REEDY LAGOON CORPORATION LIMITED
ABN 41 006 639 514

For immediate release
6 March 2009

Iron ore targets – Assay results from drilling at Bullamine

RLC 100% : E70/2846, ELA70/3462
RLC 100% Bulla JV (provides interest in iron only) (E70/2719 & E70/2720)

Assay results from selected samples of drill cuttings from the RC drilling conducted at the Cleansweep target in November 2008 show iron content of about 30% with low impurities.

The drilling, reported on 11 December 2008, 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, however modelling of magnetic data after completion of the drilling indicated a steep westerly dip. Bore hole locations are shown in figure 1 and drill sections are shown in figure 2.

Cuttings from selected one metre intervals were submitted for assay. XRF analysis of 157 of these samples detected grades of 20% iron or higher and low phosphorous (table 1).

Table 1. Average assay for 157 samples grading 20% iron or higher from bore holes: BCS 4, 5, 6, 8, 9, 11, 12, 13, 14, 15 & 16.

	Fe %	SiO2 %	Al2O3 %	TiO2 %	Mn %	CaO %	P %	MgO %	K2O %	LOI %
OXIDISED	29.4	41.6	8.2	0.40	0.03	0.2	0.05	0.8	0.4	5.4
FRESH	31.5	44.5	3.6	0.19	0.19	1.7	0.05	2.7	0.6	0.1
Average	30.4	43.1	5.9	0.29	0.11	0.9	0.05	1.7	0.5	2.8

Assay by XRF with Lithium borate fusion.

The Company believes the above assay results are sufficiently encouraging to undertake additional sampling to determine the parameters and characteristics of iron concentrates that can be produced.

Assay results have also been received for surface sampling conducted at the Olive target (table 2). Field mapping indicates a magnetite formation of 5 metres width extends for about 1,500 metres strike length although magnetic data suggest a more substantial width may be present.

Table 2. Average assay for 8 samples, Olive target.

	Fe %	SiO2 %	Al2O3 %	TiO2 %	Mn %	CaO %	P %	MgO %	K2O %	LOI %
Average	42.6	29.7	5.0	0.23	0.04	0.1	0.05	0.1	0.03	3.62

Assay by XRF with Lithium borate fusion.

The Company considers these results are sufficient to warrant drilling of the Olive target.

In other developments at the Bullamine project, notices of surrender of tenements E70/3152 and E70/3153 were posted. Iron targets identified on these tenements were not considered sufficient to warrant continued work.

The Bullamine project is located 70 kilometres northeast of Perth. Exploration is being conducted 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 58 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 short distance, 90 kilometres, to bulk cargo facilities at Fremantle Ports' Kwinana facility south of Perth and existing rail link are significant attributes of the project.

For further information, please contact:
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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)
copper on the Gawler Craton (SA).

Issued shares:	48,600,000 (31,205,330 quoted)
Issued options:	15,676,260 unlisted
	(exercisable @ $0.20, $0.30 & $0.50)
Share price:	$0.017
	6 March 2009

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.

Figures 1 & 2 follow/

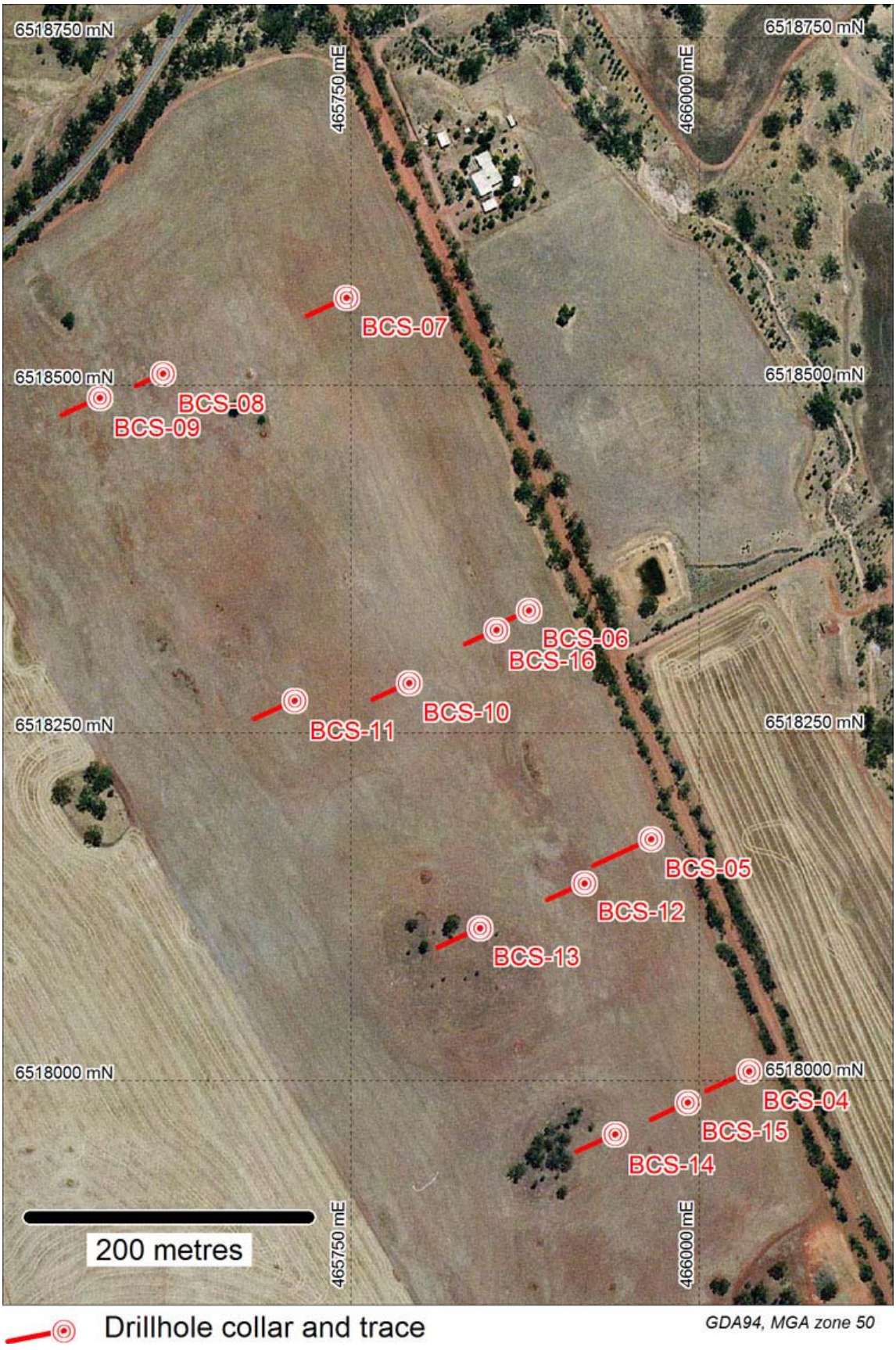

Figure 1. Cleansweep bore hole locations, November 2008 drilling.

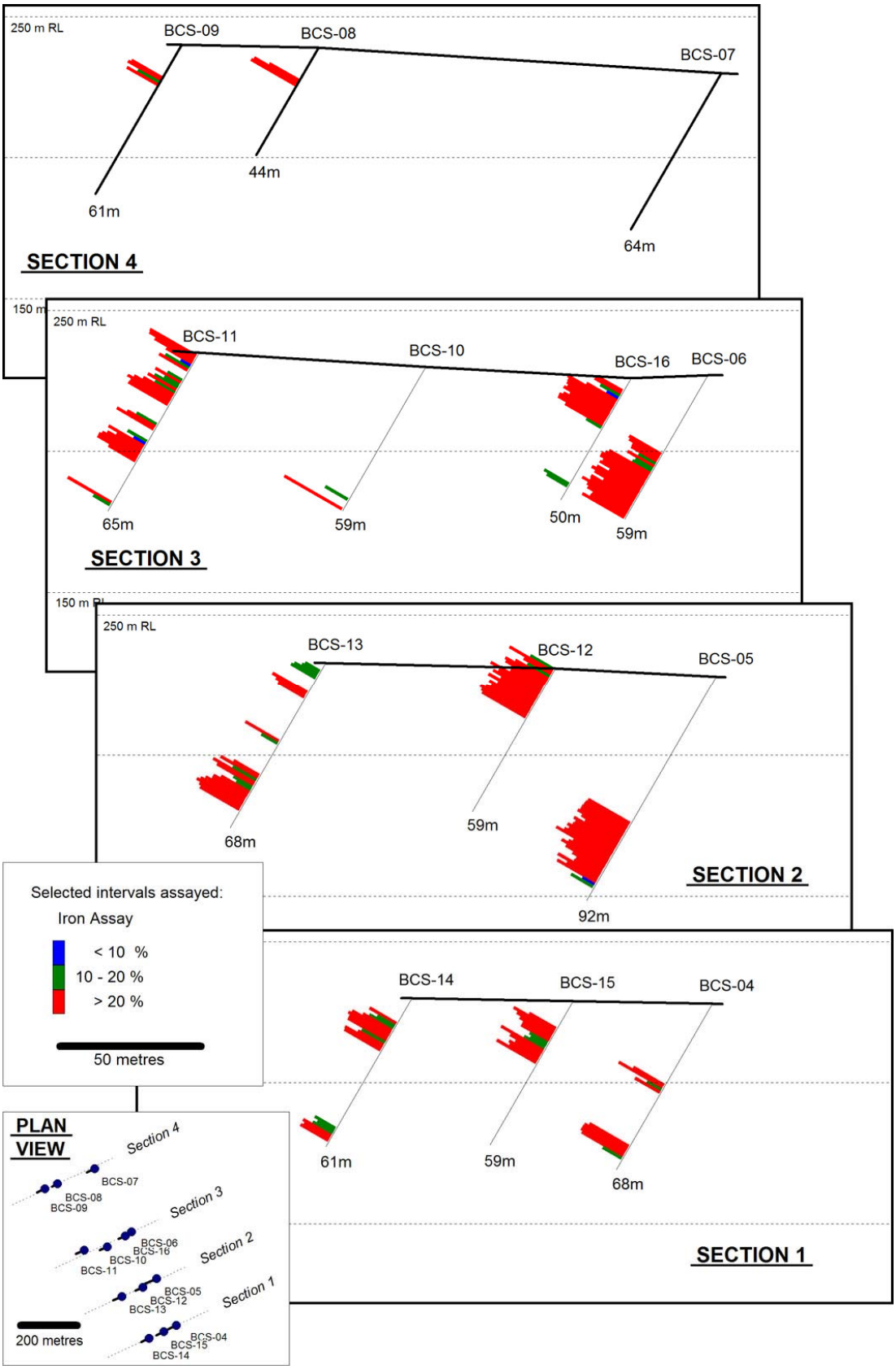

Figure 2. Bore hole traverse sections showing iron grades, Cleansweep target.