

For immediate release

16 March 2012

Bullamine iron ore project update.

The current phase of drilling at the Wongamine prospect (NOR 1 area, Bullamine iron ore project) has been completed. Eight diamond holes for 1,826.5 metres were completed at Wongamine during the current quarter (refer figure 1 and table 1 for details).

The Wongamine prospect comprises North Wongamine and East Wongamine.

Six holes (1,489 metres) targeted the North Wongamine prospect where drilling during the September quarter intersected shallow dipping magnetite mineralisation in thicknesses up to 90 metres. Initial interpretation of core from the six recent holes at North Wongamine together with the previous four diamond holes and detailed magnetic data from airborne surveys indicate the mineralisation at North Wongamine occurs within a lens shaped body the long axis of which is about 500 metres long.

The two holes drilled into the East Wongamine target recovered patchy mineralisation which has downgraded the prospectivity of East Wongamine.

Samples of the drill core have been submitted for assay and metallurgical test work.

This completes the current phase of drilling by the Bullamine Joint Venture.

The manager continues its work on determining a mineral resource estimate for the Chitterberin prospect (KEL 5 area) where mineralisation of between 30 to 100 metres thickness has been intersected by drilling a magnetic target extending over a strike length in excess of 2 kilometres. However, delays in sample processing by the independent assay laboratory mean that assay data and results of metallurgical tests necessary for determining any resource remain outstanding.

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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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 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.

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: 13,250,000 unlisted (exercisable @ \$0.20, \$0.21, \$0.30 & \$0.50)

Share price: \$0.11 9 March 2012

Directors and management: Jonathan Hamer, Chairman, Non-Executive Director
Geof Fethers, Managing Director, Co. Secretary
Hugh Rutter, Director

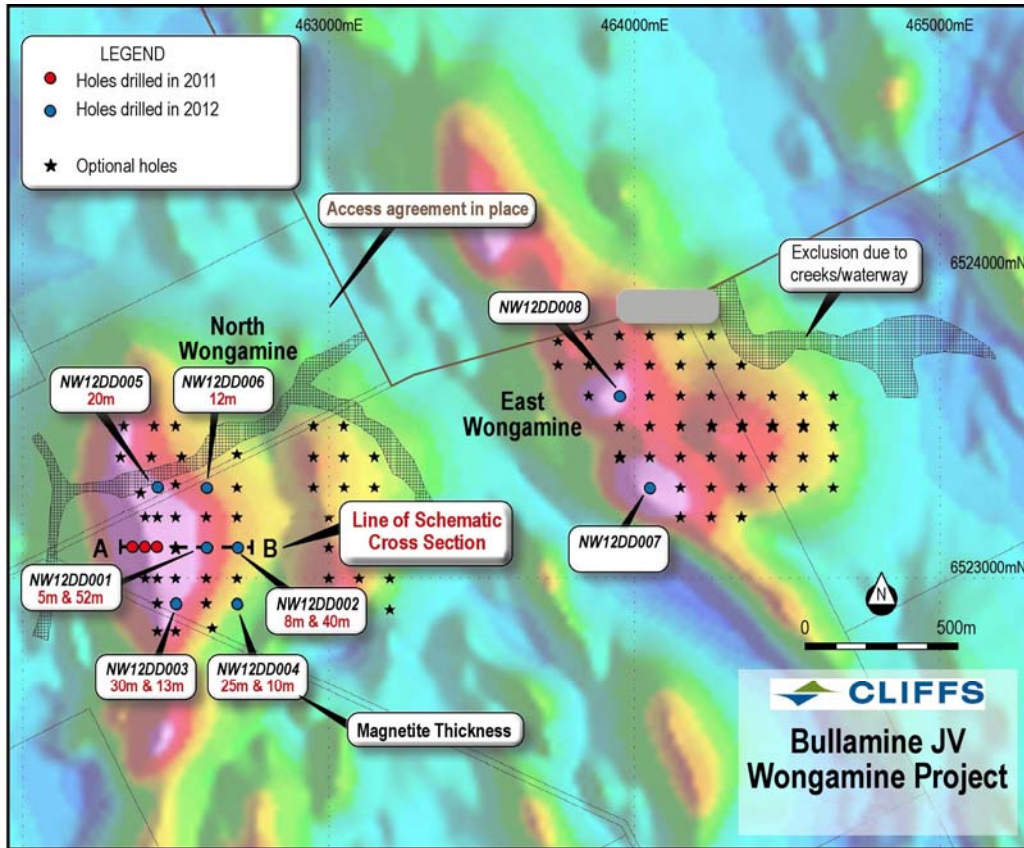


Figure 1. Location of completed drill holes at the Wongamine prospect.

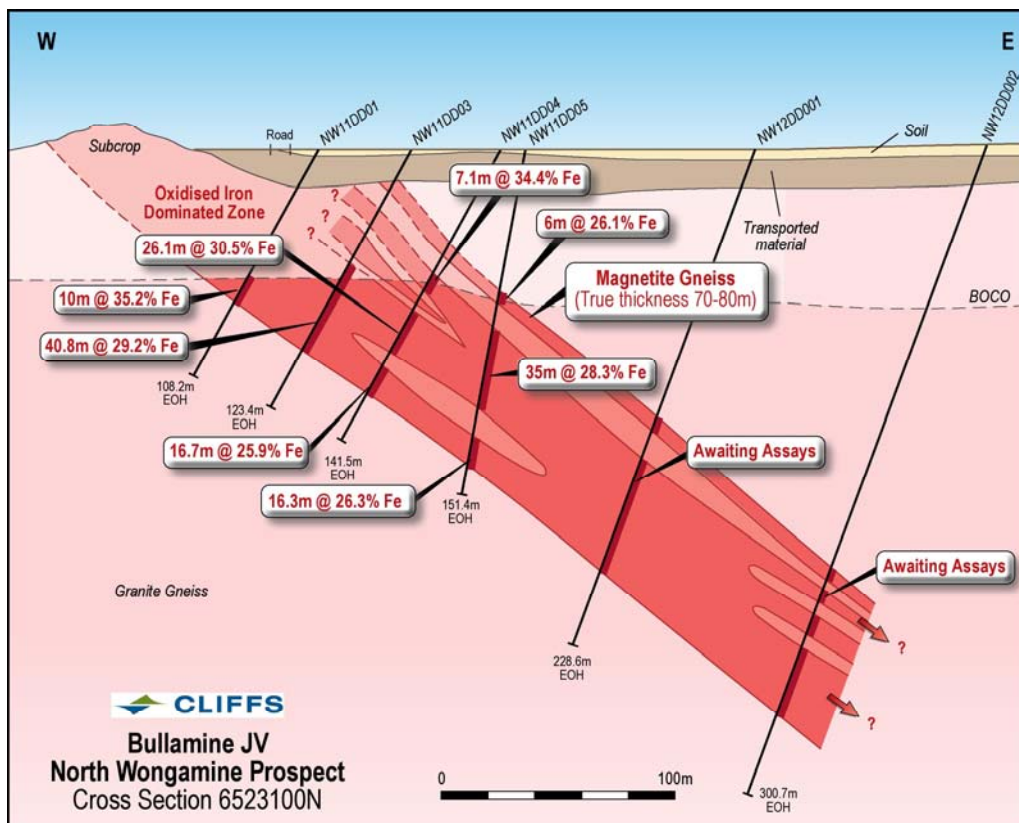


Figure 2. Interpreted cross section through the Wongamine Prospect.

Table 1. Diamond hole information for drilling conducted by the Bullamine Joint Venture during January, February and March 2012.

<i>Prospect</i>	<i>Actual_Hole</i>	<i>Downhole Depth (m)</i>	<i>Easting</i>	<i>Northing</i>	<i>DEM RL</i>	<i>Azi</i>	<i>Dip (-)</i>
Wongamine	NW12DD001	228.6	462550	6523100	219.97	270	-70
Wongamine	NW12DD002	300.7	462650	6523100	222.00	270	-70
Wongamine	NW12DD003	201.7	462500	6522920	225.24	270	-70
Wongamine	NW12DD004	279.7	462600	6522920	226.00	270	-70
Wongamine	NW12DD005	210.7	462449	6523266	216.00	270	-70
Wongamine	NW12DD006	267.7	462600	6523300	216.94	270	-70
Wongamine	NW12DD007	183.7	464050	6523300	236.61	270	-70
Wongamine	NW12DD008	153.7	463950	6523600	234.77	270	-70
		1,826.5					