

19 July 2010

Company Announcements Office  
ASX Limited  
via Electronic Lodgement

Dear Sirs

**PROPOSED ISSUE OF OPTIONS**

The Company wishes to advise that pursuant to the terms of the employment contract of one of its key employees, and in accordance with the rules of the Reed Resources Employee Share Option Plan, the Board has resolved to offer that employee 750,000 unlisted options (each to acquire 1 fully paid ordinary share of the Company).

The options will have an exercise price of \$1.00 and an expiry date for exercise of 1 July 2013. The options are offered for no additional consideration in accordance with the employee's remuneration entitlements.

Yours faithfully



Jason Carone  
**COMPANY SECRETARY**

