



**ASX: RES**

7 August 2009

**ASX Release**

*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.*

**Resource Upgrade and Reserve Delineation**

Resource Generation Limited has upgraded its resource and reserve classifications for its Waterberg #1 tenement in South Africa. Following the recent completion of analysis of the 98 hole drilling programme conducted earlier this year and a preliminary mining plan, the resources and reserves have been delineated.

The tenement has been divided into two parts for this purpose (refer plan on following page). The Coal Reserve area, which includes 302 million tonnes of saleable coal, represents 43% of the total identified resource area. The resource area, which includes 1.1 billion tonnes of Indicated Resource (569 million tonnes after allowing for shale discount), represents 57% of the total identified resource area. The details are as follows:

**Waterberg Coal Joint Venture**

	Resource	Resource *	Probable/Proven ROM Coal	Probable/Proven Saleable Coal
<b>Waterberg #1 Tenement</b>				
Indicated Resource	1,102,445,229	569,464,163	N/A	N/A
Mineable Reserve	N/A	676,539,067	566,603,627	302,387,324
<b>Waterberg #2 and #3 Tenements</b>				
Inferred Resource	N/A	123,364,999	N/A	N/A

\* Excludes shale content

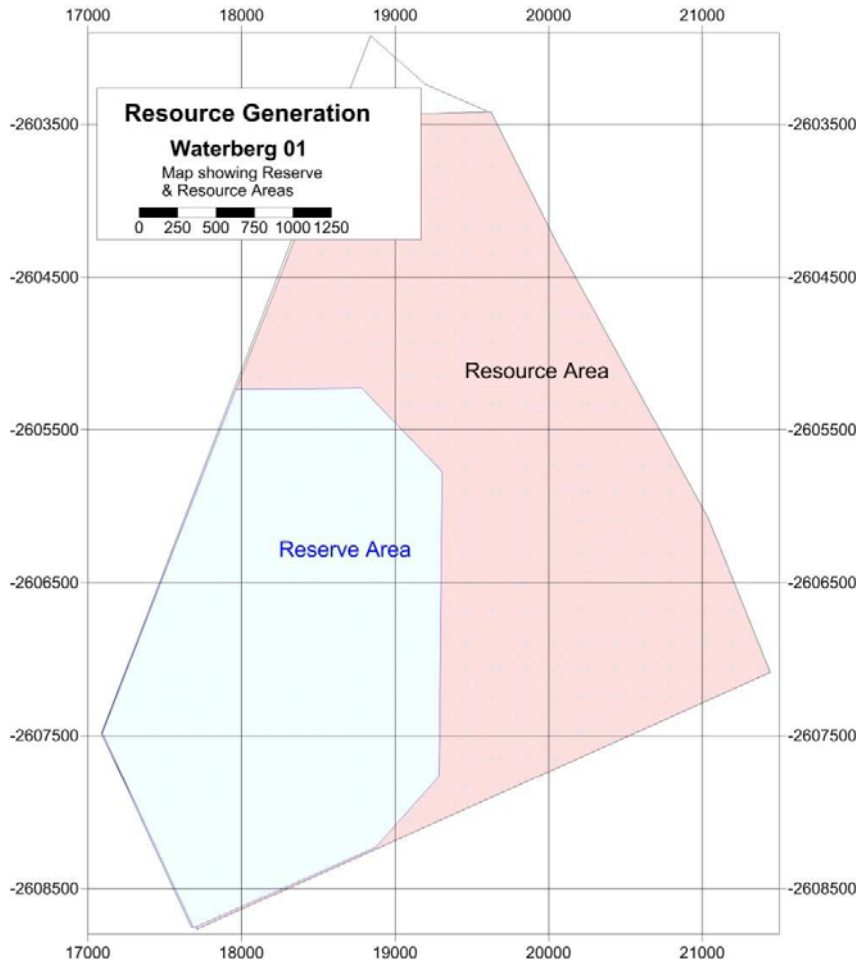
The quality of the ROM coal varies between the following parameters depending on the benches of coal that are planned to be selectively mined. Most benches will need to be beneficiated to produce a saleable coal either for the domestic or export markets.

	Moisture	Ash	Volatiles	Sulphur	CV
Range	2.7%-3.5%	26.9%-55.9%	19.7%-23.7%	0.6%-3.3%	10.7-21.2
Median	3.23%	39.77%	20.48%	1.14%	16.73

The yield for solely domestic production averages between 47.31% and 95.17% depending on the benches mined with a median of 73.41%. If an export product is produced the yield for that varies between 4.46% and 59.60% with a median of 18.59% and a corresponding reduction of domestic yield with a median of 37.87%.

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***Plan showing Resource and Reserve Areas for Waterberg #1***



Drilling continues on two of the Ledjadja Joint Venture properties which confirms the continuation of the adjacent Waterberg #1 coal mineralisation into those tenements. This is not yet up to JORC status.

*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.*

**Contacts**

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