

**ASX: RES**

20 October 2010

**ASX Release**

**Resource Generation’s resources and reserves upgraded**

Resource Generation Limited’s coal resources and reserves in the Waterberg region of South Africa, where it is developing its Boikarabelo mine, have been upgraded after analysis of 28 cored holes from a drilling programme earlier this year.

Boikarabelo’s resources and reserves are now as follows:

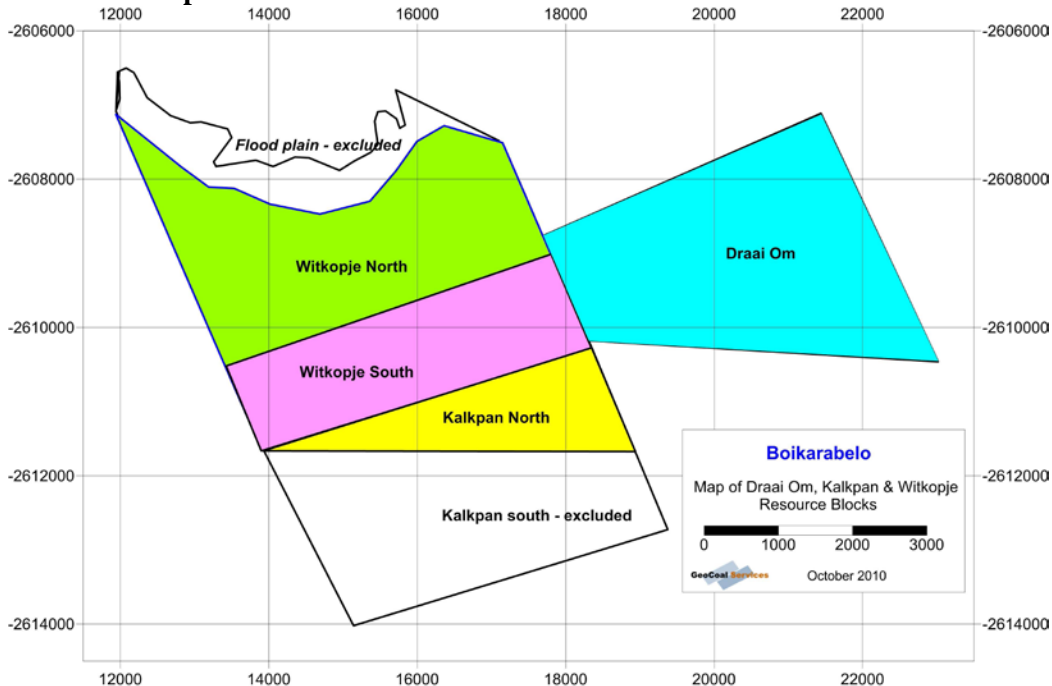
- probable reserves of 636.0 million tonnes, an increase of 32.7 million tonnes; plus
- a new measured resource of 204.0 million tonnes; plus
- an indicated resource of 551.7 million tonnes; plus
- an inferred resource of 1.5 billion tonnes.

Mine planning is being undertaken which will enable the measured resource to be upgraded to probable reserve status. This is expected to be completed by the end of November 2010.

Paul Jury, managing director of Resource Generation, said: ‘These results are further confirmation of the potential of our Boikarabelo mine to supply large quantities of thermal coal to both the export and domestic thermal coal markets. Together with our 20 year contract to supply coal to India’s CESC power utility, the results will also strengthen the attraction of Boikarabelo to financiers as we raise funds to complete the development.

The drilling programme consisted of 5 boreholes on Witkopje South, 21 boreholes on Kalkpan and 2 boreholes on Draai Om. A plan of the areas is below.

**Tenement Map**



Further detailed information is provided on the next page.

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### Boikarabelo's reserves and resources in detail

(100% figures)	Inferred Resource* million tonnes	Indicated Resource* million tonnes	Measured Resource* million tonnes	Probable Reserve million tonnes
Waterberg #1 SW				314.2
Waterberg #1 NE		551.7		
Witkopje S				321.8
Kalkpan			204.0	
Draai Om	791.3			
Witkopje N	688.3			
<b>Total</b>	<b>1,479.6</b>	<b>551.7</b>	<b>204.0</b>	<b>636.0</b>
Previous announcement	1,735.5	569.5	0	603.3
<b>Increase/(Decrease)</b>	<b>(255.9)</b>	<b>(17.8)</b>	<b>204.0</b>	<b>32.7</b>

\* Total in-situ tonnes of coal excluding shale content

- The probable reserve in the Waterberg #1 South West area has increased by 11.8 million tonnes, with a related decrease in the indicated resource in the Waterberg #1 North East area of 17.8 million tonnes.
- The probable reserve in the Witkopje South area has increased by 20.9 million tonnes to 321.8 million tonnes.
- The measured resource in the Kalkpan area has increased by 204.0 million tonnes, with a related decline in the inferred resource of 255.9 million tonnes.

The total gross in-situ resource base of Boikarabelo is as follows:

(100% figures)	Area hectares	Resource million tonnes	Resource* million tonnes
Waterberg #1 SW	536	865.5	426.3
Waterberg #1 NE	706	1,116.4	551.7
Witkopje S	539	945.8	460.2
Kalkpan	284	396.3	204.0
Draai Om	1,009	1,633.8	791.3
Witkopje N	836	1,429.3	688.3
<b>Total</b>		<b>6,387.1</b>	<b>3,121.8</b>

\* Excludes shale content

*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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