ASX ANNOUNCEMENT

14 APRIL 2014

Clarification on Fitzroy Blocks & Ungani Trend

Rey Resources Limited (ASX:REY) refers to an ASX announcement by Buru Energy Limited (ASX:BRU) on Friday 11 April 2014 providing an operations update and noting that its 2014 exploration program of prospects along the Ungani trend was under review.

Buru is the operator of a Joint Venture (JV) over EP457 and EP458, together referred to as the Fitzroy Blocks, in northern Western Australia. Rey holds a 25% interest (including a 10% free carry to production) in the JV along with Buru (37.5% and operator) and Diamond Resources (Fitzroy) (37.5%) which is a 100% subsidiary of Mitsubishi Corporation (MC).

The Directors of Rey Resources are considering preliminary proposals for extensive 2D and 3D seismic over the Fitzroy Blocks in 2014. In addition, in the event that the JV decides not to propose a well in the Fitzroy Blocks later in 2014, it is the present intention of Rey to investigate a sole risked well under the terms of the JV agreement. Rey is currently in discussion with external financiers to determine the availability of support for such a project. The financing of the project could take the form of an economic interest in the proposed well or some other agreed structure related to the Fitzroy Blocks.

The Fitzroy Blocks are believed to be on trend from the Ungani Field which includes the recent Ungani discovery (refer figure 1 below). 234 line kilometres of 2D seismic data was acquired over the Ungani Trend in EP457 in 2013. Processing of seismic data commenced in January 2014 and final processing data was only completed and received from the operator in early April 2014. Final analysis of the seismic data is not yet complete and development of the proposed 2014 work program is not yet finalised.

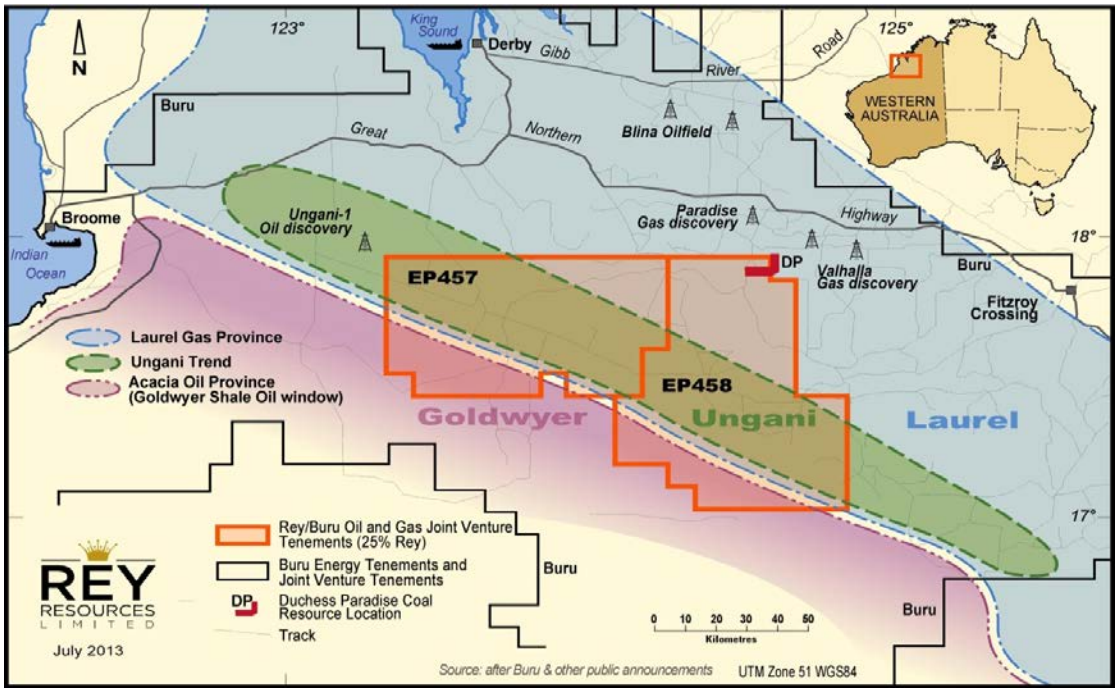

Figure 1. Location of the Fitzroy Blocks (EP457 and EP458) and the Ungani Trend in the Canning Basin, WA.

For further information please contact:

Kevin Wilson
Managing Director +61 8 9211 1999