

For immediate release
6 September 2010

New Uranium prospect: *Victory Prospect* – Edward Creek, SA

Ground spectrometer surveying conducted during July and August has identified anomalous uranium at the Victory Prospect, a new uranium prospect at the Edward Creek project in South Australia.

The survey was conducted with an Exploranium GR-320 Gamma-Ray Spectrometer, taking continuous readings at 30 second intervals, with the detector carried at walking pace about 30 cm above ground level. Each reading corresponds to a traverse of about 20 metres (average). Traverses on lines 100 metres apart indicated background readings to be of the order of 1 to 3 equivalent ppm uranium (*ppm eU*), with an anomalous area of about 6.5 hectares returning numerous readings over 10 ppm eU. Infill traverses at 25 metre line spacing identified areas returning common readings over 15 ppm eU, to a maximum of 25.6 ppm eU. More detailed infill surveying of the most anomalous area indicated a strongly anomalous linear zone measuring approximately 20 metres by 100 metres.

Point readings taken at ground level in this zone returned values up to 99 ppm eU. Readings up to 267 ppm eU were recorded at 35 cm depth in a shallow pit excavated in intensely weathered bedrock.

The prospect area is a valley incised into deeply and variably weathered early Proterozoic metamorphic rocks, with extensive soil and scree cover. Some anomalism may be related to exposures of a palaeo-redox (weathering) front in these basement rocks. Quartz veining is abundant, indicating hydrothermal activity, and strongly ferruginous areas may indicate weathering of sulphide minerals. The suite of early Proterozoic rocks has faulted and unconformable contacts with late Proterozoic rocks in the surrounding area, but these contacts are mostly under cover in the prospect area.

Assay results from very limited prior geochemical sampling (11 rock-chip samples) included results of 45.6 ppm uranium and 3,040 ppm copper. These samples did not test the peak anomalous areas identified by the current work.

Surface material sampled at the prospect is likely to be affected by weathering. Samples collected to date are from variably - often intensely - weathered material, and it is anticipated that any primary mineralisation, if present, may have been leached and be depleted. Samples have also been collected from material which may represent local secondary enrichment produced by weathering. Assay results from these surface samples may be a poor indication of the potential for deeper mineralisation in fresh rock.

Fifty-two additional rock-chip samples were collected from the prospect area for submission to external laboratories. Results should be available within about 9 weeks time.

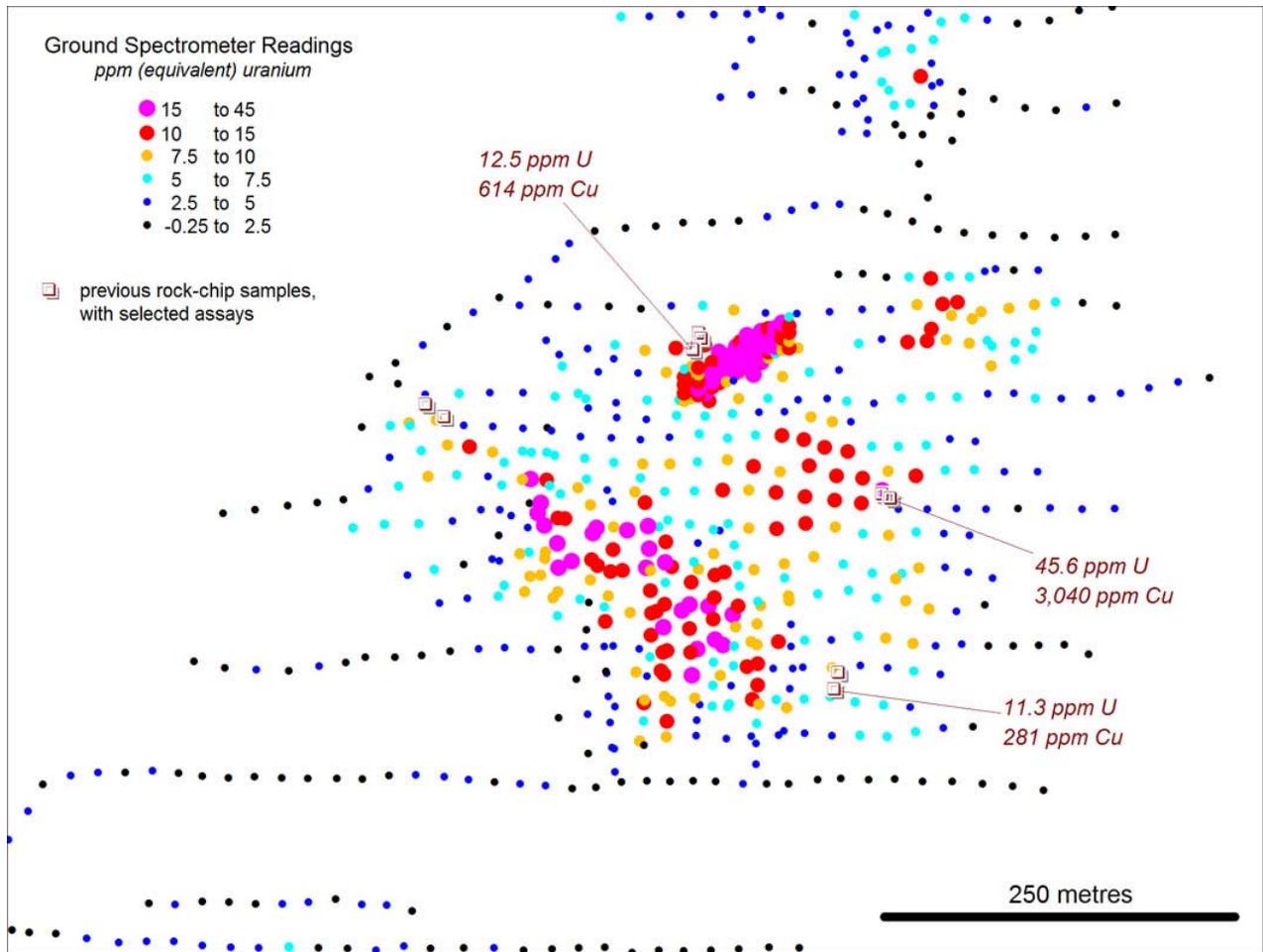
For further information, please contact:
Geof Fethers, Managing Director
Telephone: (03) 8420 6280
or visit www.reedylagoon.com.au

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.

www.reedylagoon.com.au

Suite 2, 337A Lennox Street, Richmond, Victoria, Australia Ph: (03) 8420 6280 Fax: (03) 8420 6299
Postal Address: P O Box 2236, Richmond South, VIC., 3121 Email: info@reedylagoon.com.au
A.B.N. 41 006 639 514



Victory Prospect: Ground spectrometer survey results and prior rock-chip sampling.

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

www.reedylagoon.com.au

Suite 2, 337A Lennox Street, Richmond, Victoria, Australia Ph: (03) 8420 6280 Fax: (03) 8420 6299

Postal Address: P O Box 2236, Richmond South, VIC., 3121 Email: info@reedylagoon.com.au

A.B.N. 41 006 639 514