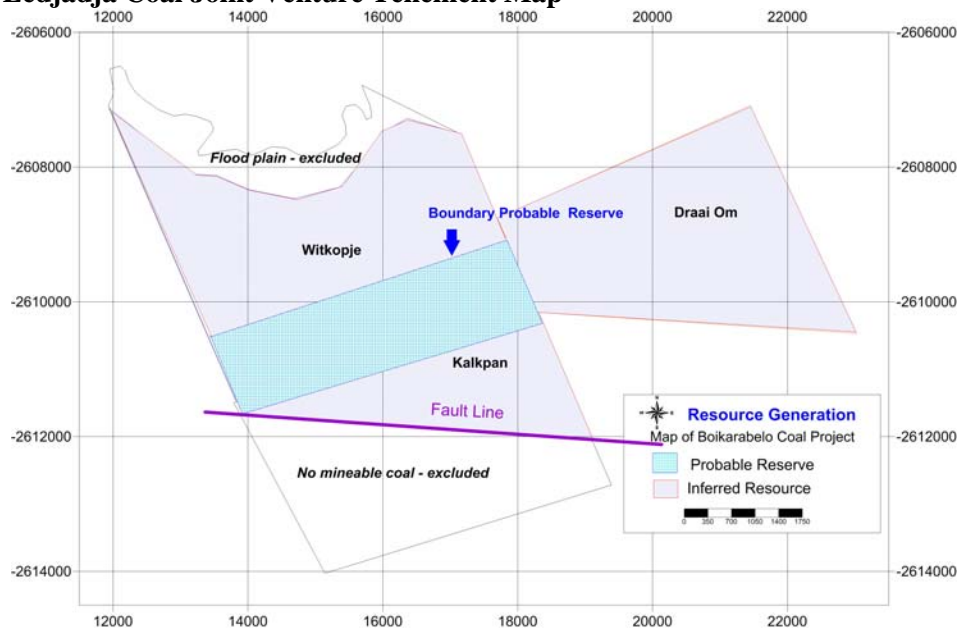
* Excludes shale content

Mitigating factors used in the reserve area to determine mineable and the resulting saleable coal contained in the mine benches in the reserve area were: 50% yield cut off, 0.4 metre coal width limit, 10% geological losses, 3% efficiency losses, 3% layout losses, 90% extraction, 5% contamination, 5% moisture and 87.5% plant efficiency.

The yield and qualities for the combined mining benches are suitable for both export and domestic production. The product coal results for domestic power generation use only are tabulated below:

	Yield %	Moisture %	Ash %	Volatiles %	Fixed Carbon %	Sulphur %	CV MJ/kg
Avg	72.2	3.6	33.1	25.7	37.7	1.0	18.8
Max	99.1	3.9	35.5	31.5	49.1	2.6	22.7
Min	55.5	3.3	22.6	21.1	32.8	0.2	18.5

Ledjadja Coal Joint Venture Tenement Map





The results of drilling both the Waterberg One Coal Joint Venture and Ledjadja Coal Joint Venture tenements at Boikarabelo combined, result in a probable saleable coal reserve of 603 million tonnes, an indicated resource of 569 million tonnes (excluding shale) and an inferred resource of 1,736 million tonnes (excluding shale).

Information in this release 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 his consent to the inclusion in the release of the matters based on his information in the form and context in which it appears.

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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.