

For immediate release
3 September 2010

Drilling completed at Santorini – Edward Creek, SA

Drilling (diamond) at the Santorini target, which commenced on 21 July, was completed on Wednesday 1 September at a down hole depth of 730 metres.

The Santorini target is a gravity anomaly investigated to determine its potential to be associated with iron-oxide copper-gold ("IOCG") mineralization. Modelling of the gravity anomaly indicated a mass with a density of 3.0 g/cc at a depth of 500 metres below surface may give rise to the observed gravity data.

Preliminary interpretation of core from the bore hole indicates the hole remained in Duff Creek Beds from commencement to 730 metres. The Duff Creek Beds comprise sediments of Neoproterozoic age which are younger than the rocks which host the Olympic Dam mine deposit.

The bore hole intersected interbedded silty arkosic sandstone and siltstone/shale comprising pyritic black carbonaceous siltstone, dolomitic sequences and some infrequent quartzite units. Minor calcite and pyrite veining (veins rarely thicker than 10 mm) and some (but infrequent) quartz veining (in more quartzose units) were observed. Black carbonaceous units intersected throughout the hole comprised nearly 30% of the sequence. These carbonaceous units contained sulphide (pyrite and pyrrhotite) in the form of thin veins (generally less than 10 mm thick), laminae and disseminations. Visual estimates suggest sulphides comprise up to 10 % of these units.

Samples of the sulphidic carbonaceous units, and the remainder of the sequence, will be assayed to determine whether they host any economic mineralisation.

Samples for assay and density analysis will be submitted to external laboratories next week and results should be available within 8 weeks of sample submission.

For further information, please contact:
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Geof. Fethers
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers and Hugh Rutter, who are members of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG) respectively. Geof Fethers and Hugh Rutter are directors of the Company and each has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to each qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Geof Fethers and Hugh Rutter consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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Reedy Lagoon Corporation Limited is exploring for:

iron ore in WA

uranium at projects in the Ashburton region (WA) on the Gawler Craton (SA) and in the Tanami (NT)

copper on the Gawler Craton (SA).

Issued shares: 48,600,000

Issued options: 13,850,000 unlisted

(exercisable @ \$0.20, \$0.30 & \$0.50)

Share price: \$0.069

17 August 2010

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Exploration Director

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