

ASX Release
22nd February 2010

Sale of Chilean exploration assets allows increased focus on coal developments

Highlights

- **Agreement reached with China Yunnan Copper Australia Limited to divest Humitos copper exploration leases, Chile**
- **Sale consideration is \$200,000 cash and 1.5% Net Smelter Return royalty on any future production, subject to completion of transfer documentation**
- **Divestment is consistent with Rey's strategy of focussing on its Canning Basin Coal Projects**
- **Discussions continue on disposal of other non core assets**

About Rey:

Rey Resources (REY) is focusing on the development of its thermal coal properties. It owns coal, oil and gas tenements in the Canning Basin region near Derby in Western Australia that have excellent potential for medium to large scale development. The company aims to create shareholder value through the development of its coal properties and the divestment or joint venturing of its other properties.

Level 8, 50 Clarence Street	12 King Sound Close
Sydney, NSW 2000	Derby, Western Australia 6728
PO Box Q93 QVB, NSW 1230	T/F: +61 8 9193 2034
T: +61 2 9299 9357 / F: +61 2 9262 1403	
E: info@reyresources.com	

Canning Basin

Rey Resources Limited (ASX:REY) is evaluating thermal coal export operations based on the Duchess Paradise Project which is part of the Company's Canning Basin Coal Leases. These leases encompass over 8,000 square kilometres in the Fitzroy Trough of the Canning Basin in Western Australia.

Divestment of Humitos Project

Rey Resources has agreed to sell 100% of the Humitos copper exploration project in the Copiapo District, Chile to China Yunnan Copper Australia Limited (ASX: CYU). The purchase price is \$200,000 cash and a 1.5% Net Smelter Royalty on any future production from the leases. The divestment is subject to a 30 day due diligence period by CYU and to normal Chilean regulatory approval. There is no accounting impact on Rey Resources.

The disposal is part of the Rey Resources' strategy to rationalise the Company's non-core assets to allow management focus on the Canning Basin Coal Projects.

For more information contact:	
Rey Resources Limited	Pesel & Carr
Kevin Wilson – Managing Director	Glenister Lamont – 0417 541 305
Tel: +61 2 9299 9357	Barbara Pesel – 0418 548 808

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