

ASX ANNOUNCEMENT

15 APRIL 2021

EP457 and EP458 Formal FIA Executed

Further to the announcement of Rey Resources Limited (**Rey** or the **Company**) dated 21 December 2020 regarding the entering into of a letter of agreement with Buru Fitzroy Pty Ltd (**Buru**) and Origin Energy West Pty Ltd (**Origin**) for the farmout of a 40% participating interest in each of EP457 and EP458 (the **Permits**) to Origin, the Company is pleased to announced that it has executed a formal Farmin Agreement (**FIA**) with Origin, which has been assigned 40% participating interest in the Permits from the Company and Buru.

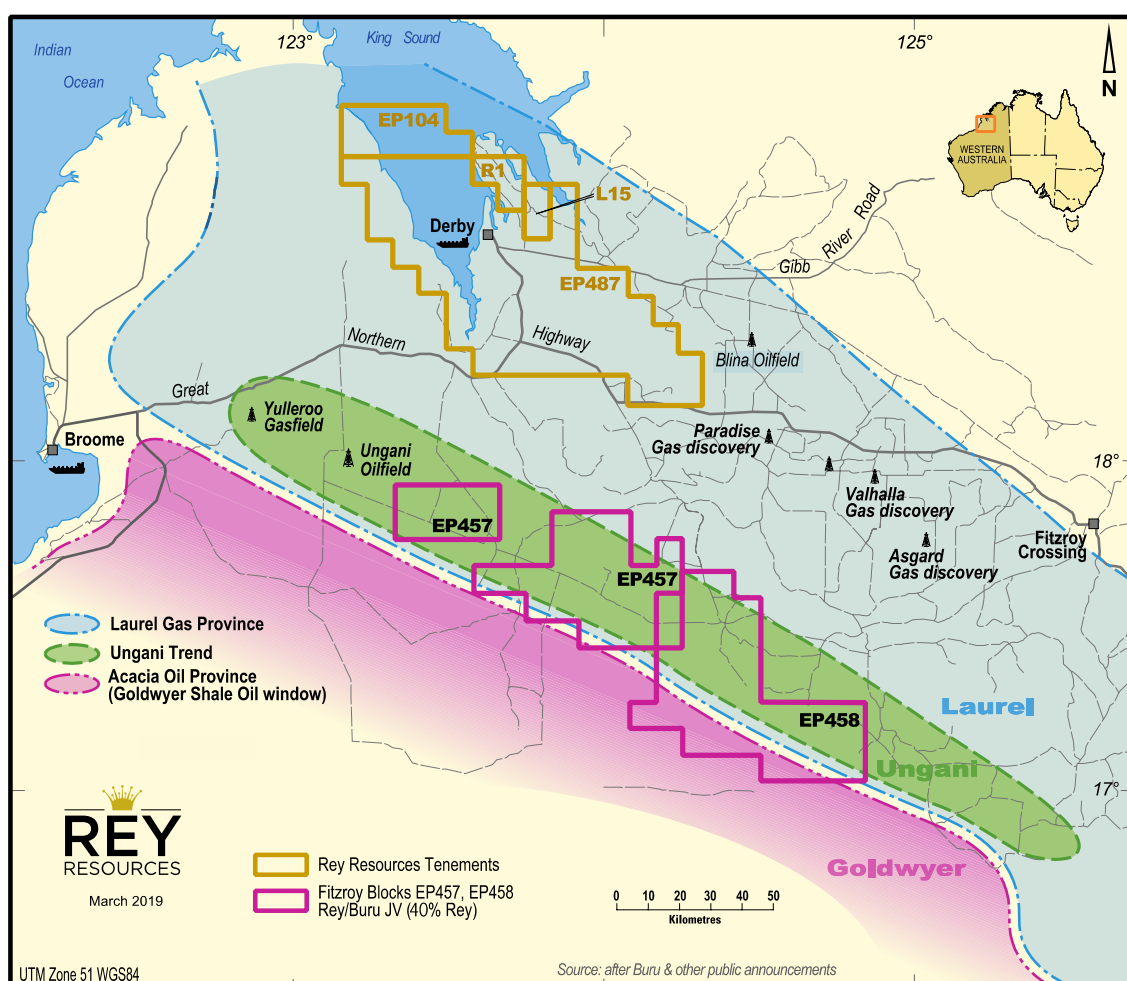


Figure 1. Location of the Permits and Rey's other oil and gas interests in the Canning Basin.

According to the FIA, Origin will pay a total amount of \$3 million (**Completion Payment**) upon execution of the FIA. The initial \$1 million will be paid into a JV account to fund the proposed 2D seismic over the Permits. The remaining \$2 million of the Completion Payment will be paid by Origin once the first \$1 million has been spent. Other terms of the letter of agreement have also been incorporated into the FIA.

An AFE for the proposed seismic has been sent to all JV parties. The AFE consisted of the 2021 budget that approved by Buru, Origin and Rey.

Rey welcomes Origin to be part of the Fitzroy Block JV and look forward to working with Origin's team for the development of EP457/458.

Information about EP457 and EP458

The Fitzroy Blocks (comprising a combined area in excess of 5,000 square kilometres) are located over parts of the southern flank of the Fitzroy Graben. The Fitzroy Blocks straddle three major trends:

- the Ungani conventional oil trend ("Ungani Trend");
- the Laurel Basin-Centred Gas Accumulation, conventional and unconventional gas; and
- the Goldwyer oil and gas unconventional shale.

The Ungani Trend includes identified leads and prospects in an area of prospectivity of at least 120 kilometres by 40 kilometres (over one million acres or 4,800 square kilometre). This extends diagonally, north-west to south-east, across the Fitzroy Blocks. The conventional dolomite reservoir oil discovery by Buru in 2011 at Ungani (located 15 kilometres north-west of EP457) on the trend running through the Fitzroy Blocks is a significant regional discovery event. Commercial production was established by Buru at Ungani in mid-2015.

Although Prospective (recoverable) Resources of the Laurel Formation within the Fitzroy Blocks have not been assessed by drilling to date, the formation extends across part of the Fitzroy Blocks. A wet gas accumulation has been identified immediately east of the Fitzroy Blocks which has the characteristics of a Basin-Centred Gas Accumulation.

The Goldwyer Shale Formation is characterised as a thick, regionally extensive organic rich "Bakken" shale analogue. The play type is regarded as highly prospective and interpreted to extend across part of the Fitzroy Blocks.

Authorised by the Board of Rey Resources Limited

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