

20 July 2009

Company Announcements Office
ASX Limited
via Electronic Lodgement

Dear Sirs

**REED RESOURCES LTD ACN 099 116 331 ("the Company")
CANCELLATION AND EXPIRY OF UNLISTED OPTIONS**

The Company wishes to advise that 650,000 unlisted options (400,000 exercisable at 85 cents each and 250,000 exercisable at \$1.20 each) previously issued pursuant to the Company's Employee Share Option Plan 2007 ("ESOP") lapsed on 17 July 2009 in accordance with the ESOP.

In addition, the Company wishes to advise that 2,000,000 unlisted options exercisable at 60 cents each previously issued to Transocean Securities Pty Ltd were not exercised by the relevant expiry date of 22 May 2009 and have lapsed.

The details of these options are set out below:

ASX Code	Expiry Date	Exercise Price	No. of Options
RDRAQ	31 December 2012	85 cents	400,000
RDRAW	30 June 2013	\$1.20	250,000
RDRAO	22 May 2009	60 cents	2,000,000

Yours faithfully

REED RESOURCES LTD



Jason Carone
COMPANY SECRETARY

