REGAL
RESOURCES LIMITED

Disclaimer

This material provided by Regal Resources Ltd ("Regal Resources" or "the Company")) [ABN 23 106 294 106] (ASX: RER) contains information describing its objectives and proposals, and matters for testing and analysis. The Company and its subsidiaries have not commenced production or obtained any results from the proposed project to date. The commencement of production (if any) would be subject to completion of a pilot project, using a conceptual method of extracting liquids from coal (the UCTL process described in this presentation), which satisfies the Company's objectives for the project. No forecast or projection of results, production or other outcomes is made in this presentation or by the Company.

The Company has commenced preparation of a pilot project and seeks to establish the potential for use of the UCTL process described in this material within tenements held by a subsidiary (EL 4507 and EL4510). The Company also proposes to seek to identify potentially suitable locations for use of the UCTL process elsewhere. No resource or reserve within the meaning of the JORC Code has been described or quantified, and none should be implied as having been identified or as being likely to be identified. The proposed method of extraction is a new process, and no indication can be given as to whether any previously explored resource or reserve will necessarily be suitable for economic development or production by this method. As part of the testing and development of the UCTL process, the Company will seek to identify further criteria for the assessment of potential locations for employing the UCTL process, and in the process may (but does not represent that it will) identify resources which can be estimated or described in accordance with the requirements of the JORC Code. The Company would make announcements to ASX Limited in accordance with the requirements of the JORC Code if exploration results are obtained or if a resource or reserve were to be identified.

The purpose of this material is to provide background information to assist in obtaining a general understanding of the Company's proposals and objectives. This material is not to be considered as a recommendation by Regal Resources or any of its subsidiaries, directors, officers, affiliates, associates or representatives that any person invest in its securities. It does not take into account the investment objectives, financial situation and particular needs of each potential investor. If you are unclear in relation to any matter or you have any questions, you should seek advice from an accountant or financial adviser.

Note: Images are not assets of the Company.

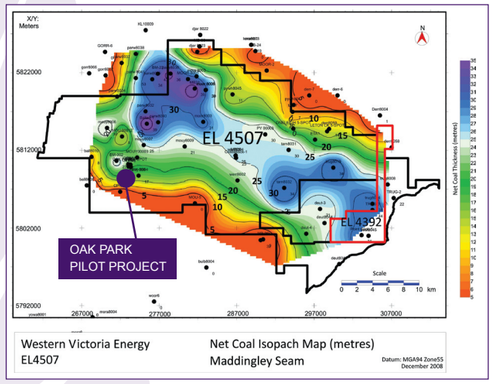
Contact details

Angus Edgar
Managing Director
T +61 (0)3 8610 8633

Adrien Wing
Company Secretary
T +61 (0)3 8610 8633

www.regalresources.com.au

Regal Resources Limited holds the exclusive world-wide licence rights to develop the Underground Coal to Liquids (UCTL) process, which aims to convert low rank brown coal lignite into hydrocarbon and gas products. There is also potential application in shale sands (Canada) and coal shales. The process is novel, with two patents pending. If successful, the UCTL process is highly likely to offer significant advantages over competing coal-to-oil technologies.



Regal Resources Limited (Regal Resources) is an ASX listed Company (ASX:RER).

The Board of Directors of Regal Resources has a broad range of skills and knowledge, with particular experience in mining, engineering and corporate finance. Such skills enhance the Company's objective of developing its existing businesses and new developing opportunities. The Board has specifically selected Regal's senior management teams to ensure that the key areas including business development, technical, corporate compliance, finance, safety and environmental facets of the business are executed by a highly knowledgeable group of professionals and is embraced by recommended corporate governance practices and principles.

Capital Structure

- ASX Listed Shares – 583.6 million (RER)
- Listed Options – 313 million six cent options excerisable on 6 November 2011 (REROB)
- Unlisted Options – 170 million six cent options excerisable on 17 March 2014
- Cash Balance – approx $4 million
- Regal Resources owns 100% of Western Victoria Energy Pty Ltd, who owns Exploration Licences 4507 and 4510, located in Victoria, and covers 1406km^2 in the Port Phillip and Torquay Basins
- Western Victoria Energy Pty Ltd owns 100% of Magma Oil Limited, a special purpose Company formed to commercialise the world-wide rights of the UCTL process

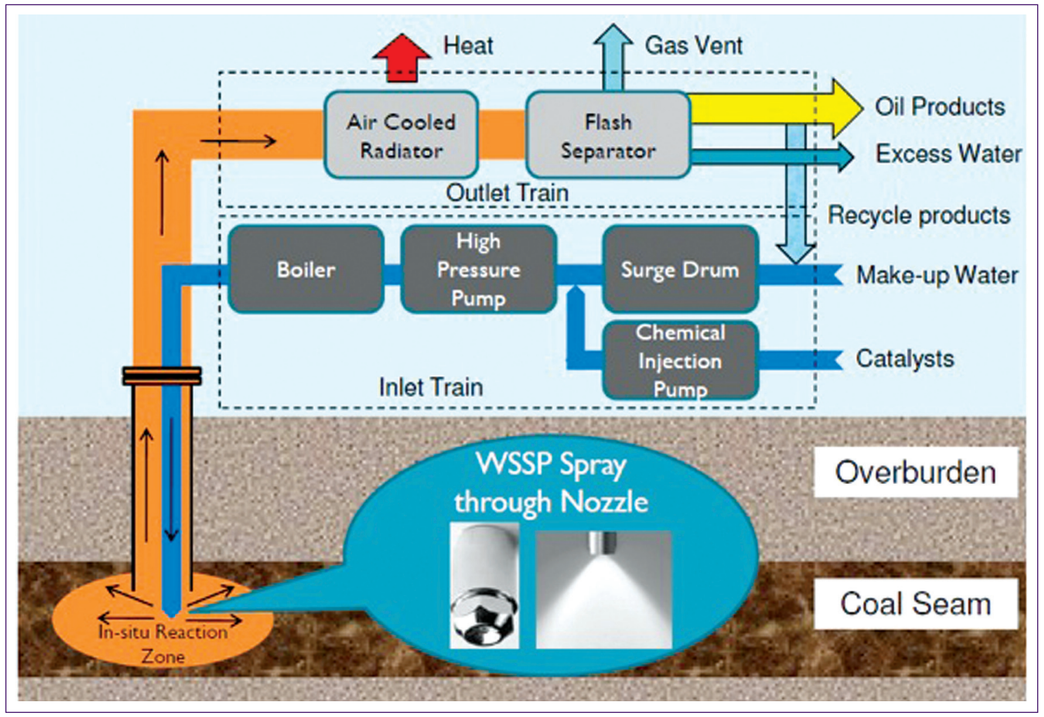
Underground Coal to Liquids

What is UCTL?

UCTL is a new process invention that creates a reaction within the underground coal seam ("in situ"), whereby low rank coals are liquefied into crude oil substitute product at approximately 300°C. A substantive heat by-product is returned to the surface potentially creating further commercial applications such as electricity generation.

The process has not been attempted previously and is subject to two patent applications (PCT) lodged by the Inventor, Mr Peter O'Dowd. One patent covers the overall UCTL process and the second patent covers the delivery of Water With Simulated Supercritical Properties ("WSSP") which is water with high kinetic energy delivered using a jet pump and purpose designed nozzle.

Conversion of coal to oil using supercritical water is a proven process. Supercritical water is water at high pressure and high temperature. WSSP replicates supercritical properties by substituting high pressure with high velocity (kinetic energy). Liquefaction products are then extracted from the reaction zone via the annulus of the well and collected and separated using conventional oil well equipment and technology.



Pilot Plant Test to prove UCTL Process

A technical due diligence review by leading process consultants AMEC (UK) has concluded that the UCTL process is an interesting and innovative process which, if successful, is highly likely to offer significant advantages over competing coal-to-oil technologies.

How does UCTL work?

Access is gained to the coal seam via existing or new wells drilled in a conventional manner. Small quantities of the non-toxic initiation chemical and catalysts are introduced into the coal seam that creates a heat reaction, increasing the temperature to over 300°C. This reaction occurs in a confined location within the immediate vicinity of the well. This has been successfully bench tested in a laboratory environment and confirmation of its application in an underground environment will be a component of the Pilot Test.

As the temperatures approaches 300°C the initiation chemicals are replaced with WSSP and the liquefaction of the coal continues. The water content and impurities of brown coal / lignite contribute towards the liquefaction process.

Expand Product Range

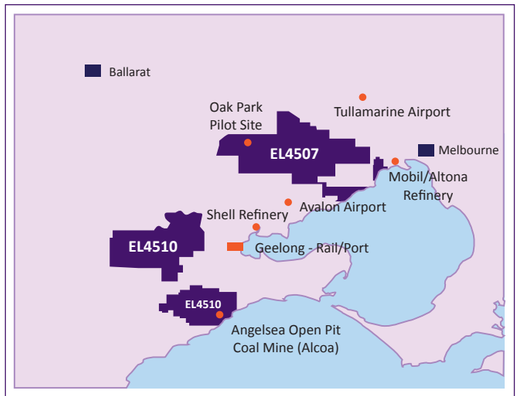
The expansion of the UCLT process product range is contingent upon meeting the objectives of the Pilot Plant test. Regal Resources hopes to:

- Develop heat recovery systems, whereby high grade heat (+300 degrees celsius) contained within the coal moisture is recovered from the UCTL process for electricity generation
- Develop CO2 geo-sequestration opportunities to make use of the resulting underground void and residual compounds for carbonation of CO2
- Develop potential water products, from the treatment of excess water generated by the process (approximately 60% moisture in lignite)

Regal Resources is building a Pilot Plant to test the UCTL process commencing early 2010 and will run into 2011. The Pilot Plant is located at Oak Park, in Exploration Licence 4507 to the west of Melbourne.

The objectives of the Pilot Plant are to:

- Produce long-chain hydrocarbons that are suitable for processing within existing oil refineries without modification
- Verify the liquefaction of the coal produces predominantly liquids and minor amounts of gas and determine the composition of each product stream
- Compare UCTL liquids / gas ratio to that produced under ideal conditions conjuring the liquid / gas ratios at difference temperatures
- Verify and achievement of low percentage of CO_2 emissions as a result of liquefaction at low temperatures (300°C) as compared to Underground Coal Gasification (UCG) that occurs at +1000°C which generates a higher proportion of CO_2 in the gas produced
- To verify the distance that WSSP can travel from the nozzle/s inside the coal chamber and maintain its supercritical properties to create liquid hydrocarbons and gas



Western Victoria Energy
EL4507 & EL4510 Location Map