

For immediate release

28 October 2010

Detailed geophysical surveys contracted for the Bullamine project, WA

Further to the announcement dated 20 October 2010, Fugro Airborne Surveys Pty Ltd has been contracted to acquire substantial airborne magnetic and radiometric data and selected airborne gravity gradiometer data over several of the Bullamine project tenements.

The magnetic and radiometric surveys comprise 39,500 line kilometres at 50 metre line spacing and cover all or parts of Nor 1, Kell 1, Kell 2, Kell 4, Kell 5, Kell 6, and Kell 7. These surveys are scheduled to commence in mid November.

Currently available magnetic data for most of the areas being flown by these surveys was flown at 1,600 metre line spacing. The new data to be recovered by the planned magnetic surveys will allow far greater resolution of magnetic features. The data are expected to be a substantial mapping aid and enable accurate targeting of high amplitude magnetic anomalies with potential to be related to magnetite mineralisation. It is also expected that the data will enable estimates of the extent of magnetite deposits identified by scout drilling programmes which succeed in intersecting magnetite mineralisation.

The airborne gravity gradiometer surveys comprise 1,970 line kilometres and cover selected parts of Kell 3, Kell 4 and Kell 6. Commencement of these surveys is expected in the next few weeks.

The data recovered will indicate variations in rock mass which will aid geological mapping and have potential to identify rocks of high mass with potential to be iron rich. The gravity surveys planned are orientation surveys designed to recover data from a range of environments so that the application of this technology at Bullamine can be assessed.

Work at Bullamine is exploring for iron mineralisation sufficient to form the basis for a mining operation located east of Perth in Western Australia. RLC and Cliffs Asia Pacific Iron Ore Pty Ltd have agreed to enter a joint venture under which Cliffs can earn a 75% interest in the project. The agreement was announced on 20 October 2010 and is currently subject to documentation of a joint venture agreement. The amounts committed to by RLC for the airborne surveys constitute a significant proportion of RLC's cash reserves but it is expected that upon execution of the joint venture agreement moneys expended by RLC on these surveys will be reimbursed by Cliffs.

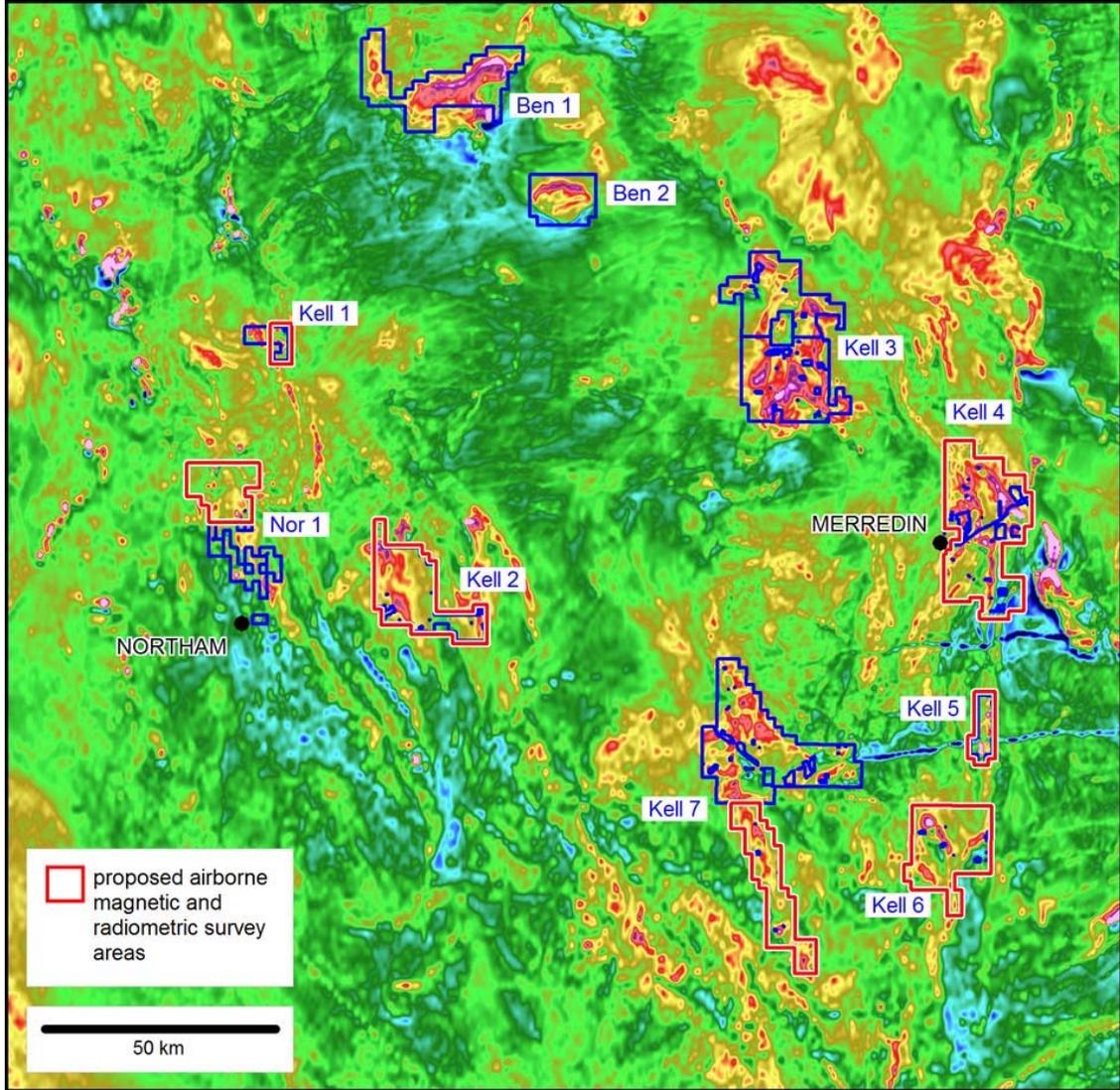
For further information, please visit www.reedylagoon.com.au

or contact

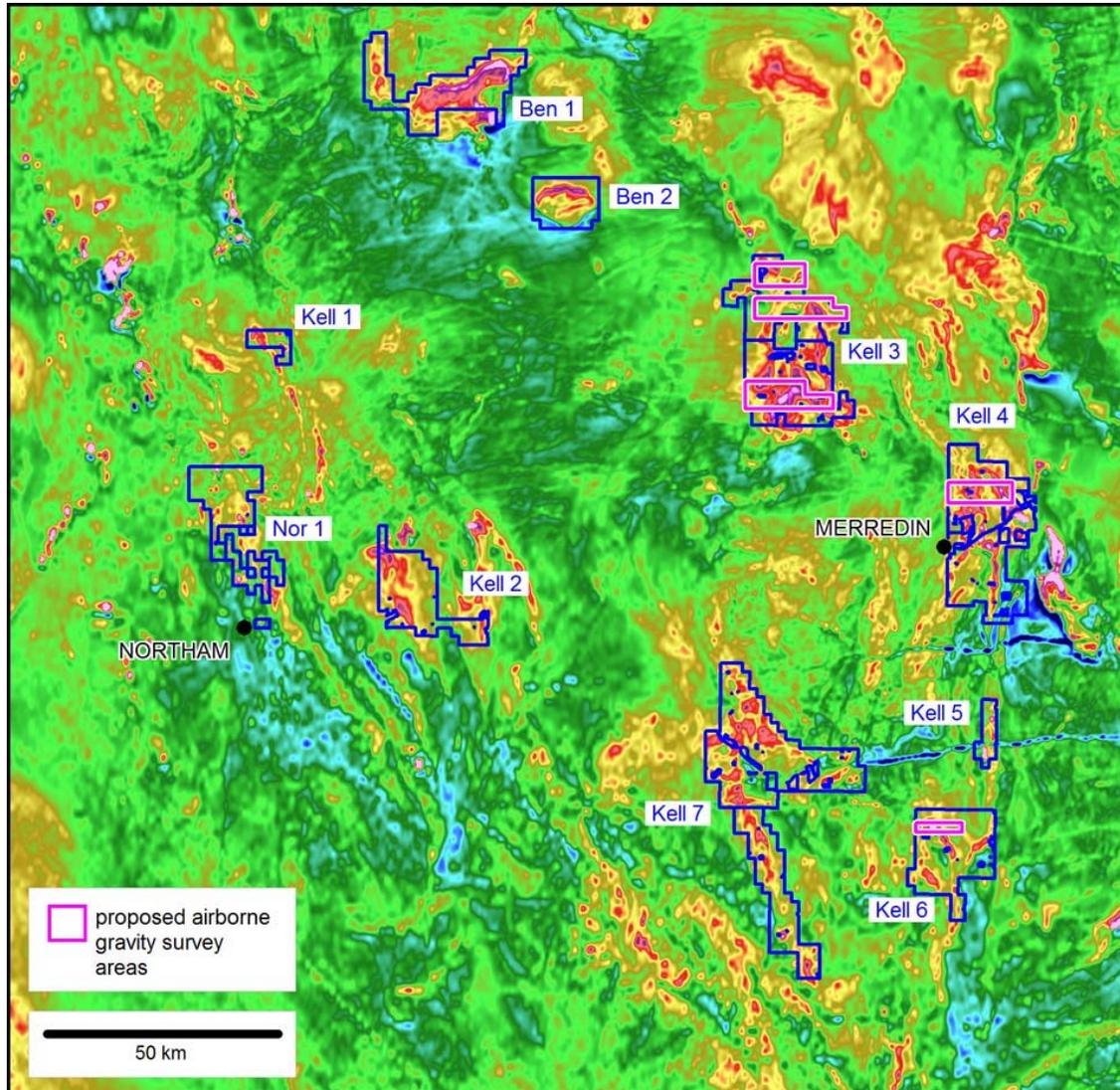
Geof Fethers, Managing Director

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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.



Bullamine project tenements showing planned magnetic and radiometric survey areas with regional magnetic image (TMI) in background.



Bullamine project tenements showing planned gravity survey areas with regional magnetic image (TMI) in background.

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)

Issued shares: 48,600,000

Issued options: 13,850,000 unlisted

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

Share price: \$0.175

27 October 2010

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Exploration Director