

6th JUNE 2008

A\$12.00 MILLION PLACEMENT TO STRATEGIC INVESTORS

Highlights

- A\$12.00M raised at \$0.90 per share to a Syndicate led by, Transocean Securities and Patersons Securities
- Strategic investors included Nicholas Curtis (current executive Chairman of Lynas Corporation) and several leading international institutional investors
- The syndicate will look to assist Reed in the advancement of the Barrambie project including investigation of a number of strategies related to the financing and further development of the project.

Reed Resources Ltd (ASX: RDR) is pleased to announce it has received irrevocable commitments to a capital raising of A\$12.00 Million via a placement of 13.33 Million shares at A\$0.90 per share.

The placement was arranged by Transocean Securities Pty Ltd (AFSL No. 230 161) and Paterson Securities Ltd (AFSL No. 239 052).

The company is pleased to report that the placement was overwhelmingly supported by major International Institutions.

The syndicate will look to assist Reed in the advancement of the Barrambie project including investigating a number of strategies related to the financing and further development of the project.

Reed's Managing Director, Chris Reed said:

"I am delighted with the strong institutional support received at a time when the Company is looking to continue the fast tracking of the development of its flagship Barrambie Vanadium deposit."



Chris Reed
Managing Director



Reed Resources is a diversified mining and exploration Company based in Western Australia, with modest gold production the Company is expanding and diversifying our production base into steel minerals.

Reed Resources has three main projects all in Western Australia.



Barrambie – Completing Definitive feasibility study on 5,000t per annum Ferrovandium operation.

Comet Vale - High-grade underground gold mine in JV with Kingsrose Mining Ltd, targeting 20,000 oz pa in 2008. Nickel Laterite JV with Heron Resources NL.

Mt. Finnerty – Iron Ore JV with Portoman Ltd. Nickel Sulphide JV with Western Areas NL

