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16 November 2009

ASX Announcement

Regal Resources Limited signs Joint Venture Agreement with Enhanced Biogenic Methane Limited

The Directors of Regal Resources Limited ("Regal") are pleased to announce that it has entered into a Joint Venture with Enhanced Biogenic Methane Limited ("EBM"), a company associated with two Directors of Regal, Mr Rohan Gillespie and Mr Bretton Cooper.

EBM has been granted an exclusive Australian licence to patented biogenetic methane enhancement (BME) technology from the Western Research Institute (WRI) of Wyoming, who is at the forefront of this technology globally.

Regal, who holds Exploration Licences 4507 and 4510, has granted EBM access to its Oak Park site (within EL 4507) to conduct a demonstration project (subject to regulatory approvals). EBM will invest \$300,000 to fund a single well technology demonstration at the Oak Park site that is expected, subject to regulatory approval, to commence during Q1 2010.



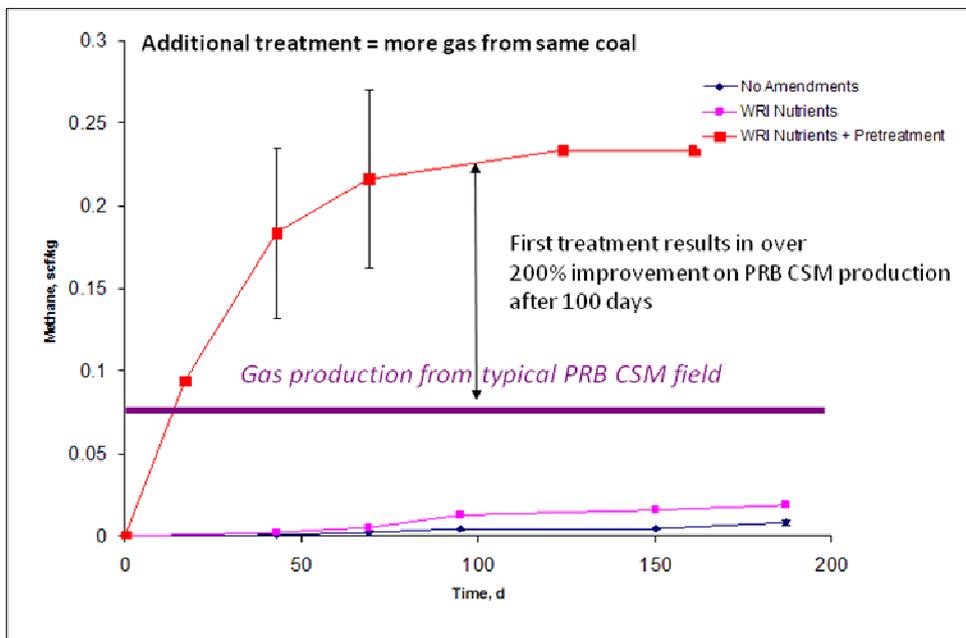
The Joint Venture provides EBM access to 1 billion tonnes of brown coal / lignite within the tenement area without causing disruption to the Underground Coal to Liquids (UCTL) Pilot Test that Regal is undertaking or potential applications of UCTL within the tenements.

Any methane produced from the use of the BME technology will be shared between EBM and Regal on a 50 / 50 basis.

The Technology

Biogenic methane enhancement (BME) involves speeding up the natural biogenic process that produces methane known as coal seam gas. Biogenic methane accounts for in excess of 20% of the total methane reserves on earth. Major sources include coal seam gas in the Surat Basin in Queensland and Powder River Basin in Wyoming, United States of America.

BME works by artificially stimulating the micro-organisms called methanogens that break down the coal structure and produce methane as a by product. BME technology works best on lignite (brown coal), low rank black coals and oil shale. This is because of their high volatiles and hydrogen content, which if all converted to methane would yield gas quantities 10 times that of traditional coal seam gas. As there are currently little economic applications for these asset classes and due to their abundance, the BME technology has the potential to be applied on many projects and many locations.



Many treatments of same coal possible 'harvesting' concept.

Typical hydrogen content of low ranked coals and oil shales is 5% by weight. If all this hydrogen could be converted to methane, gas content of coal would be 10 times that of traditional coal seam gas (CSG).

Application of BME is expected to be via the same drilling techniques used in the coal seam gas industry or via re-entering wells that are not economic or that have not been successful in previous coal seam methane testing

One of the advantages of BME over coal seam gas is that the groundwater does not need to be extracted. Also, as only a small amount of the coal is converted to methane, there is no surface subsidence as can happen with underground mining or underground coal gasification. BME has been demonstrated to produce methane real time in both bench scale trials (lignite and black coal) and field tests (black coal).

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

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Managing Director