



washington

14 May 2007

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

Dear Sir,

Re: Reedy Lagoon Initial Public Offering

Further to the announcement on 8 February 2007 in relation to an agreement with Reedy Lagoon Corporation Limited A.C.N. 006 639 514 ("RLC") and RLC's intention to carry out an initial public offering ("IPO") and to seek admission to ASX Limited, Washington Resources Limited ("Washington" or "Company") today announced that RLC on 11 May 2007 lodged a prospectus with the Australian Securities & Investments Commission for the purpose of the IPO.

Under the agreement with RLC, 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 the 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.

As stated in RLC's prospectus, that company has projects that amongst other things target iron in Western Australia and uranium in a region straddling the Northern Territory and Western Australia border.

As also stated in the RLC prospectus, RLC shareholders and Washington shareholders whose priority application forms are received before the priority allocation closing date (currently 1 June 2007) will be given priority in the allocation of shares offered under the offer. It should be noted that to qualify as a Washington shareholder for the purposes of this priority entitlement, the record date was set by RLC as 11 May 2007. As such, the shareholders must have been on the register on that date.

Washington shareholders who were registered on 11 May 2007 are urged to refer to RLC's website (www.reedylagoon.com.au) for a copy of the prospectus. Note that application forms will not be available until after the exposure period, currently expected to end on 18 May 2007.

Printing of the prospectus will commence after the exposure period and a copy of the prospectus together with a priority application form will be mailed as soon as they are printed to Washington shareholders who were on the register on the record date. Any Washington shareholder wishing to subscribe for RLC shares will need to complete the application form that will be in or accompany the prospectus.

The RLC offer is scheduled to open on Monday 28 May 2007.

Yours faithfully

Washington Resources Limited

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