

13 June 2008

Company Announcements Office
ASX Limited
via Electronic Lodgement

Dear Sirs

APPENDIX 3B

The Company wishes to advise that the Company today issued:

- 13,333,333 fully paid ordinary shares pursuant to a placement arranged by Transocean Securities Pty Ltd (ACN 009 230 120) to its clients, all of whom are sophisticated or professional investors for the purposes of Part 6D.2 of the Corporations Act 2001; and
- 1,333,333 unlisted options (each to acquire 1 fully paid ordinary share of the Company) to Transocean Securities Pty Ltd, by way of a 'success fee' in connection with the placement of the above shares, exercisable on or before 30 June 2010 at an exercise price of \$1.08.

Please find attached an Appendix 3B Notice in respect of the above issue of securities.

Yours faithfully



Chris Reed
**MANAGING DIRECTOR
COMPANY SECRETARY**



Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Reed Resources Ltd

ABN

89 099 116 631

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | (a) Fully paid ordinary shares

(b) Unlisted options exercisable at \$1.08 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 13,333,333

(b) 1,333,333 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) As to the securities identified at 2(a), fully paid ordinary shares.

(b) As to the securities identified at 2(b), unlisted options to acquire one fully paid ordinary share per option, each option exercisable on or prior to 30 June 2010 at an exercise price of \$1.08. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) As to the securities identified in 2(a), rank equally with issued ordinary shares.</p> <p>(b) Not applicable, as to the securities identified in 2(b).</p>				
<p>5 Issue price or consideration</p>	<p>(a) As to the securities identified in 2(a), \$0.90 per fully paid ordinary share (\$11,999,999 in aggregate).</p> <p>(b) As to the securities identified in 2(b), nil consideration.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) As to the securities identified in 2(a), pursuant to valid acceptances to an offer for subscription made to professional and sophisticated investors arranged by Transocean Securities Pty Ltd.</p> <p>(b) As to the securities identified in 2(b), 'capital raising fee' payable to Transocean Securities Pty Ltd pursuant to an 'Equity Raising an Corporate Advisory Mandate' letter agreement between the Company and Transocean in respect of the placement of securities identified at 2(a).</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Immediately upon allotment.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1702 989 1747">Number</th> <th data-bbox="989 1702 1279 1747">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1747 989 1964">135,450,000</td> <td data-bbox="989 1747 1279 1964">Ordinary fully paid</td> </tr> </tbody> </table>	Number	+Class	135,450,000	Ordinary fully paid
Number	+Class				
135,450,000	Ordinary fully paid				

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	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,200,000	Unlisted options exercisable at \$0.35 each
		1,000,000	Unlisted options exercisable at \$0.50 each
		2,000,000	Unlisted options exercisable at \$0.60 each
		2,700,000	Unlisted options exercisable at \$0.75 each
		2,500,000	Unlisted options exercisable at \$0.78
		2,500,000	Unlisted options exercisable at \$0.85 each
		1,333,333	Unlisted options exercisable at \$1.08 each
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change in existing policy.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

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18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their	N/A

+ See chapter 19 for defined terms.

	entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A					
39	Class of +securities for which quotation is sought	N/A					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="710 1478 1013 1512">Number</th> <th data-bbox="1013 1478 1302 1512">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="710 1512 1013 1700">N/A</td> <td data-bbox="1013 1512 1302 1700">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A	
Number	+Class						
N/A	N/A						

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.


Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 13 June 2008
(Director/Company secretary)

Print name: Christopher John Reed

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