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**MINERAL EXPLORATION AND DEVELOPMENT**  
**ACN 108 003 890**

Australian Stock Exchange Limited  
Company Announcements Office  
20 Bridge Street  
SYDNEY NSW 2000

Tuesday, May 27, 2008

Dear Sir

## **Rey commences drilling at Liveringa, Canning Basin WA thermal coal project**

Rey Resources Limited (ASX:REY) has commenced drilling on the first 4,000m of the company's 2008 drill program which totals approximately 20,000 metres.

One rig has begun to drill at the Duchess / Paradise thermal coal project near Liveringa in the West Kimberley's, WA. It will be joined by a second rig, which is scheduled to arrive in approximately 4 weeks.

The Duchess/Paradise prospect lies in the east of the Rey tenure where the coal seams sub-crop at the surface. Previous exploration in the 1970's returned high quality thermal coal intercepts.

The aim of the drill programme is to obtain an initial JORC resource by the end of 2008 or early in 2009.

**Kevin Wilson**  
**Managing Director**

### ***About Rey:***

*Rey Resources (REY) is focussing on the development of its thermal coal properties. It owns coal, oil and gas tenements in North-West Australia that have excellent potential for medium to large scale development, as well as base metal properties in South America. The company aims to create shareholder value through the development of the coal properties and the divestment or joint venturing of the other properties. Rey was listed on the Australian Stock Exchange in June 2006.*

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