

For immediate release
10 March 2009

Exploration and cost reductions

In the face of the current tough markets for resources, particularly the market for raising money for exploration, the Board of Reedy Lagoon Corporation Limited has taken steps to preserve the Company's capital.

The Board has reduced discretionary exploration expenditure where practical, focussing this year's expenditure on its Bullamine iron mineralisation project where relatively low cost steps can be taken to develop the project pending an improvement in iron prices. The amount of exploration activity by Reedy Lagoon on its other projects will be significantly reduced in the short term.

In addition the Board and management have volunteered to take a 50% reduction in fees and salary, representing a saving of approximately \$160,000 per year. The Board is seeking to put Reedy Lagoon in the best position to take advantage of opportunities which may arise out of this downturn and to be ready when the market for exploration improves.

The Board will continue to monitor the market and will readdress its restrictions on exploration expenditure and reductions in fees and salary if circumstances change

Jonathan Hamer
Chairman

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

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
10 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.