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September 2020 Quarterly Report

HIGHLIGHTS

Corporate

- Repayment of $1,540,000 to ASF Group Ltd

Projects

- Completion of geochemical survey over Point Torment-1
- Completion of annual well inspection

Authorised by:
Board of Rey Resources Limited

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REY RESOURCES

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Rey Resources Limited (ASX: REY) ("Rey" or "the Company") is focused on developing its oil and gas interests in the Canning and Perth Basins, Western Australia.

1. Oil and Gas

1.1 Fitzroy Blocks (EP457 and EP458)

The Fitzroy Blocks are located in the Canning Basin in the northwest of Western Australia (refer Figure 1 below). Ownership of the Fitzroy Blocks is Rey (via its wholly owned subsidiary Rey Oil and Gas Pty Ltd) (40%) and Buru Fitzroy Pty Ltd (**Buru Fitzroy**), a wholly owned subsidiary of Buru Energy Limited (ASX: BRU) (60% and Operator).

Rey holds a total 40% participating interest in the two blocks, but only has a 33.336% funding obligation until commercial production. This is due to a Funding Agreement whereby Buru Energy Ltd free carries 6.664% of Rey's 40% participating interest. Buru will continue to be the Operator for future exploration work.

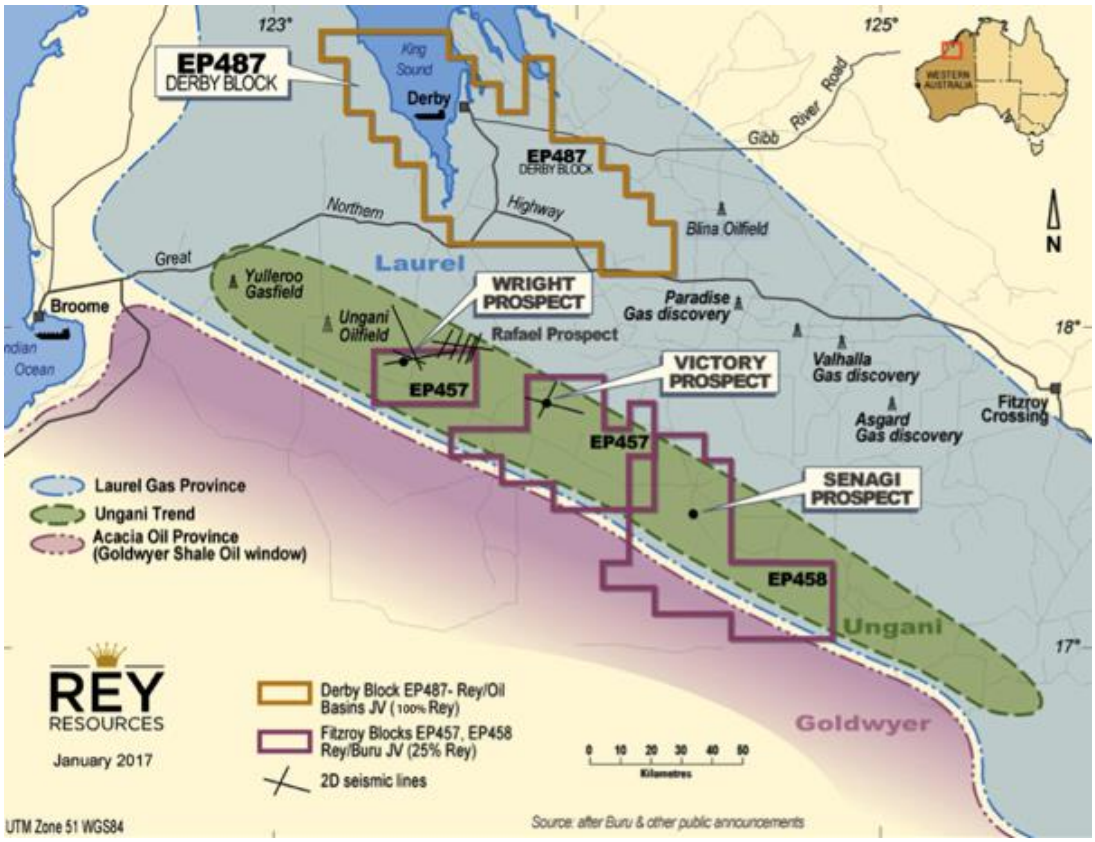


Figure 1: The three major prospective trends relative to Fitzroy Blocks EP457 and EP458 and Derby Block EP487.

The Government announced on 8 July 2019 that it had approved an Implementation Plan (the Plan) following its consideration of the final report from the independent scientific inquiry panel. The Government also announced that a steering group made up of senior officials from key Government agencies developed the Plan and had been tasked with overseeing the implementation of the actions resulting from the Government's policy decisions relating to the findings and recommendations of the report. The Government also stated its intention to implement the recommendations and policy decisions by the end of 2020.

During the reporting period, the budget for current year work program was approved. The major work includes general geology studies and a 500km vintage seismic line processing. The operator of Fitzroy Blocks continues to contact potential investors for the farmout work.

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1.2 Derby Block (EP487)

The Company currently holds a 100% interest in petroleum exploration permit EP487, the Derby Block, via its 100% owned subsidiaries Rey Lennard Shelf Pty Ltd and Rey Derby Block Pty Ltd.

The Derby Block is considered to be predominantly a Wet Laurel Basin Centred Gas play (BCG) which is regionally extensive throughout the Canning Basin (refer to Figures 2 and 3 below) and has been the subject of exploration elsewhere in the Canning Basin by other parties in 2015, resulting in encouraging flow tests by Buru at Valhalla and Asgard (refer to various BRU ASX releases including releases dated 20 January 2016 and 18 April 2016).

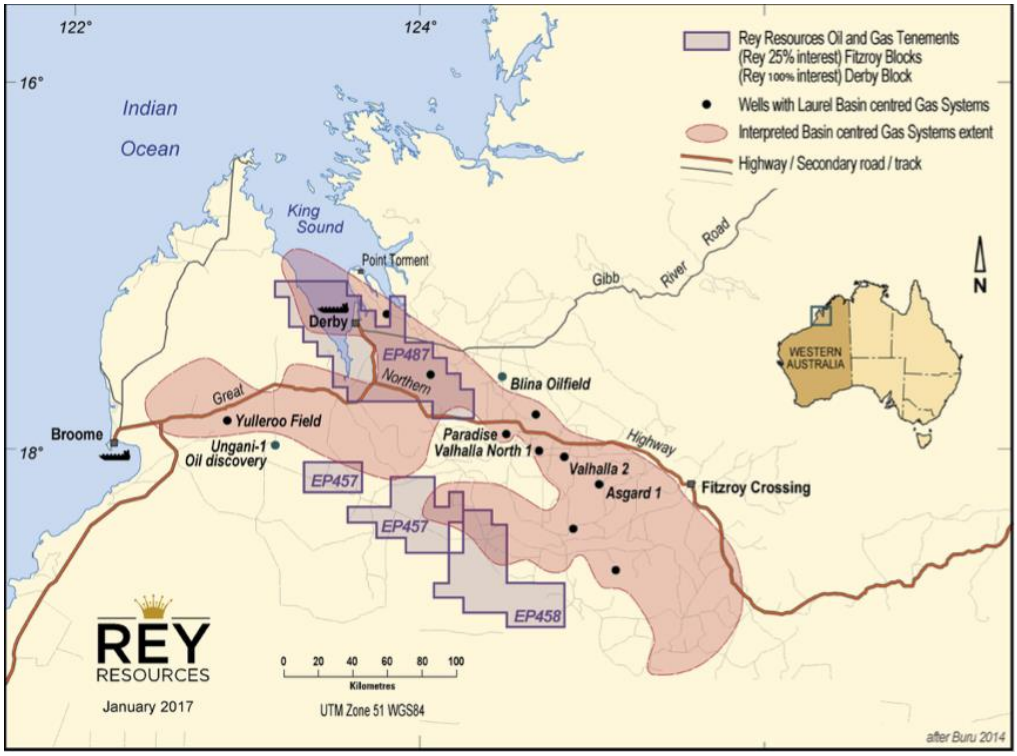


Figure 2: Interpreted extent of the Laurel Basin gas system in relation to Rey's petroleum interests (after Buru and others).

During the reporting period, a suspension and extension application is lodged to DMIRS in consideration of the impact of COVID-19 especially on travel ban. Rey continues to seek investors for the farmout program.

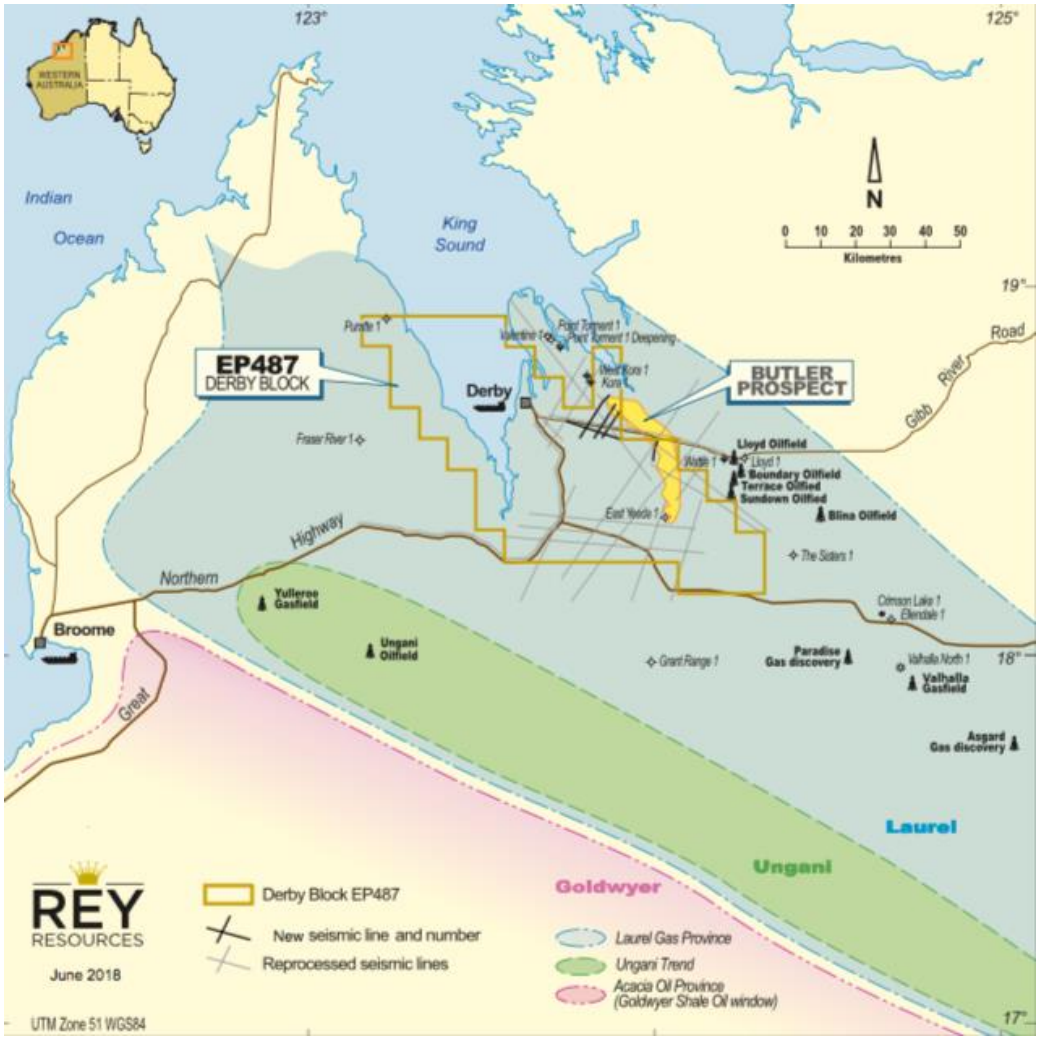


Figure 3: EP487 Location

1.3 Lennard Shelf Blocks

EP104, R1 and L15

Rey holds a 100% interest in the Lennard Shelf Blocks, comprising EP104, a Retention Lease (R1) and one Production Licence (L15). The Lennard Shelf Blocks are situated to the north of Rey's existing interests in the Canning Basin (refer Figure 4) petroleum exploration licence, EP487 covering a total area of approximately 1,145 km^2 and are considered prospective for conventional oil and tight gas.

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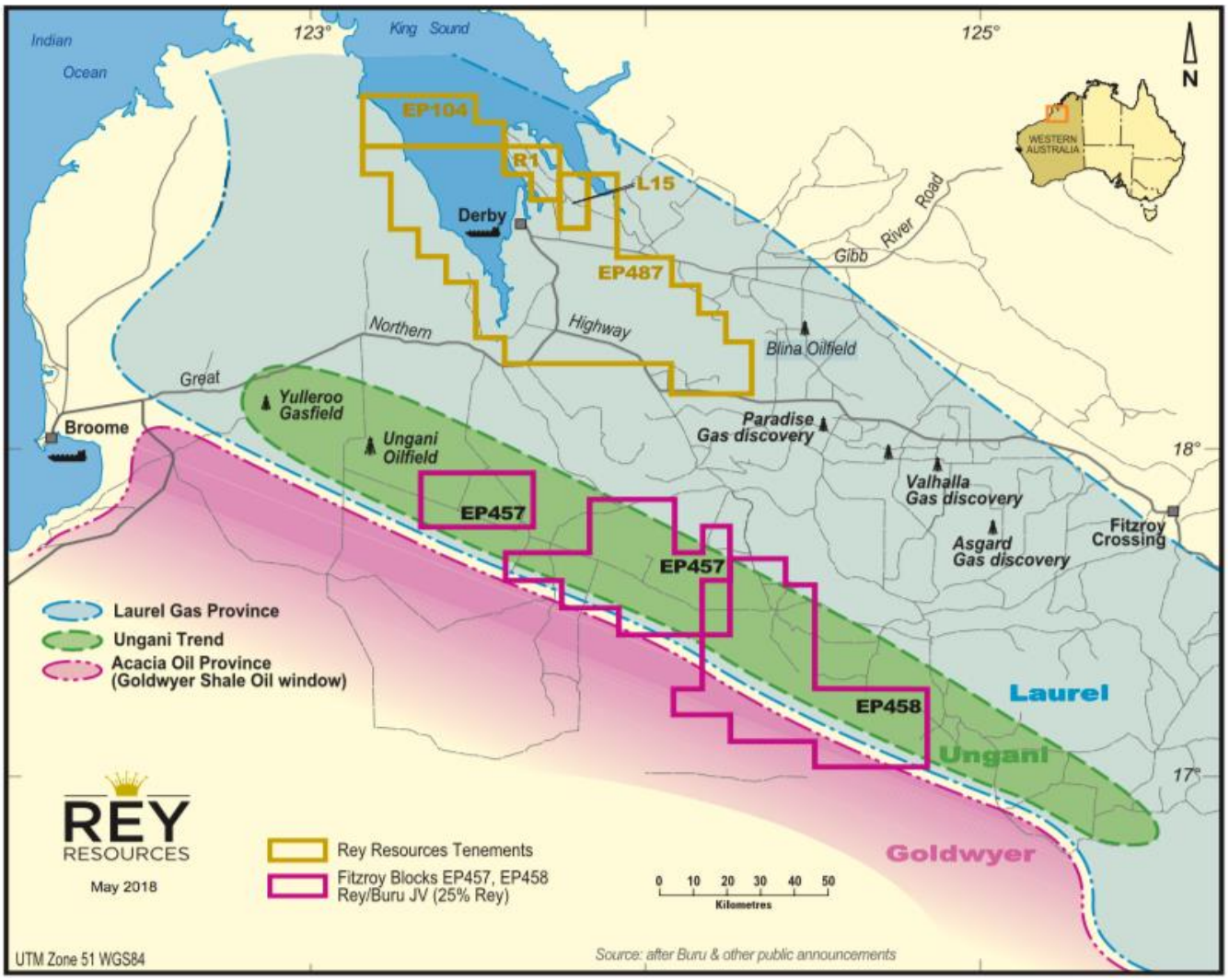


Figure 4: Location of Lennard Shelf Block and Rey's other oil and gas interests in the Canning Basin.

The committed geochemical survey work in R1 has been completed in mid September. Soil samples has been delivered to laboratory for analysis together with sampling in West Kora-1 area to detect whether area has any environmental impacts. The geochemical survey is aiming to measure the size of Anderson trap identified in previous studies and Point Torment-1. The results will be used together with committed simulation studies for potential economic value.

The committed simulation study has also been carried out during the report period and expect to be completed in November 2020.

The annual well inspection has also been completed in September. The report is being prepared by the contractor.

Rey also presented the work program plan to Traditional Owners during this quarter.

Rey actively sought appropriate methods for the oil disposal. As discussed with DMIRS and the quotation received from Buru, Rey plans to dispose the oil in April or May 2021. The extension application has been lodged with DMIRS for consideration.

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2. Coal

The Duchess Paradise Coal Project (**DP Project**) is a proposed bituminous thermal coal operation located in the Canning Basin of Western Australia and is partly contiguous with the Fitzroy Blocks. It has a reported Mineral Resource of 305.8Mt (JORC 2012 Code) (see ASX announcement on 28 October 2014).

Following the execution of the Access Deed with the last objector to the Mining Licence Application, the Court is making the final recommendations to the Minister. DMIRS also requested Rey to re-start the negotiation progress. Rey continues the negotiation with Native Title during the quarter for a heritage agreement.

Rey surrendered the tenement of E04/1386 as result of refusal of term renew in last quarter. E04/1386 located at south west corner of current mining licence application. Several holes were drilled in this tenement. Rey kept E04/1386 in the past was in consideration of future exploration. The surrender of E04/1386 will not affect the interests of Rey in current mining licence application.

Rey continues the assessment of the impact of the surrendered tenement. A resources review proposal has been received in September and is under consideration by the management. New resources will be released once the resources review is completed.

3. Corporate

As part of ongoing capital management strategy, the Company announced on 8 July 2020 the extension of its on-market buyback program for a further 12 months from 23 July 2020. During the quarter ended 30 September 2020, the Company did not buy back any share under the on-market buyback program.

On 27 August 2020, the Company repaid $1,540,000 outstanding loan principal to ASF Group Limited. The loan facility will remain available for redraw by the Company before the loan maturity date.

As required pursuant to section 6 of the Company's Appendix 5B, the Company paid $33,169 to related parties during the quarter, of which $16,625 were consulting fees and $16,544 were Director fees.

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4. Competent Persons Statements

Petroleum Exploration

The technical information quoted for the Derby Block has been compiled and/or assessed by Mr. Keven Asquith who is a qualified petroleum reserves and resources evaluator. Mr Asquith is Director of 3D-GEO Pty Ltd and has over 30 years of geotechnical experience in the Petroleum Industry, as well as seven years of Project Management in the Government Sector. His experience includes four years at ESSO Resources Canada, 16 years at BHP Petroleum in Melbourne and the 10 years consulting at 3D-GEO. Keven has an Honours BSc in Geology and a Diploma in Project Management. He has been a member of the American Association of Petroleum Geologists for over 25 years. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement.

The technical and the prospective reserves and resources information quoted for L15 is quoted from Rey's announcement on 14 May 2018 and was compiled and/or assessed by Mr Doug Barrenger. Mr Barrenger received a BSc degree (geology) from the Australian National University and a Graduate Diploma in computing Science from the Queensland University of Technology. He has more than 35 years of experience in the petroleum industry. He has written numerous Independent Expert Reports, Resource Reports and Acreage and Resource Valuations, for IPO on several stock exchanges. He was the General Manager Subsurface at Exoma Energy through 2012 and is a founding partner of Fluid Energy Consultants (2013). He is a member of the Petroleum Exploration Society of Australia (PESA), the Society of Petroleum Engineers (SPE) and a thirty five-year, Active Member of the American Association of Petroleum Geologists (number 330431). The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement.

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Corporate Directory

Board of Directors

Min Yang	Non-Executive Chairman
Wei Jin	Managing Director
Geoff Baker	Non-executive Director
Dachun Zhang	Independent Non-Executive Director
Louis Chien	Alternate Non-Executive Director (alternate to Min Yang)

Company Secretary

William Kuan

Capital Structure

Rey Resources is listed on the Australian Securities Exchange (ASX: REY) and had 212,160,439 ordinary shares on issue as at 30 September 2020.

Share Registry

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Tenement Tenure Status (as at 30 September 2020)

Tenure ID[1]	Tenure Type	Holder (wholly owned Rey subsidiary company)	Ownership% beginning quarter	Ownership% end quarter
	Mineral Licences			
E04/1519	Exploration Licence	Blackfin Pty Ltd	100	100
E04/1770	Exploration Licence	Blackfin Pty Ltd	100	100
M04/0453	Mining Lease Application	Blackfin Pty Ltd	100	100
	Petroleum Permits			
EP457	Exploration Permit	Rey Oil and Gas Pty Ltd	40	40
EP458	Exploration Permit	Rey Oil and Gas Pty Ltd	40	40
EP487[2]	Exploration Permit	Rey Lennard Shelf Pty Ltd ("RLS")	50	50
EP487[2]	Exploration Permit	Rey Derby Block Pty Ltd ("RDB")	50	50
L15[3]	Production Licence	Gulliver Productions	100	100
R1	Retention Licence	Gulliver Productions	100	100
EP104	Exploration Permit	Gulliver Productions	100	100

[1] All tenements are located in Western Australia.

[2] Royalties attaching to EP487: RLS may, at its election, on the grant of a production licence on EP487, either: grant Backreef Oil Pty Ltd a 1% royalty on sales proceeds from future production from its interest in EP487; or pay $2 million to Backreef.