

ASX ANNOUNCEMENT

26 SEPTEMBER 2012

BURU ENERGY ANNOUNCES PROPOSED ACQUISITION OF PROJECTS IN CANNING BASIN

Rey Resources Limited (ASX: REY; "Rey Resources" or "the Company") advises that Buru Energy Limited (ASX:BRU; "Buru") has today announced to ASX that it has entered into two transactions to significantly increase its acreage position across the Canning Basin, Western Australia.

Pursuant to one of these transactions, Buru proposes to acquire an indirect 90% interest in each of exploration permits EP457 and EP458 (the "Permits") by acquiring all of the shares in Gujarat NRE Oil Limited ("Gujarat") from its parent company for a total consideration of \$36 million cash. According to Buru, completion of the purchase under the agreement is expected to take place on or about 4 October 2012.

Rey Resources currently holds a 10% interest in the Permits. Under a pre-existing farm in arrangement with Gujarat, Rey Resources' share of exploration costs will continue to be free carried by Gujarat through to the establishment of production from the Permits, when any costs will be repaid from production.

Buru has also advised that, further to an initial farm in agreement with Mitsubishi, it has agreed to provide Mitsubishi with an option period during which Mitsubishi may acquire half of Buru's interests in the Permits, on the same terms as Buru, subject to all necessary approvals.

Rey Resources is currently considering its options with respect to its pre-emptive rights under its farm in arrangements with Gujarat.

For further information please contact:

Investors and analysts:

Kevin Wilson, Managing Director
T +61 8 9211 1999
kwilson@reyresources.com

About Rey Resources:

Rey Resources Limited (Rey Resources) is an ASX-listed resource exploration and development company (ASX: REY) with project interests in the Canning Basin, Western Australia. The company's primary focus is Duchess Paradise, a potential thermal coal export Project situated on a pastoral station approximately 175 km southeast of Derby. Following a successful Definitive Feasibility Study completed in June 2011 and subject to approvals and financing, Rey Resources plans to export coal via existing facilities at Derby port.

www.reyresources.com