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Manager – Companies  
The Australian Securities Exchange Limited  
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Perth WA 6000

## **KINGSROSE MINING TO EXIT COMET VALE PROJECT ON FAVOURABLE TERMS**

As a result of a strategic review of the Comet Vale Gold Project, the Board of Kingsrose has concluded that it is in the best interest of Kingsrose shareholders for the Company to exit from Comet Vale to allow management and resources to be focussed on the Way Linggo Gold Project in Sumatra, Indonesia, which is showing all the signs of developing into a first class, highly profitable gold operation.

Kingsrose Chairman, John Morris, commented that “Comet Vale is potentially a very good project but one that makes sense for a single operator”.

**Agreement has been reached with “Production JV” partner, Reed Resources Ltd (ASX:RDR), to allow Kingsrose to exit on favourable terms, as follows:**

- *Reed Resources to pay Kingsrose A\$1M by 31 October 2009*
- *Kingsrose to continue to earn gold production, as per current arrangement, from now until 31 May 2010*
- *Kingsrose to receive A\$1M in cash in exchange for its mining equipment by 30 June 2010*
- *Kingsrose to receive A\$2M equivalent in Reed Resources Ltd shares by 3 June 2010.*

At Comet Vale, an ore parcel is currently being toll-treated and should yield nearly 1,800 ounces for Kingsrose, worth approximately A\$2M. Development of the 4 Level is nearing completion so Kingsrose will be able to concentrate on ore extraction for the next seven months, which should result in Project net positive cash-flow of around A\$1M.

TIMOTHY G. SPENCER  
FINANCE DIRECTOR