HANNANS REWARD

Exploring for Gold and Base Metals

Underwritten Share Purchase Plan

7 October 2008

- **Patersons Securities Limited appointed Lead Manager and Underwriter to Share Purchase Plan (SPP)**
  - SPP underwritten to a value of $500,000
  - Discounted share issue available to existing Hannans shareholders only
  - Record date for SPP is 5pm (WST) 6 October 2008
  - Open date for SPP is 9 October 2008
  - Closing date for SPP is 24 October 2008
  - Contact Hannans to take advantage of this offer if you have not received your SPP documents by 14 October 2008

Hannans Reward Ltd (ASX: HNR) is pleased to advise that Patersons Securities Limited (Patersons) has agreed to lead manage and will underwrite the SPP to a value of $500,000. The Company considers Patersons commitment to underwriting the SPP in the current market conditions to be a positive statement about the quality of Hannans' iron, manganese and nickel projects.

There is scope under the SPP to raise substantially more than the underwritten amount and therefore Hannans encourages all Shareholders to apply for shares.

Shareholders can apply for shares up to a value of $5,000 with a minimum application of $1,000. The final offer price will be a <u>20% discount</u> to the volume weighted average trading price of Hannan's Shares during the 5 days immediately after the Closing Date. Full details of the SPP will be posted to shareholders on 9 October 2008 however the SPP offer is being made to all Hannans Shareholders on the register as at 5pm (WST) on 6 October 2008 (Record Date).

We thank shareholders for their support and encourage all shareholders to actively participate in the SPP.

If you have any questions in relation to this announcement please do not hesitate to contact Damian Hicks, Managing Director on +61 8 9324 3388.

Summary

Hannans Reward Ltd has developed a suite of prospective exploration projects within Australia covering iron, nickel and gold. Hannans Reward Ltd is well funded with shareholders exposed to share price appreciation through exploration success.

- Forrestania - nickel project 12km north of Western Area's Flying Fox nickel mine
- Jigalong - iron, manganese & base metals located 150km east of Newman, WA
- Queen Victoria Rocks - nickel project located 30km south-west of Coolgardie, WA
- Maggie Hays South - located 25km south east of Norilsk's Maggie Hays nickel mine
- Sunday – joint venture with Australian Mineral Fields Ltd, 10kms east of Leonora, WA

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Board of Directors

Chairman
Richard Scallan
Managing Director
Damian Hicks
Non-Executive Directors
Ernie Dechow, Bill Hicks, Terry Grammer
& Frank Cannavo