

11 April 2006

Company Announcements Office
Australian Stock Exchange Limited
Via Electronic Lodgement

FOR RELEASE

Dear Sirs,

MOUNT FINNERTY IRON ORE DRILLING COMMENCES

Reed Resources Ltd advises that joint venture Portman Mining Ltd has commenced drilling today at the Mount Finnerty project, 65 km east of Portman's Koolyanobbing Iron Ore Mine. Portman have the right to earn 80% of the iron rights in the project.

The first phase of the percussion drilling program will involve, in most cases, a central hole on 21 drill traverses at 9 target areas (FIN1-9), testing strike length's totalling 6.5 km. Drill traverses will be spaced at 200 metre intervals along strike with, at most, three holes per traverse. Subsequent drilling up-dip and down-dip will depend on the results of the initial hole on each traverse.

The field component of the program will last until the end of the month after which laboratory analyses are expected for release in May 2006.

David Reed
Executive Chairman

Tel: 08 9322 1182

Technical aspects of this report have been compiled by Dr P.L.F Collins (BSc (Hons), PhD, MAIG), a Director of Reed Resources Ltd. Dr Collins has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Person as defined in the Code for Reporting of Mineral Resources and Ore Reserves (2004). Dr Collins consents to the inclusion in the report of the matters in the form and context in which it appears.



