

ASX ANNOUNCEMENT

3 May 2011

Non-renounceable Entitlement Issue of Options

Riedel Resources Limited ("**Riedel**") is pleased to advise that in accordance with the Prospectus dated 12 November 2010, the Directors of the Company have resolved to make a pro rata non-renounceable offer to issue approximately 29,104,050 New Options under a new Prospectus at an issue price of \$0.01 (1 cent) per New Option to raise approximately \$291,040 before expenses.

The new options will have an exercise price of \$0.20 and an expiry date of 30 November 2012. The New Options are being offered on the basis of one (1) New Option for every two (2) Shares held on the Record Date of 13 May 2011.

Each Shareholders entitlement under the Offer will be set out in the Entitlement and Acceptance Form that will accompany the Prospectus, to be mailed to Shareholders registered at the Record Date.

The Company will apply for official quotation of the Options issued under the Prospectus.



COMPANY DIRECTORS

Mr Ian Tchacos
Non-Executive Chairman

Mr Bruce Franzen
Executive Director

Mr Jeffrey Moore
Managing Director

Mr Andrew Childs
Non-Executive Director

Mr Wolfgang Zimmer
Non-Executive Director

COMPANY SECRETARY

Mr Bruce Franzen

CONTACT DETAILS

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ASX CODE: RIE



The timetable for the offer is as follows:

EVENT	DATE
Announcement of Option Issue	3 May 2011
Prospectus lodged with ASIC and ASX	4 May 2011
Notice of Option Issue sent to Shareholders	6 May 2011
“Ex” Date (date from which Shares commence trading without the entitlement to participate in the Option Issue)	9 May 2011
Record Date (date for determining Shareholder entitlements to participate in the Option Issue)	13 May 2011
Prospectus sent to Shareholders and Opening Date	19 May 2011
Closing Date	2 June 2011
Options begin trading on ASX on a deferred settlement basis	3 June 2011
Notification to ASX of Shortfall	7 June 2011
Despatch date/Options entered into Shareholders' security holdings	10 June 2011
Close of Shortfall Offer	15 June 2011

Notes

Dates are indicative only. Subject to the Listing Rules, the Directors may vary the dates without prior notice.

For further information please contact:

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About Riedel Resources Limited

Riedel Resources Limited is an Australian Based exploration Company established to explore for and develop gold and base metals mineralisation in Western Australia. The Company was incorporated on 9 April 2010 as a public company for the purpose of acquiring a portfolio of highly prospective exploration projects located in Western Australia from ADX Energy Limited (formerly AuDAX Resources Limited). Riedel successfully listed on the ASX on 31 January 2011.

Further information can be found on Riedel Resources at the Company's website www.riedelresources.com.au .