



**washington**

8 February 2007

The Manager  
Company Announcement Office  
Australian Stock Exchange Limited  
Level 8  
2 The Esplanade  
Perth WA 6000

Dear Sir,

**Re: Bulla Joint Venture and Reedy Lagoon Initial Public Offering**

Washington Resources Limited (“Washington” or “Company”) today announced it had entered into an agreement with Reedy Lagoon Corporation Limited A.C.N. 006 639 514 (“RLC”), whereby Washington’s interest in the Bulla Joint Venture will be sold to RLC in consideration of the issue by RLC to Washington of 4 million fully paid ordinary shares in RLC at the time of RLC’s IPO.

The Bulla Iron Ore Joint Venture is an unincorporated joint venture between the Company and RLC and relates to ELA 70/2419 and ELA 70/2420 in Western Australia. Minerals other than iron are excluded from the joint venture.

In return for the conversion of the joint venture interest to equity in RLC, Washington Directors hope to unlock some of the value in the Bulla Joint Venture for WRL shareholders by providing a priority entitlement to IPO subscriptions in RLC.

RLC plans to IPO in the first half of this year. RLC's main focus will be WA based iron and uranium exploration. RLC also has copper-gold-uranium exploration acreage in the Gawler Craton (South Australia).

Yours faithfully  
**Washington Resources Limited**

***For further information, please contact:***

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