

For immediate release
11 December 2008

Iron ore targets – Drilling at Bullamine

RLC 100% : E70/2846, E70/3152, E70/3153, ELA70/3462

RLC 100% Bulla JV (provides interest in iron only) (E70/2719 & E70/2720)

The first drilling at Bullamine, which is 70 kilometres northeast of Perth, was completed on Sunday 30 November.

The Bullamine project consists of exploration for near surface iron mineralisation to form the basis for a low cost shallow open cut mining operation for magnetite. Numerous targets, with a combined strike length of 59 kilometres, have been identified within the project area. Banded iron formations, comprised of magnetite and silica layers, can be processed by crushing and magnetic separation, to produce a saleable iron concentrate. A number of parameters, including presence or otherwise of impurities, volume, grade, depth, crush and liberation characteristics of the mineralisation impact on the cost and therefore viability of producing a concentrate from magnetite mineralisation.

The drilling investigated a portion of the Cleansweep target (E70/2719) which comprises a magnetic anomaly indicative of a lens of steeply dipping magnetic rocks with cross-section area measuring 1,500 metres long by up to 165 metres wide. The Company has negotiated access for about 1,000 metres strike length (67%) of this target.

The programme comprised 13 RC holes each to nominal 60 metres down-hole depth for total 803 metres. All holes were drilled dipping 60 degrees towards 245 degrees azimuth. Outcropping exposures of the target banded iron formations ("BIFs") generally indicated a steep easterly dip.

Field measurements of the iron content of the drill cuttings were taken using a NITON XRF instrument to provide an indication of the amount of contained iron. Several bands of iron rich material (NITON indicated grades of 20% Fe or higher), likely to be magnetite and or weathered products, were intersected by the drilling. The largest of these intersections measured 33 metres down-hole (from 59 metres to end of hole at 92 metres).

Samples from the drilling have been submitted to an independent assay laboratory for analysis. Results are expected in 3 weeks time (late December).

In other developments ground inspection at the Archer target downgraded its prospectivity and further work at this target is unlikely. Recent field work at an additional target, "Olive", has mapped banded iron formation outcropping over a strike length of 1,500 metres. The outcrop is restricted to about 5 metres width but appears related to a target interpreted from airborne magnetic data that suggests potential for more substantial widths.

The short distance, 90 kilometres, to bulk cargo facilities at Fremantle Ports' Kwinana facility south of Perth is a significant attribute of the project.

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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.

Reedy Lagoon Corporation Limited is exploring for:
iron ore in WA
uranium at projects on the Gawler Craton (SA) and in the Tanami (NT & WA)
copper on the Gawler Craton (SA)
gold at projects in the Lachlan Fold belt (Victoria).

Issued shares: 48,600,000 (31,205,330 quoted)
Issued options: 16,552,520 unlisted
(exercisable @ \$0.20, \$0.30 & \$0.50)

Share price: \$0.02
10 December 2008

Directors and management:
Jonathan Hamer, Chairman, Non-Executive Director
Adrian Griffin, Non-Executive Director
Philip Lewis, Director
Geof Fethers, Managing Director
Hugh Rutter, Exploration Director
Dermot Coleman, Company Secretary.