

For immediate release  
27 October 2016

## Debt reduction and issue of shares to directors.

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In the interests of better enabling RLC to raise new capital, the Managing Director, Geof Fethers, has forgiven \$94,624 of remuneration owing to him in respect of the 12 months ending 30 September 2016 and has elected to take the balance of his remuneration for that period in shares under the employee incentive scheme approved by shareholders at the last AGM.

Mr Adrian Griffin, non-executive director, has also elected to take \$20,000 of the fees owing to him for that 12 month period under the employee incentive scheme.

As a result of these actions the amount owing to directors in respect of that 12 month period has been reduced from \$224,000 to \$60,000.

The directors have agreed that the remaining \$60,000 of accrued fees remains subordinated to other creditors of the Company such that they will not be payable except to the extent RLC can pay them and remain solvent.

Further, the directors have agreed that these fees will not be paid out of the proceeds of any capital raising by RLC unless the proceeds exceed \$1million.

### Detail

No remuneration or fees were paid to directors during the period 1 October 2015 to 30 September 2016. The amount of accrued remuneration and fees for this period was \$224,000 being:

G Fethers Managing Director	\$144,000
J Hamer Chairman	\$ 40,000
A Griffin Non-Executive Director	\$ 40,000

G Fethers agreed to forgive \$94,624 of the \$144,000 owing to him, leaving a balance owing of \$49,367.

Under the employee incentive scheme approved by shareholders at the AGM in 2015, directors can elect to receive up to a total of 8,000,000 shares in lieu of cash at an issue price calculated from the 5 day volume weighted average price in the month prior to the issue. At 27 October 2016 the issue price of a share under the scheme was \$0.00867.

G Fethers elected to take the balance owing to him (\$49,376) in shares under the scheme. A Griffin elected to take \$20,000 of the director's fees owing to him in shares under the scheme.

The shares issued under the scheme were issued as follows:

G Fethers (or entities associated with him)	5,693,727
<u>A Griffin (or entities associated with him)</u>	<u>2,306,273</u>
Total	8,000,000

The amount owing in respect of fees and remuneration for the period 1 October 2015 to 30 September 2016 is now \$60,000.

J Hamer Chairman	\$40,000
A Griffin non-executive	\$20,000
G Fethers Managing Director	\$ 0

The amount of \$60,000 remains subordinated. Further, the directors have agreed that these fees will not be paid out of the proceeds of any capital raising by RLC unless the proceeds exceed \$1million.

For more information please contact G Fethers on 613 8420 6280  
On behalf of the Board

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Reedy Lagoon Corporation Limited  
Suite 2, 337a Lennox Street, Richmond VIC 3121  
Issued shares: 119,026,946  
Issued options: 2,700,000 unlisted  
Share price (last traded): \$0.008