

15 July 2009

Company Announcements Office
ASX Limited
via Electronic Lodgement

Dear Sirs

APPENDIX 3B

Reed Resources Ltd ("the Company") wishes to advise that it today issued 500,000 fully paid ordinary shares to Breakaway Resources Limited (ACN 061 595 051), a sophisticated and professional investor for the purposes of Part 6D.2 of the *Corporations Act 2001* (Cth) (the Act). The issue of shares was made pursuant to the terms of a Sale Agreement dated 15 July 2009, between the Company and Breakaway Resources Limited for the sale and purchase of a joint venture interest located in close proximity to the Company's Mount Finnerty Project.

In addition, the Company wishes to advise that the Company today issued 400,000 fully paid ordinary shares to Lennonville Pty Ltd (ACN 075 867 515) as trustee for the Lennonville Trust, a Consultant to the Company and, a sophisticated and professional investor for the purposes of Part 6D.2 of the Act. The issue of shares was made pursuant to a consulting agreement dated 1 July 2009 between the Company and the Consultant.

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

Yours faithfully

REED RESOURCES LTD



Jason Carone

COMPANY SECRETARY



Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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 | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 900,000 |
| 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) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<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>Yes, the new shares rank equally with Reed Resources Ltd ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>500,000 fully paid ordinary shares at an agreed issue price of 20 cents. This was based on the daily volume weighted average sale price of the shares traded on the ASX during the 30 trading days up to close of business on 22 April 2009 and rounded to an issue price of \$0.20 per share, representing consideration of \$100,000.</p> <p>400,000 fully paid ordinary shares at an agreed issue price of 25 cents. This was based on the daily volume weighted average sale price of the shares traded on the ASX during the 30 trading days up to close of business on 6 July 2009 and rounded to an issue price of \$0.25 per share, representing consideration of \$100,000.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>500,000 fully paid ordinary shares were issued as consideration for Breakaway Resources Limited's interest in a joint venture project at Mount Finnerty.</p> <p>400,000 fully paid ordinary shares were issued to a Consultant as consideration for entering into a new consulting agreement with the Company.</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Immediately upon allotment.</p>

+ See chapter 19 for defined terms.

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	138,550,000 Ordinary fully paid

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	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
		2,200,000 Unlisted options exercisable at \$0.85 each
		1,333,333 Unlisted options exercisable at \$1.08 each
		2,100,000 Unlisted options exercisable at \$1.20 each

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change in existing policy.
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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

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Appendix 3B
New issue announcement

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
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

+ See chapter 19 for defined terms.

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 entitlements <i>in full</i> through a broker?	N/A
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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 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

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 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- 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 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

	Number	⁺ Class
42 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.

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.
- 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: 15 July 2009
Company Secretary



Print name: Jason Carone

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