

3rd July 2009

The Manager
The Company Announcements Office
ASX Limited

Dear Sir,

Royalco Directors maintain REJECT recommendation

We refer to the announcement by Anglo Pacific to effect an increase in its offer price to \$0.34 per Royalco share.

We note that Anglo Pacific's offer is final and will not be extended beyond 10 July 2009.

Whilst Anglo Pacific's revised offer recognises increased value in Royalco shares, the offer price still undervalues Royalco shares for the reasons set out in the Target's Statement. Accordingly, Royalco's Directors continue to unanimously recommend that you reject Anglo Pacific's offer.

In addition, Royalco rejects the nature of the assertions contained in Appendix A of Anglo Pacific's announcement.

For any queries please contact:

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