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ASX RELEASE **20 December 2012**

Wet commissioning of Bluebird Gold Processing Plant commences at Meekatharra Gold Operations

Emerging Australian gold producer Reed Resources Ltd (**ASX: RDR**) (**"Reed"**) is pleased to announce that wet commissioning of the 3Mtpa Bluebird Gold Processing Plant (**"Bluebird"**) at its Meekatharra Gold Operation has commenced.

The initial plant feed blend predominantly comprises stockpiled, low grade ore which will establish Bluebird's gold in circuit inventory of approximately 1,200 ounces. Plant operating parameters will be stabilised during wet commissioning and gold production is scheduled to increase throughout the March quarter of 2013 as ore mined from the Bluebird open pit is added to the feed blend.

In announcing the commencement of wet commissioning, Reed Managing Director Luke Tonkin said the company continued to make strong progress on all fronts towards gold production at Meekatharra.

"The commencement of Bluebird's wet commissioning marks a major milestone for Reed as it transitions from developer to producer.

"It's particularly satisfying to witness the combined commitment, cooperation, skill and perseverance of Reed's employees, contractors and consultants to complete the Meekatharra Gold Operation's capital works program and herald in Reed's transition to gold production," Tonkin said.

"Mining, which commenced late October, has progressed as scheduled with the first ore from the Bluebird pit delivered to the run-of-mine stockpile in November. Electrical terminations between the processing facility and the new power station are complete, allowing the new diesel-fired power station to supply power throughout the site.

"Crushing of low grade feed for wet commissioning of the Bluebird plant commenced in November, with the live crushed ore surge stockpile fully established and currently being drawn as feed for the plant," Mr Tonkin concluded.

Figure 1 – Run-of-mine stockpiled ore being fed to the Bluebird primary crushing circuit.

Figure 2 – Crushed ore being stacked on the Bluebird live ore surge stockpiles prior to feeding the plant milling circuit.

Figure 3 – Bluebird open pit development (looking west).

Figure 4 – Bluebird open pit bench development (looking north).

For further information please contact:

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About Reed Resources

Reed Resources Ltd (ASX: RDR, OTC: RDRUY) is an emerging Western Australian gold producer focused on bringing its flagship Meekatharra Gold Project into production in December 2012.

Reed Resources' wholly owned Meekatharra Gold Project is located in the prolific Murchison region of Western Australia and currently has 3.59Moz of gold in JORC resources (see table below) and existing infrastructure including the 3 Mtpa Bluebird processing plant.

Reed Resources' other projects include:

- **Mount Marion:** High-grade lithium project located 40km south of Kalgoorlie in JV with Mineral Resources Limited (ASX: MIN).
- **Barrambie:** Currently in approvals process and evaluating recovery of titanium, vanadium and iron units via a proprietary hydrometallurgical processing route.
- **Comet Vale:** Currently on care & maintenance. High grade resource of 209,500 oz at 7.6 g/t Au.
- **Mount Finnerty:** Iron ore JV with Cliffs Natural Resources and nickel option with Barranco Resources NL.

Reed Resources' American Depositary Receipts (ADR's) trade under the code RDRUY (CUSIP Number: 758254106). Each Reed Resources ADR is equivalent to 10 ordinary shares of Reed Resources as traded on the ASX. The Bank of New York Mellon is the depository bank.

Website: www.reedresources.com

Deposit	Resource Category	Tonnage (Mt)	Au (g/t)	Au (koz)
Meek. North	Indicated	1.2	1.8	65.7
	Inferred	0.2	1.6	9.3
Paddys Flat	Indicated	25.2	1.6	1,280.7
	Inferred	13.4	1.6	670.0
Yaloginda	Indicated	10.0	1.7	563.6
	Inferred	6.3	1.7	346.9
Nannine	Indicated	0.6	1.6	30.9
	Inferred	0.2	1.6	12.7
Reedys	Indicated	2.7	3.1	276.4
	Inferred	4.0	2.7	337.9
Total		**63.9**	**1.8**	**3,594.1**

Comet Vale	Category	Tonnes (Mt)	Au (g/t)	Gold (koz)
Comet Vale	Indicated	0.41	7.2	96.9
	Inferred	0.43	8.1	112.6
Total		**0.85**	**7.6**	**209.5**

1. Resources and reserves comply with the Australian JORC Code reporting guidelines
2. Resources are inclusive of reserves

Deposit	Reserve Category	Tonnage (Mt)	Au (g/t)	Au (koz)
Bluebird	Probable	1.4	1.9	86.0
South Junct.	Probable	0.1	1.5	4.5
Prohibition	Probable	1.1	2.7	96.0
Surprise	Probable	0.1	3.0	13.0
Batavia	Probable	0.2	2.4	14.0
Whangamata	Probable	0.3	1.4	11.9
GNH	Probable	0.9	1.3	35.6
Jack Ryan	Probable	0.2	3.1	21.8
Callisto	Probable	0.1	3.1	7.2
Rand	Probable	0.1	2.4	7.6
Mickey Doolan	Probable	3.3	1.1	121.7
Maid Marion	Probable	0.2	1.4	8.7
Aladdin	Probable	0.4	1.7	21.5
South Emu	Probable	0.1	4.7	13.9
TOTT	Probable	0.5	1.8	29.4
Sub Total (O/Pit)	**Probable**	**8.9**	**1.7**	**492.9**
Prohibition	Probable	1.3	2.4	104.1
Vivian/Cons.	Probable	0.3	7.7	63.6
Fatts/Mud.	Probable	0.4	4.7	57.2
South Emu	Probable	0.2	4.3	34.2
Sub Total (U/G)	**Probable**	**2.2**	**3.6**	**259.1**
Total	**Probable**	**11.2**	**2.1**	**752.0**

COMPETENT PERSONS STATEMENT

Geological aspects of this report have been compiled by Mr Craig Fawcett (MAIMM), a full time employee of Reed Resources Ltd. Mr Fawcett has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Person as defined in the Code for reporting of Mineral Resources and Ore Reserves (2004). Mr Fawcett consents to the inclusion in this report of the matters in the form and context in which they appear.