



Polo Resources Limited
("Polo", "Polo Resources" or the "Company")

Proposed Coking Coal Joint Venture with Earth Coal Resources Ltd. in Indonesia

Polo Resources Limited (AIM and TSX: POL), the mining and exploration investment company with interests in coal and iron ore, is pleased to announce that it has signed a letter of intent (the "**Letter of Intent**") with Earth Coal Resources Limited ("**EarthCoal**"), to procure coking coal projects in Indonesia.

Under the terms of the Letter of Intent, Polo will advance up to US\$3 million in the form of a convertible loan (the "Convertible Loan") to a newly incorporated Indonesian company ("Polo IndoCoal") to fund due diligence and related project development costs in Indonesia, which is led by Polo's partner in Indonesia, EarthCoal. The Convertible Loan is available to be drawn down in several tranches (each tranche requiring the approval of Polo) and the outstanding loan sum drawn down at any time (the "**Outstanding Loan Sum**") shall bear no interest. Save with the consent of Polo, the undrawn balance of the Loan shall cease to be available from 31 December 2011 with the drawn down balance at that time either being converted or, if no progress has been made, written off. The Convertible Loan can be drawn down immediately by Polo IndoCoal, and is repayable only with the consent in writing of Polo. On electing to convert the Outstanding Loan Sum to shares in Polo IndoCoal (which election Polo can make at any time after draw-down of the first tranche of the loan), regardless of how much of the US\$3 million has been drawn down, the Outstanding Loan Sum shall be converted into new shares of Polo IndoCoal representing 60 per cent. of its issued shares.

EarthCoal is a natural resource investment company focused on investing in coking coal assets and projects in Indonesia with outstanding fundamentals and growth prospects. EarthCoal's leadership team is currently reviewing a number of potential coking coal investment opportunities in Indonesia, in respect of which the Letter of Intent has granted to Polo IndoCoal a right of first refusal should EarthCoal wish to pursue any such project further following completion of their due diligence.

At the date of the Letter of Intent, Polo IndoCoal's shareholders comprise the geology, corporate finance and management team of Polo IndoCoal as agreed by the parties (who shall together in aggregate be interested in 50 per cent. of the issued share capital of Polo IndoCoal) and EarthCoal and its nominees who are also interested in, in aggregate, 50 per cent. of the issued share capital of Polo IndoCoal. At Polo's election, the Convertible Loan can be converted into a 60 per cent. stake in Polo IndoCoal on a fully diluted basis.

Polo IndoCoal shall operate under a management services agreement between the Company and EarthCoal.

Mr. John Benitz, a director of EarthCoal has been appointed as Chairman of Polo IndoCoal. Mr. Peter Ong, a director of EarthCoal, has been appointed as Deputy Chairman and President Director of Polo IndoCoal. Mr. Stephen Dattels and Mr. Neil Herbert shall join the board, as Co-Chairman and Executive Vice-President respectively.

Neil Herbert, Executive Co-Chairman and Managing Director of Polo Resources, said:

"We are very pleased to have reached agreement with EarthCoal regarding the joint appraisal, acquisition and development of coking coal projects in Indonesia. We see EarthCoal as an important strategic partner for Polo and any investment in Indonesia positions the company well given the growing demand for energy in Asia.

“We look forward to working with EarthCoal.”

Peter Ong, Deputy Chairman, President Director of Polo IndoCoal, stated:

“Given Polo Resources, and its leadership team’s experience we are very excited at having such an outstanding partner to work with us in Indonesia. Indonesia today represents, in our view, outstanding growth prospects and we very much look forward to working with Stephen Dattels, Neil Herbert and their team.

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About the Company

Polo Resources is a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. The Company will primarily invest in companies with producing assets and/or resources and reserves that have been verified under internationally recognised reporting standards. For complete details on Polo Resources: www.poloresources.com.

CAUTIONARY STATEMENT

The AIM Market of London Stock Exchange plc does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. All statements, other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding potential values, the future plans and objectives of Polo Resources Limited. There can be no assurance that such statements will prove to be accurate, achievable or recognizable in the near term.

Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Polo Resources Limited assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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