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ASX Announcement

Regal Resources Limited signs Farm-In Agreement with Greenpower Energy Limited

The Directors of Regal Resources Limited ("Regal") are pleased to announce that it has signed a Farm-In Agreement with Greenpower Energy Limited ("Greenpower") (ASX:GPP) through its wholly owned subsidiary MOL Gippsland Pty Ltd (MOL).

The Farm-In Agreement is conditional upon the successful renewal of Exploration Licence 4860, which is due to expire in August 2010. Exploration Licence 4860 is 154 km² and is located 10km from Traralgon. The Exploration Licence Area is close to existing infrastructure within the heart of the Gippsland coal region of Victoria.

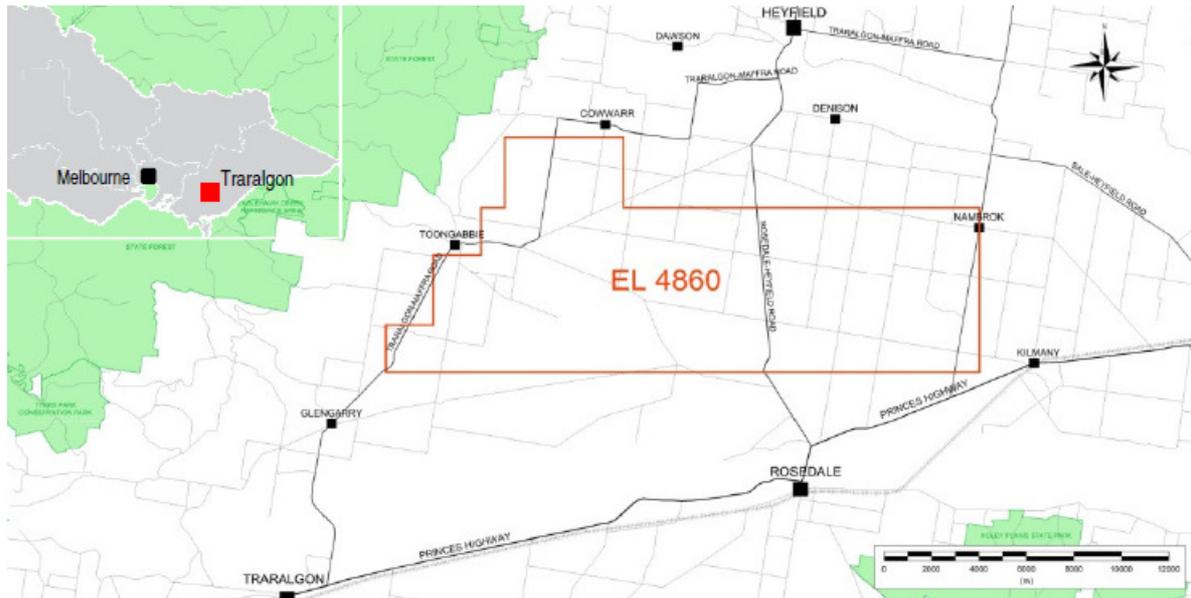
The objective of the farm-in is to establish the existence of a reserve of coal / carbonaceous material sufficient to support a commercial operation of the Underground Coal to Liquids ("UCTL") process ("the Agreed Work Plan").

UCTL is a new process invention that aims to convert low rank coal / lignite into crude oil substitute whereby coals are liquefied within the underground coal seam ("in situ"). Regal has recently announced it has received approval from the Victorian Department of Primary Industries (DPI) and the Victorian Environment Protection Authority to conduct a proposed Pilot Test to prove the UCTL process which will commence in Q1 2010. The approval was a key milestone for Regal and was the culmination of 12 months of design and planning and extensive consultation with regulatory authorities.

The key terms of the Agreement are:

- Regal has the right to earn a 70% interest in the Exploration Licence through the funding of the Agreed Work Plan, estimated to be approximately \$1.5 million
- The earn-in commences upon the successful renewal of Exploration Licence 4860, with Greenpower and MOL working together to secure the licence renewal and determine the Agreed Work Plan
- MOL will receive a 10% royalty and \$1 million repayment of their technical expenditure out of expected future production flows from the tenement
- MOL to fund the Rehabilitation Bond with the DPI
- MOL to pay Greenpower an amount of the first year's work plan expenditure (to be held in trust) to be offset as work is performed

- MOL has conditionally agreed to assign half of its interest to a third party which is in the process of acquiring rights to technology that has the potential to convert lignite to methane “in-situ”. It is proposed such technology would be made available via sub-license to the joint venture.



About Greenpower Energy Limited

Greenpower Energy is an ASX listed company and its primary focus is to evaluate Coal Seam Gas or Coal Seam Methane in its approximately two million hectares of commercially-attractive tenements in the Gippsland and Otway Basins in Victoria, the Eromanga and Willochra Basins in South Australia, the Perth Basin in Western Australia and the Gunnedah Basin in New South Wales.

The Directors of Regal believe that partnership with Greenpower is in line with its corporate mission of securing exposure into significant lignite deposits and becoming an international provider of intellectual property for the commercial application of the UCTL process.

For further information please contact Mr Angus Edgar (+61) 3 8610 8600.

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