

**COMET VALE GOLD
DRILLING RESULTS**

24 OCTOBER 2008

Highlights:

- Successful completion of a near-mine exploration drilling program with several high grade quartz lode intersections in excess of 10 g/t Au, including:
 - 0.42m @ **50.9 g/t Au** from 391.12 m in JVD014
 - 0.84m @ 13.6g/t Au from 133.86 in JVD019
 - 6.18m @ 11.1 g/t Au** from 173.29 m in JVD022
 - 1m @ 10.6 g/t Au from 119 m in JVD023
 - 0.51m @ **73.6 g/t Au** from 338.5m in JVD028
 - 0.59m @ 10.6g/t Au from 309.5m in JVD029
 - 1m @ 15g/t Au from 14m in JVC067

Reed Resources Ltd (ASX:RDR) and Joint Venture partner Kingsrore Mining Limited (ASX:KRM) are pleased to announce the drill results from a successful infill and extension drilling program recently completed at the Sand Queen Gold Mine, 100km North of Kalgoorlie. The drilling program confirms the narrow high-grade 'nuggety' style of mineralisation. Significant intersections (in excess of 5 g/t Au) are listed in Table 1 and a full list of results is included in Table 2.

All drill holes targeting the Sand Queen South position between the Sand Queen shaft and Sand George lodes below the No. 3 Level (Figure 1), intersected a number of quartz lodes at the targeted position, most with substantial grades and width, including:

- 0.84 metres @ **13.6 g/t Au** from 133.86 m in JVD019
- 0.78 metres @ 4.80 g/t Au from 141.09 m in JVD019
- **3.02 metres @ 6.97 g/t Au** from 155.10 m in JVD019, *including 0.90 metres @ 21.5 g/t Au* from 155.10 m
- 0.72 metres @ 4.22 g/t Au from 182.83 m in JVD021
- 0.43 metres @ 6.02 g/t Au from 188.13 m in JVD021
- **6.18 metres @ 11.1g/t Au** from 173.29 m in JVD022
- 1 metre @ **10.6 g/t Au** from 119 m in JVD023

The multiple lode intersections in drill holes JVD019, JVD020 and JVD021 and the wide intersection in JVD022 have confirmed a geological interpretation that high grade lodes are widest (up to 5m) at the intersection of bi-furcating sub-parallel quartz lodes (e.g., in JVD022). These intercepts are in a key position between 3 Level and 5 Level (Figure 1) as they indicate potential high grade ore close to the Sand Queen shaft when development commences on Levels 4 and 5.



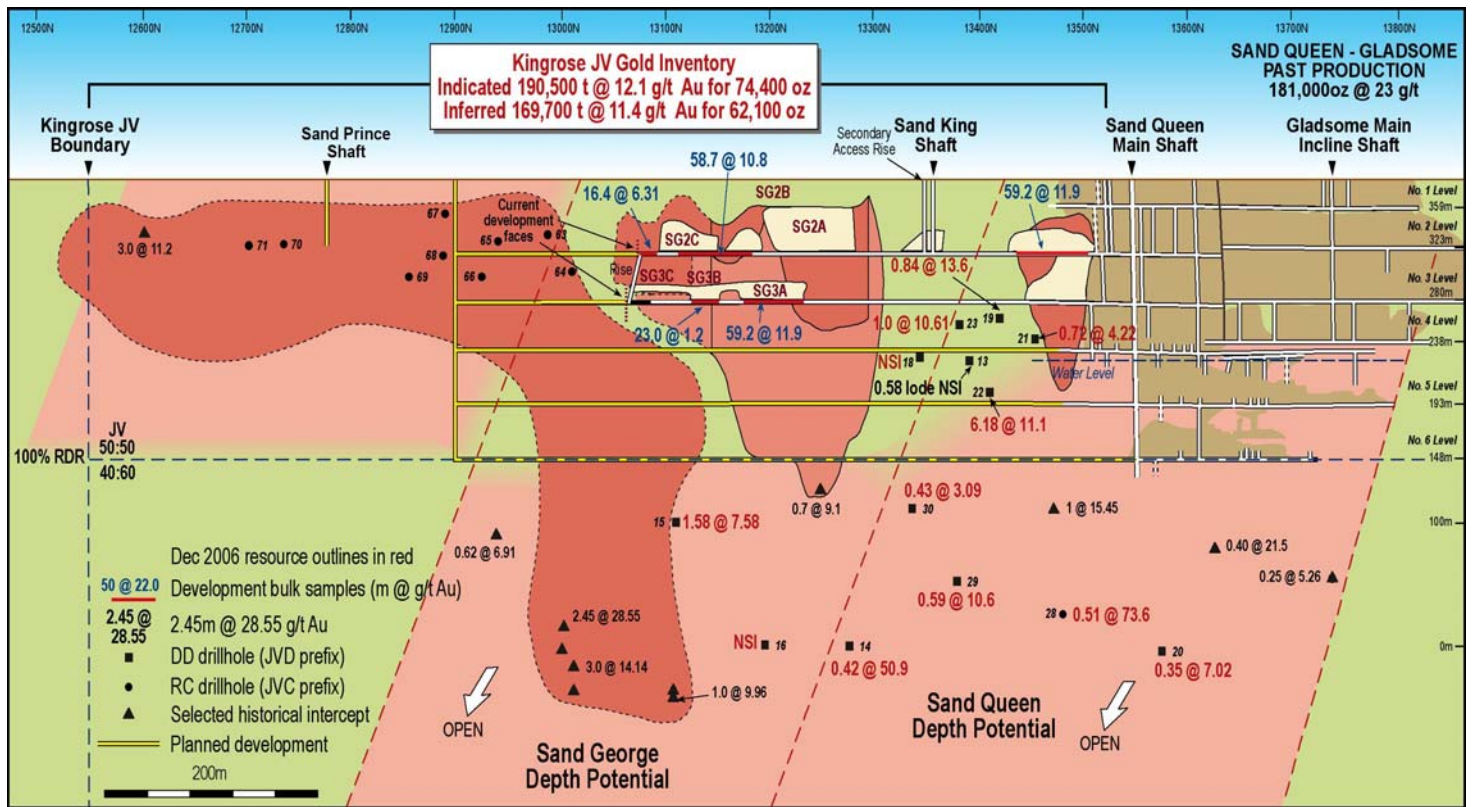


Figure 1 Long Section of the Sand Queen gold mine with selected drill intercepts from the latest RC/Diamond drill campaign

Table 1. Drilled intercepts with significant assays in excess of 5g/t Au (compiled from data in Table 2).

Hole ID (1)	Hole Depth (m)	Northing (2)	Easting (2)	From (m)	To (m)	Intercept (3)	Grade (g/t Au) (4)
JVC067	80	12875	7815	14	15	1.0	8.35
JVC068	100	12875	7790	17	18	1.0	15.1
JVD014	429.4	13300	7600	391.12	391.54	0.42	50.9
JVD015	350	13125	7625	293.10	294.68	1.58	7.58
JVD016	441.04	13200	7575	61	62	1.0	5.12
JVD019	192.5	13425	7715	133.86	134.70	0.84	13.6
				155.10	158.12	3.02	6.97
			<i>including</i>	155.10	156.00	0.90	21.5
JVD020	413.7	13525	7560	396.95	397.30	0.35	7.02
JVD021	240.5	13450	7675	188.13	188.56	0.43	6.02
JVD022	210.5	13425	7675	173.29	179.47	6.18	11.1
JVD023	190	13375	7720	119	120	1.0	10.6
JVD028	372.5	13425	7600	298.85	299.50	0.65	6.08
				338.50	339.01	0.51	73.6
JVD029	366.5	13350	7550	309.5	310.09	0.59	10.6

Of the diamond drill holes targeting deeper lode positions, below the 6 Level of the Sand Queen mine (Figure 1), intersections in drill holes JVD014 (0.42 m @ **50.9 g/t Au** from 391.12 m), JVD015 (1.58 m @ 7.58 g/t Au from 293.1m), JVD020 (0.21 metres @ 4.87 g/t Au from 388.60 m and 0.35 metres @ 7.02 g/t Au from 396.95 m), JVD028 (0.51m @ **73.6 g/t Au** from 338.5m), JVD029 (0.59 metres @ **10.6g/t Au** from 309.5 m) and in JVD030 (0.43 metres @ 3.09 g/t Au from 276.32 m) have all confirmed the continuation of the auriferous lode system beyond and below the current resource limits (Figure 1).

Shallow RC and diamond drilling to the south of the Sand George lodes, where there is limited previous drilling, returned some encouraging results, including 1 metre @ 8.35 g/t Au from 14m in JVC067 and 1 metre @ 15.1 g/t Au from 17m in JVD068.

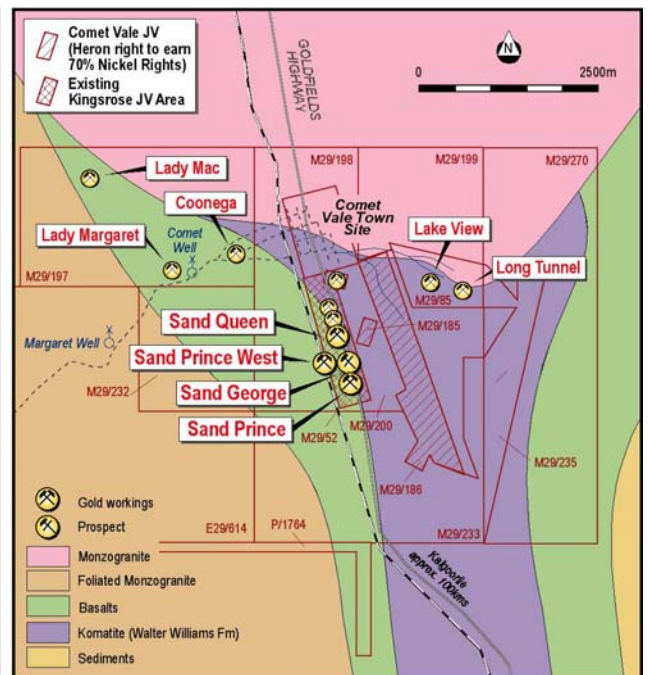
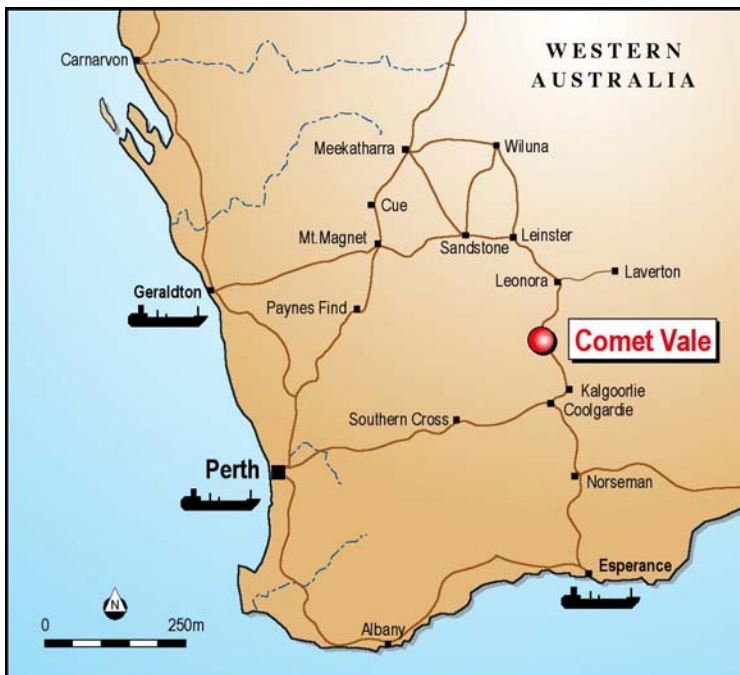
The results are being compiled for geological interpretation in preparation for a revised Mineral Resource estimate, which is expected to be completed by the end of November 2008.

Chris Reed

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MANAGING DIRECTOR

Competent Persons

The information in this report that relates to Exploration Results is based on information compiled Mr David Potter (BSc, Dip FAI), who is a member of the Australian Institute of Geoscientists. Mr Potter is a full time employee of Reed Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves'. Mr Potter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Location and Tenement Plan

Table 2: Full list of gold assay results for quartz lode intersections at the Comet Vale project.

Hole ID (1)	Final Depth	Northing (2)	Easting (1)	Depth from (m)	Depth to (m)	Intercept width (3)	Grade (g/t Au) (4)
JVC063	90	12975	7800	NSI			
JVC064	120	12975	7780	NSI			
JVC065	125	12950	7775	NSI			
JVC066	125	12925	7775	112	113	1	2.98
JVC067	80	12875	7815	14	15	1	8.35
				20	21	1	2.09
JVC068	100	12875	7790	17	18	1	15.1
				84	85	1	1.31
				88	90	2	3.27
JVC069	90	12850	7800	NSI			
JVC070	100	12725	7800	79	80	2	1.73
JVC071	140	12700	7775	137	138	1	1.29
JVD013	408.4	13400	7710	NSI			
JVD014	429.4	13300	7600	344.77	346.02	1.25	1.67
				391.12	391.54	0.42	50.9
JVD015	350	13125	7625	249.27	249.66	0.39	3.26
				293.10	294.68	1.58	7.58
JVD016	441.04	13200	7575	61	62	1	5.12
				131	132	1	1.23
JVD017	150	13050	7640	20	22	2	2.75
JVD018	195.5	13350	7715	119	120	1	1.44
JVD019	192.5	13425	7715	71	72	1	0.97
				100	101	1	2.96
				133.86	134.70	0.84	13.6
				141.09	141.87	0.78	4.80
				155.10	158.12	3.02	6.97
			<i>including</i>	155.10	156.00	0.90	21.5
JVD020	413.7	13525	7560	388.60	388.81	0.21	4.87
				396.95	397.30	0.35	7.02
JVD021	240.5	13450	7675	182.83	183.55	0.72	4.22
				188.13	188.56	0.43	6.02
JVD022	210.5	13425	7675	173.29	179.47	6.18	11.1
JVD023	190	13375	7720	119	120	1	10.6
JVD024	150	12925	7720	143	144	1	1.79
JVD025	150	12800	7725	NSI			
JVD026	150	12750	7725	NSI			
JVD027	150	12925	7650	76	80	4	0.80
JVD028	372.5	13425	7600	298.85	299.50	0.65	6.08
				338.50	339.01	0.51	73.6
JVD029	366.5	13350	7550	309.5	310.09	0.59	10.6
JVD030	336.5	13325	7625	76	80	4	0.82
				276.32	276.75	0.43	3.09

1. RC drill holes have a JVC prefix and diamond cored drill holes have JVD prefix.
 2. Collar coordinates are for a local grid. All holes collared at 60° toward 089° on the local grid.
 3. Intercept width is the down hole intersection
 4. Samples are of half NQ2 core and drillchips analysed by Genalysis Laboratory Services using 400g Leach well assay with an SAAS finish (LW400/sAAS). Intersection grades for multiple samples are calculated as a weighted average based on individual sample widths.
- NSI No significant gold assay in intercept.