



Resource Generation (ASX: RES)

Resource Generation Ltd (RES or the Company) is an Australian listed public company focused on providing shareholder value through the development of one of South Africa's largest remaining coal deposits, as well as prospective coal and uranium projects located in Tasmania and Cameroon.

South African Coal Project

RES has a significant interest in 10 coal tenements covering 12,000 hectares in the Waterberg Coal Field via a 70% interest in the Waterberg One Coal and a 74% interest in the Ledjadja Coal Projects.

The Waterberg Coal Field is estimated to have ~40% of South Africa's remaining coal deposits while the country itself listed as the 6th largest coal producer globally in 2008 (BP published coal statistics).

Recent reserve upgrades for the South African tenements show inferred resource of 1,736mt, indicated resource of 569mt, and probable reserve of 603mt. These upgrades are a result of 49 fully cored and RC boreholes completed in 2009.

The Boikarabelo coal seam is between 120m and 130m thick with a 20m to 30m overburden. This indicates that a low-cost, open-cut mining operation for extraction would be likely.

The Company believes that yield and qualities for the combined mining benches are suitable for both export and domestic production.

Pre-feasibility study completed by the Company in November 2009 confirmed significant earning potential for Boikarabelo.

The Company has lodged a mining rights application for Boikarabelo with the South African Department of Minerals and Energy (SADME). It is expected that this process will take approximately 12 months.

While awaiting application of mining rights approval, management has indicated that they will focus on

- Continuing drilling program in a bid to increase reserves
- Securing coal off-take agreements

INDUSTRY

ENERGY

KEY INFORMATION

Date	19/04/2010
Share Price	\$0.595
52 Week High / Low	\$0.925/\$0.296
Market Cap	\$94.84m
Shares on Issue	159.4m

DIRECTORS & MANAGEMENT

Scott Douglas	Chairman
Paul Jury	Managing Director
Steve Matthews	Company Secretary
Geoffrey Rose	Non-Exec Director

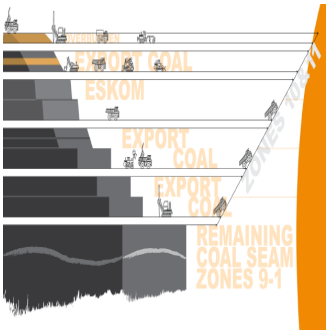
12 MONTH SHARE PRICE



- Determining transport arrangements
- Planning necessary infrastructure

Management expects to enter advanced negotiations of funding facilities regarding Boikarabelo in early 2011, enabling mine construction and mine fleet orders to be made with delivery in 2012. Production is then due to commence in January 2013.

Mine Planning & Infrastructure



The shallow overburden will allow the use of a small fleet of equipment to produce a substantial amount of resource.

Pre-feasibility study assumed mine development in two stages.

1. Five years from January 2013. Assumed production of 3 million tonnes of saleable export coal and at least 3 million tonnes of saleable domestic coal per annum.
2. To begin in January 2018. Assumed increase production to 40 million tonnes of run-off-mine coal per annum (subject to off-take contracts).

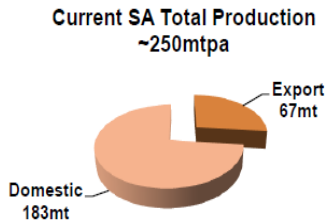
The study also outlined capital expenditure of A\$700 million to develop the mine, including A\$240 million to construct coal handling and preparation facilities.

Transport of Coal

The Company's tenements are approximately 40 kilometres by road from existing rail systems that provides access to domestic markets and to the ports of Maputo, Richards Bay and Durban.

All three ports have potential to expand their coal capacity, and a proposed new railway to Walvis Bay in Namibia, if constructed, would also offer access to export markets.

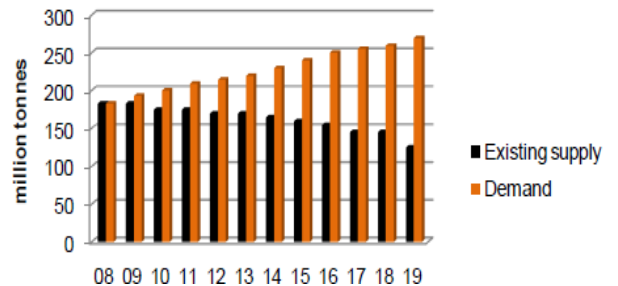
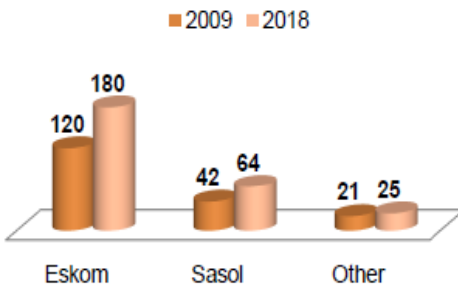
Domestic Demand



South Africa currently produces approx ~250mtpa of coal, of which 75% is sold domestically. A significant amount of this is purchased by Eskom.

Eskom generates approximately 95% of the electricity used in South Africa and approximately 45% of the electricity used in Africa. The state owned utility estimates that 77% of South Africa's primary energy needs are provided by coal.

Domestic supply/demand imbalances are expected as demand increase and supply decreases as a result of the Witbank, Highveld and Ermelo coal field's becoming stagnant over the next 10 years.



Expected Timeframe

2010

- Lodge mining rights application (lodged)
- Coal off-take negotiations
- Determine transport means
- Infrastructure Planning

2011

- Mining rights issued
- Obtain project funding
- Commence mine construction
- Order mine fleet

2012

- Complete mine construction
- Delivery of mine fleet

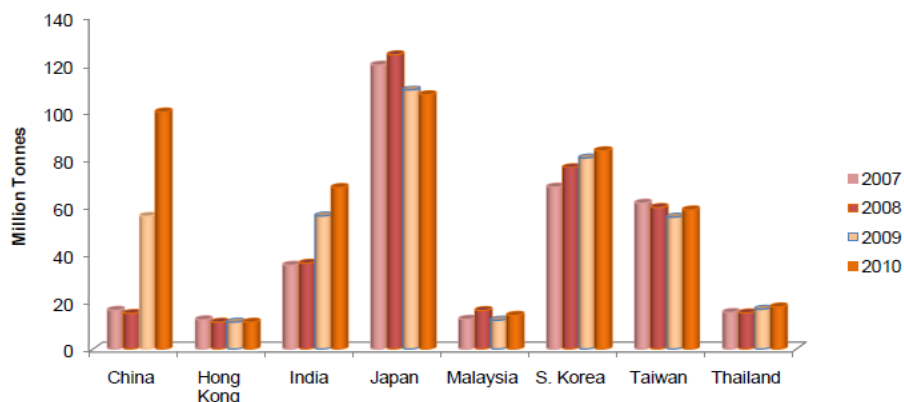
2013

- Commence production (January)

Global Demand

It is estimated that coal accounts for 36% of global electricity production, with the resource being the most widely used primary fuel.

Demand for coal by Asian nations has rapidly increased and is predicted to continue in a similar trend by most major importers.



Source: RES Investor Presentation 24 February 2010

Other Projects

Tasmania

The Company has secured ownership of the Jericho East, Jericho West, Woodbury and Latrobe exploration licences totalling 82,100 hectares by acquiring Tiger Coal Pty Ltd and Energy Investments Limited. Woodbury and Latrobe areas have a combined historical resource of 72 to 102 Mt of black (bituminous) thermal coal.

Cameroon

The Company has purchased an 80% shareholding in Uranex SA, a Cameroon company that holds three uranium exploration permits. The three permits are located in southeast Cameroon 300-400 km South East of Yaounde.

Management

Paul Jury (MD) is a Chartered Accountant with 25 years of managerial experience within the coal industry. Paul has worked extensively in the development and operation of open-cut mines for Coal & Allied, Coal Mines Australia and Oceanic Coal. Paul founded Resource Pacific (initial market cap of \$54m) which was bought by Xstrata for \$1.1b.

Steve Matthews (director and company secretary) is also a Chartered Accountant with 15 years experience within the coal industry, including the development of open-cut mines for Coal Mines Australian and BHP Billiton. Steve was previously a senior commercial manager for Resource Pacific.

Hennie van den Aardweg, general manager, is an electrical engineer and certified mine manager with 25 years experience in developing and managing coal mining operations in South Africa.

Johannesburg Stock Exchange listing

Resource Generation has decided to apply for a secondary listing of its shares on the Johannesburg Stock Exchange. The listing is expected to take place in the middle of the 2010 calendar year. The Company's reasons for dual listing is to create flexibility when raising finance and to encourage South African investments.

Risks

Exploration, Development and Operating Risk

Exploration of the Company's tenements may be unsuccessful. In addition to this, the company has yet to complete a bankable feasibility study.

Mining Risks

The Company has recently lodged mining rights applications to the SADME. It is not guaranteed that this application will be accepted.

Environmental Risks

Continuous domestic and international scrutiny on mining operations and the effects it has on the environment is increasing. International issues such as global warming may have an ongoing affect on coal industries around the world.

Coal Market Risks

Future prices of coal dictated by global supply and demand may affect the Company's success. This may also result in the reassessment of the feasibility, potentially making the Company's coal projects non-viable.

Legislative Changes Risks

Changes in governments, government policies, legislation, regulations, etc, may affect the Company's ability to carry out its plans.

Market Conditions Risks

General market conditions such as movements in interest, inflation, and currency rates may contribute to the Company's exploration, development and operations.

Joint Ventures Risks

The Company has a <100% interest in its projects and thus does not have full control in regards to the decision making process.

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