Reed Resources Ltd
ABN 89 099 116 631

Level 1, 672 Murray St
West Perth WA 6005

Locked Bag 8
West Perth WA 6872

Tel: +61 8 9322 1182
Fax: +61 8 9321 0556

ASX RELEASE **29 August 2014**

Extension of Managing Director's appointment

- **The Company has renewed the term of Chris Reed's employment as Managing Director to 30 June 2017.**

Reed Resources Ltd (ASX: RDR) ("Reed" or "the Company") is pleased to announce that its executive services agreement with its Managing Director, Chris Reed, has been renewed to now expire on 30 June 2017. Mr Cole, Chair of the Company's Nominations/Remuneration Committee said "This extended term is designed to assure to the Company and its shareholders the continuing services of Mr Reed during the next phase of development and implementation of the Company's strategic focus on 21st century minerals in lithium and titanium."

Following the annual contractual review of Mr Reed's performance and remuneration arrangements, Mr Reed's remuneration package will now reflect the following key aspects from 1 July 2014:

- Base Salary Package: $390,000 p.a. (inclusive of statutory superannuation);
- Short Term Incentive: Discretionary annual bonus of up to $100,000 against pre-set KPI's measured against corporate and personal performance outcomes; and
- Long Term Incentive: The grant of performance rights to a value of $150,000 under plan arrangements already endorsed by shareholders, which rights may vest depending on the Company's total shareholder return (TSR) performance against a benchmark basket of other companies in the same industry sector as the Company.

The Company has also agreed with Mr Reed that, subject to shareholder agreement at a future general meeting and to better align senior executive remuneration entitlements with prior shareholder feedback, future grants of performance rights to Mr Reed will be subject to a 2-year primary vesting period, rather than the current 1 year period.

The other terms of Mr Reed's contract remain unchanged.

ENDS

For further information please contact:
Steven Cole
Chairman, Nomination and Remuneration Committee
Reed Resources Ltd
T: +61 89322 1182
E: enquiries@reedresources.com

About Reed Resources
Reed Resources Ltd (ASX: RDR, OTC: RDRUY) is a Western Australian resource developer.
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

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