

14 September 2007

Company Announcements Office  
ASX Limited  
via Electronic Lodgement

Dear Sirs

### **APPENDIX 3B - Issue of Options**

The Company wishes to advise that pursuant to four separate offers to particular employees and consultants of the Company to apply for options to acquire fully paid ordinary shares in the Company, and following acceptance of those offers, a total of 1,000,000 options were issued and allotted today.

It is anticipated that a further offer of 1,000,000 options will be granted to Chris Reed (a Director) subject to, and following shareholder approval to be sought at the Company's upcoming Annual General Meeting.

In respect of each of the above issues of options, the exercise price is \$0.85 and the expiry date for the exercise of the options is 31 December 2012.

Please find attached an Appendix 3B and s.708A Notice in respect of the above issue of options.

Yours faithfully



Chris Reed  
**EXECUTIVE 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   | Unlisted options exercisable at \$0.85 each  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (a) 700,000 issued to employees of the Company<br>(b) 300,000 issued to consultants to the Company.  |
| 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) | Unlisted options to acquire one fully paid ordinary share per option pursuant to the Reed Resources Employee Share Option Plan:<br>350,000 options exercisable at any time after 12 months of issue at \$0.85 each;<br>350,000 options exercisable at any time after 18 months of issue at \$0.85 each<br>but in any case, prior to expiry on 31 December 2012.<br><br>Unlisted options to acquire one fully paid ordinary share per option pursuant to Letters of Offer:<br>300,000 exercisable at any time after the grant of the options at \$0.85 each<br>but prior to expiry on 31 December 2012. |

4 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

5 Issue price or consideration

Unlisted options issued at nil consideration.

6 Purpose of the issue  
(If issued as consideration for the acquisition of assets, clearly identify those assets)

Incentives provided to consultants and employees of the company. The issued options referable to 2(a) were issued pursuant to the Reed Resources Ltd Employee Share Option Plan.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

Immediately upon allotment.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	97,016,667	Ordinary fully paid

Number	+Class
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+ See chapter 19 for defined terms.

9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable)	2,300,000	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
		1,000,000	Unlisted options exercisable at \$0.85 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 <sup>+</sup> securities will be offered	N/A
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	N/A
15	<sup>+</sup> 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 <sup>+</sup> 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 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

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+ See chapter 19 for defined terms.

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

**Entities that have ticked box 34(b)**

38 Number of securities for which +quotation is sought 

N/A
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39 Class of +securities for which quotation is sought 

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

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+ 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:   
(Director/Company secretary)

Date: 14 September 2007

Print name: Christopher John Reed  
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+ See chapter 19 for defined terms.

The Manager  
ASX Company Announcement Platform  
PO Box H224  
Australian Square  
SYDNEY NSW 2000

**FOR RELEASE**

Dear Sir

**ISSUE OF SECURITIES**

**NOTIFICATION PURSUANT TO SECTION 708A(5)(e) OF THE CORPORATIONS ACT 2001**

Reed Resources Limited (**Company**) advises that, on 14 September 2007, it granted 300,000 options over fully paid ordinary shares (**Securities**) pursuant to Letters of Offer to two consultants of the Company.

The Company notifies ASX that:

- 1 The Company issued the Securities without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (the **Act**);
- 2 This notice is given pursuant to paragraph (5)(e) of Section 708A of the Act;
- 3 As at the date of this notice the Company has complied with:
  - (a) the provisions of the Chapter 2M of the Act as they apply to the Company; and
  - (b) section 674 of the Act; and
- 4 As at the date of this notice there is no excluded information (as defined in section 708A(7) and (8) of the Act) which is required to be disclosed by the Company.

For and on behalf of the Board  
**REED RESOURCES LTD**



Chris Reed  
**EXECUTIVE DIRECTOR**  
**COMPANY SECRETARY**

