

12 December 2012



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

POLO MAKES OFFER TO ACQUIRE FURTHER INTEREST IN SIGNET PETROLEUM LTD.

Highlights

- Polo makes offer to acquire up to 9,378,571 ordinary shares in Signet
- Offer conditional on Polo achieving a total shareholding of over 50.0 per cent. of the issued share capital of Signet
- Polo offers 40 new shares in the Company as consideration for each Signet share
- If all target shares acquired, Polo will be interested in 47.05 per cent. of the issued share capital of Signet
- If all target shares are acquired Polo shall exercise some or all of its option over 2,225,000 Signet shares (the "**US\$1.25 Options**") to increase resultant shareholding to greater than 50.0 per cent.
- Signet continues to review strategic options in relation to each of its assets

Background

Polo Resources Limited (AIM, TSX: POL) announces that it has today, 12 December 2012, made an offer (the "**Offer**") to certain shareholders (the "**Signet Shareholders**") of Signet Petroleum Ltd. ("**Signet**") to acquire their respective shares in Signet. These Signet Shareholders have been each offered 40 new shares in the capital of Polo for each Target Share acquired by the Company (the "**Consideration Shares**").

Polo has initially made the Offer to nine Signet Shareholders, who are collectively interested in 9,378,571 shares and options (to be exercised if the Offer is accepted) in the capital of Signet (the "**Signet Shares**"), comprising 25.7 per cent. of Signet's issued share capital (the "**Target Shares**"). The Offer is conditional on Polo securing sufficient acceptances by Signet Shareholders to secure, together with the exercise of share options by Polo, a shareholding in excess of 50 per cent. of the issued share capital of Signet ("**Control**") upon the closing of the Offer. The Offer is further conditional on receipt of regulatory and TSX approval.

Based on Polo's most recent Net Asset Value statement, announced on 1 October 2012, the Offer values each Target Share at approximately £1.53 (or approximately US\$2.46*). Based on the market price of the Company's shares at close of business on 11 December 2012, each Target Share has an implied value of £0.98 (or approximately US\$1.57*). If all Signet Shareholders accept the Offer, Polo will issue a maximum of 375,142,840 Consideration Shares to the Signet Shareholders representing 16.35 per cent. of the current issued share capital of Polo.

The Offer will remain open for acceptance by the Signet Shareholder until 12 p.m. (GMT) on 20 December 2012.

Related Party Transaction

In aggregate, Mr. Stephen Dattels, Mr. Neil Herbert and Mr. Ian Burns (the "**Non-Independent Directors**") are indirectly interested in 5,778,571 Target Shares. In addition, both Mr. Ian Burns and Mr. Neil Herbert (as Polo's nominee directors) are directors of Signet. As a result, the Offer constitutes a Related Party Transaction under AIM Rule 13. Accordingly, the independent directors of the Company (comprising Mr. Jim Mellon, Mr. Ian Stalker and Mr. Bryan Smith), consider, having consulted with the Company's Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

In the event that they elect to accept the Offer, the resultant shareholdings of the directors will be as follows:

Director	Signet Shares interested in	New Polo Shares to be Issued	Resultant interest in Polo shares	% Enlarged Issued Share Capital [^]
Stephen Dattels	4,878,571	195,142,840	423,183,675	15.85%
Neil Herbert	700,000	28,000,000	113,385,625	4.25%
Ian Burns	200,000	8,000,000	8,000,000	0.3%

[^] Assuming all of the Signet Shareholders to whom the Offer is being made accept the Offer

Dilution Protection

Pursuant to the terms of the subscription agreement between the Company and Signet dated 15 May 2012 under which Polo subscribed for 2,857,143 Signet Shares at a price of US\$3.50 per Signet Share (details of which are set out in the announcement by the Company dated 16 May 2012), Polo was granted dilution protection by Signet. In the event of a fundraising by Signet within 18 months of the date of the subscription agreement at a price lower than US\$3.50 (a "**Down-Round Fundraising**") the implied price of all historic Polo investment in Signet would be re-set to the price of the Down-Round Fundraising (the "**Price Re-Set**") and bonus shares issued to Polo (the "**Bonus Shares**") to reflect the reduced price. In the event Signet completes a Down-Round Fundraising prior to 15 November 2013 and the Offer is successfully completed, each of the Signet Shareholders who accept the Offer will benefit (through their equity interest in Polo as a result of the issue of the Consideration Shares) from the Bonus Shares.

Resultant Shareholding

If the Offer is accepted by 100 per cent. of the Signet Shareholders to whom the Offer relates (and the Offer is not extended to other Signet Shareholders), Polo's shareholding will increase to 17,188,093 Signet Shares representing 47.05 per cent. of Signet's issued share capital, and 37.99 per cent. of Signet's issued shares on a fully diluted basis (this figure includes a two year warrant over 1,428,572 new Signet Shares at an exercise price of US\$3.50 per share held by the Company and an option over 2,225,000 new Signet Shares at an exercise price of US\$1.25 per share, held by the Company following the transfer to Polo of options that were previously granted to management and founders of Signet as recognition for Polo's support of Signet). As set out above, the Company will seek to exercise its US\$1.25 Options once it is assured that the exercise of the US\$1.25 Options will ensure that Polo can succeed in acquiring a shareholding representing over 50 per cent. of the issued share capital of Signet (on an undiluted basis).

The Company will make further announcements in due course to confirm the level of acceptances received from Signet Shareholders. If insufficient Signet Shareholders accept the Offer, the Independent Directors reserve the right to extend the Offer, on the same terms, to additional shareholders of Signet with a view to securing equity control.

* Exchange rate published in the *Financial Times*, London as at 11 December 2012

Jim Mellon, Non-Executive Director of the Company stated: *"The offer by Polo, together with the existing options and warrants held by the Company, paves the way for Polo to acquire a controlling interest in Signet. The implied price for the target shares in Signet is lower than the price of the Company's earlier investment in Signet. The Directors continue to believe that, based on comparable companies in the region, Signet's diverse portfolio of assets represents an excellent investment opportunity for the Company. Working closely with Polo, Signet continues to review its strategic options in relation to each of its assets which, the Directors believe, have the potential to create significant value for Polo shareholders in 2013."*

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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. For complete details on Polo Resources: www.poloresources.com.

About Signet Petroleum Ltd

Signet was incorporated and registered as a private limited company in the British Virgin Islands on 18 June 2010. Since its incorporation Signet has acquired interests in exploration rights for hydrocarbons in five countries in Africa, namely, Tanzania, Burundi, Benin, Namibia and Sierra Leone.

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.