



washington

23 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 and Washington Shareholder
Priority Applications**

Further to the announcement on 14 May 2007 in relation to the initial public offering of Reedy Lagoon Corporation Limited A.C.N. 006 639 514, attached is a copy of a letter sent today to Washington shareholders who were on the register as at 11 May 2007.

Yours faithfully
Washington Resources Limited

For further information, please contact:

**Adrian Griffin
Washington Resources Limited
(+618) 9485 0755
(+614) 18 927 658**



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23 May 2007

Dear Washington shareholder,

You should in the near future, if you have not done so already, receive a copy of the prospectus relating to the initial public offering ("IPO") of Reedy Lagoon Corporation Limited A.C.N. 006 639 514 ("RLC").

As stated in the RLC prospectus, RLC shareholders and Washington shareholders whose priority application forms are received before the priority allocation closing date (1 June 2007 at 5pm WST) 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 offer, the record date was set by RLC as 11 May 2007. As such, the shareholders must have been on the register on that 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, and the priority application closing date is 1 June 2007. As such, those wishing to apply as priority applicants will need to act quickly.

Yours faithfully
Washington Resources Limited

Adrian Griffin
Chairman and Managing Director

For further contact, please ring Adrian Griffin on 0418 927 658