

For immediate release
8 July 2011

Drilling to commence at Bullamine iron-ore project, WA.

Drilling is scheduled to commence on 18 July 2011 at the Bullamine Iron Ore project.

A drill rig has been contracted and a total of 4,000 metres diamond drilling is planned at Bullamine project targets during the September Quarter.

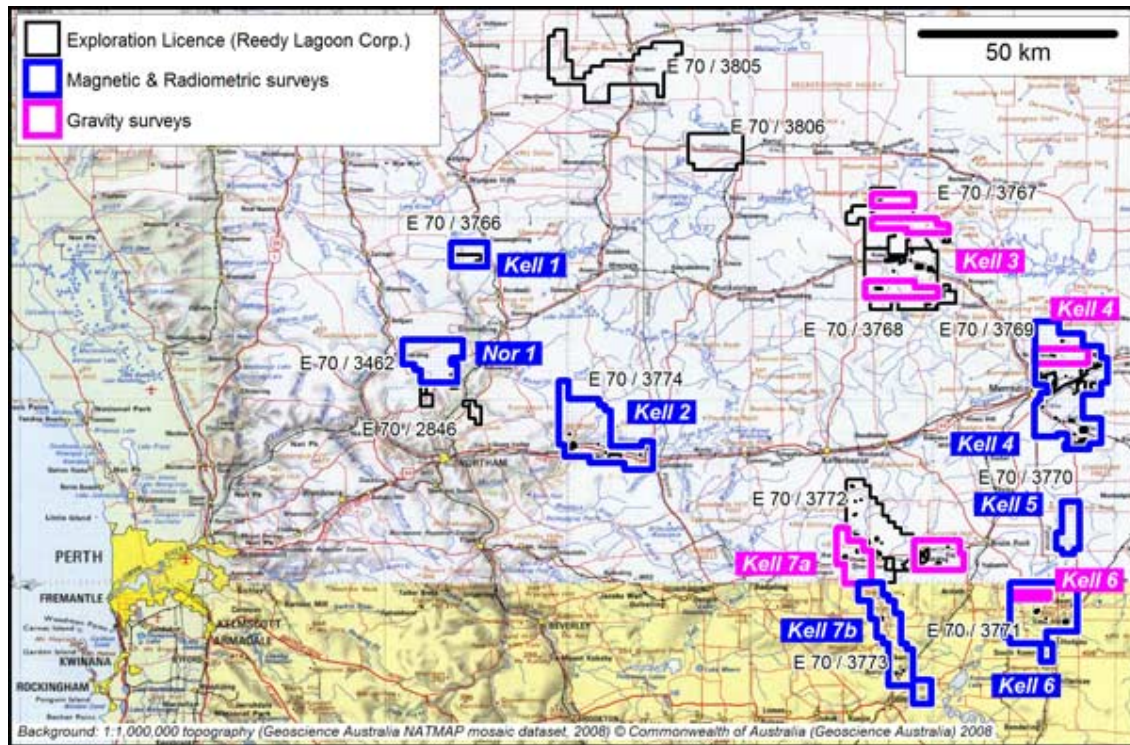
The program plans to complete 1,600 metres at the Bollo Prospect (Nor 1) prior to moving to Cleansweep (Nor 1), then to Wattening (Nor 1) and Wongamine (Nor 1). Subsequent drilling is planned in the Kell 4 area at the West Burracoppin Prospect where outcropping Banded Iron Formation (BIF) has been mapped.

A further 5,700 metres diamond drilling is planned for the December Quarter.

The Bullamine Iron Ore Project is a joint venture between Reedy Lagoon Corporation and Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs"), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF, Paris: CLF). Cliffs is earning a 75% interest and is manager of the joint venture.

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

The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director and full time employee of the Company and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Bullamine Joint Venture tenements showing areas covered by the geophysical surveys completed. The magnetic and radiometric surveys are at 50 metre flight line spacing, whilst the Falcon (gravity) surveys are at 200 metre flight line spacing.

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: 13,550,000 unlisted (exercisable @ \$0.20, \$0.21, \$0.30 & \$0.50)

Share price: \$0.075

30 June 2011

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director

Geof Fethers, Managing Director, Co. Secretary

Hugh Rutter, Exploration Director