

ASX Release
27 November 2009

CHAIRMAN'S ADDRESS

2009 Annual General Meeting

At the time of the AGM last year we were in the midst of the Global Financial Crisis and your Directors were concerned about its impact upon commodity prices and ultimately on your Company. As matters transpired the GFC was relatively short lived, at least in the resources area, and strong continuing growth from India and China has meant that commodities are still keenly sought. Medium term demand for thermal coal continues to be buoyant, particularly from India, where plans are underway to provide electricity to a significant portion of citizens who do not currently enjoy the benefits of electrical power.

Takeover Offers

You will be aware that the Company has received 2 takeover

offers, one from Gujarat NRE Limited (“Gujarat”) and one from

Crosby Limited (“Crosby”). Both of these Takeover Offers

remain current. Your Directors do not consider either of these

bids to reflect the value of either the Company or your shares.

The first bid, from Gujarat, was timed at a low point in the

Company’s share price which had been impacted by the

effects of the GFC. We also consider that both the offers do

not reflect the potential of the Canning Basin Coal Project and

that further exploration and studies will better demonstrate

the potential value of the of your Company.

Your Directors continue to recommend that you REJECT both of the Takeover Offers.

Future Funding

At this meeting you will be asked to vote on 2 funding

resolutions, the first is a placement of \$10million to

institutional and sophisticated investors and the second a share purchase plan (SPP) of \$5million. The SPP has been underwritten by BBY stockbroking. I urge you to vote in favour of both these resolutions as the future of your Company depends on further drilling and studies to continue to prove the size and scope of the Canning Basin Coal Project and the funds will be used for these purposes. We welcome new investors and thank existing shareholders for continued support.

Once the funds have been received by the Company, we will investigate longer term options for financing the Company, potentially through the introduction of a suitable partner to the Canning Basin Coal Project.

Tenement Matters

You may be aware that Mineralogy, a company owned by Clive Palmer, has sought to make forfeiture applications over some of Rey's tenements. These do not relate to Rey's JORC coal resource. These matters have now entered a legal process and as such it is not appropriate that I comment in detail other than to state that the

Company is strenuously defending its rights and we are very proud of

our track-record in the area.

Operations

The Company completed a drilling programme of some 26,000 Metres in the 2008 drilling season. Although no major drilling work was undertaken in the current year, prefeasibility and environmental studies have commenced and we also gained access to export infrastructure through the Port of Derby. Subject to passing the resolutions, we will conduct a full drilling campaign in the upcoming season and continue the feasibility studies, subject to a positive pre feasibility outcome.

The MD Kevin Wilson will provide more details of the work that has been completed and which will be conducted in his presentation following the conclusion of the formal business of the meeting.