

BARRAMBIE VANADIUM PROJECT

26 NOVEMBER 2007

METALLURGICAL TEST WORK RESULTS AND NEW PROJECT MANAGER

Highlights

- Exceptional metallurgical recoveries from roast-leach test work results:
+96% recovery of V₂O₅ from concentrate.
- Bill Crossley appointed Project Manager for the Barrambie Vanadium Project.

The Board of Reed Resources Ltd (ASX:RDR) (“Reed”) is pleased to announce the appointment of a new project manager and the results of confirmation roast-leach test work as part of its feasibility study of the Barrambie Vanadium Project.

PROJECT MANAGER

Reed has employed Bill Crossley as Project Manager for the Barrambie Vanadium Project. Mr Crossley has over 30 years experience in development, operation, management and administration of mines and mining companies. Recently Mr Crossley was General Manager–Nickel for Consolidated Minerals, previous to that he was General Manager–Operations for Kimberley Diamond Company and Managing Director, Jubilee Gold NL.

ROAST/LEACH

Sinclair Knight Merz (“SKM”) have reported that test work completed at Amdel and the CSIRO confirm the recovery of vanadium pentoxide from conventional salt roast-leaching of magnetic concentrates from both the Central and Eastern Bands of the deposit.

Samples of concentrate produced from the magnetic separation test work have been successfully roasted and leached with recoveries from some of the Central Band oxide concentrates **exceeding 96%**. Recoveries from the previous roast-leach test work conducted as part of the Pre-Feasibility Study (“PFS”) on the Eastern Band oxide concentrates exceeded 95%.

The highest resource grade and exceptional concentrate grade and back-end recovery augur well for achieving operating and capital cost improvements from reductions in the quantity of tonnes roasted and size of the roasting kiln anticipated in the PFS.



INFILL DRILLING

A third phase of RC drilling (155 holes for 10,900 metres) was completed in October, and assay results of ore intersections are expected mid-December. The drilling data will be compiled and validated for inclusion in a comprehensive database from which a revised geological model of the Barrambie deposit will be constructed in preparation for resource/reserve modelling by Snowden Mining Industry Consultants.

FORWARD WORK PROGRAM

DFS activities in this quarter will include

- Finalise the development of the optimised beneficiation flowsheet incorporating the results from the metallurgical variography work being performed during this quarter.
- Shipping of +6 tonnes of “on spec” concentrate to Germany for use in kiln pilot plant test program, scheduled for January 2008.
- Finalise process flow diagrams, equipment lists and prepare piping and instrumentation drawings for the full process plant circuit.
- Progress the procedure for locking in gas supplies and gas transport arrangements.
- Award contract for consultant to finalise plant design and prepare study document.
- Finalisation review and submission of the EPA Referral Document.



Chris Reed
MANAGING DIRECTOR

Geological aspects of this report that relate to Exploration Results have been compiled by Dr Peter Collins (MAIG), a Director of Reed Resources Ltd. Metallurgical aspects of this report in relation to the Barrambie Project have been compiled by Damian Connelly (BAppSc, CPE, MAusIMM), of Mineral Engineering Technical Services Pty Ltd, consultants to Reed Resources Ltd. Dr Collins and Mr Connelly have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Persons as defined in the Code for Reporting of Mineral Resources and Ore Reserves. Dr Collins and Mr Connelly consent to the inclusion in the report of the matters in the form and context in which it appears.