

21 December 2012



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

ACQUISITION OF SHARES IN SIGNET PETROLEUM LTD.

Highlights

- Offer to acquire shares of Signet accepted by Signet Shareholders collectively interested in 9,203,571 shares representing 24.8 per cent of the issued share capital of Signet.
- Polo will initially hold 45.9 per cent of the issued share capital of Signet.
- Polo's option over 2,225,000 Signet shares, and warrant over 1,428,572 new Signet shares give it the right to increase its shareholding to greater than 50.0 per cent of the issued share capital of Signet.
- Polo currently holds an option to subscribe for a further 2.225 million shares prior to 31 December 2013 each at an exercise price of US\$1.25.

Background

On 12 December 2012, Polo Resources Limited (AIM, TSX: POL) announced that it had made an offer (the "**Offer**") to certain holders of shares and options (the "**Signet Shareholders**") of Signet Petroleum Ltd. ("**Signet**") to acquire their respective shares in Signet ("**Target Shares**"), in return for 40 new shares in the capital of Polo for each Target Share acquired by the Company ("**Consideration Shares**"). The Offer was 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.

Polo announces that it had yesterday, 20 December 2012, received and the Board of Directors had approved nine unconditional acceptances from Signet Shareholders who are collectively interested in 9,203,571 Target Shares. On completion of the acquisition of the Target Shares (the "**Acquisition**"), Polo shall hold 17,013,093 Signet Shares thereby resulting in the Company owning 45.9 per cent of Signet.

The Company has accordingly approved the issue of 368,142,840 Consideration Shares to the Signet Shareholders who accepted the Offer.

Polo currently holds an option to subscribe for a further 2.225 million shares each at an exercise price of US\$1.25 (the "**Signet Option**") and a two year warrant over 1,428,572 new Signet Shares (the "**Warrant**") at an exercise price of US\$3.50 per share (or an adjusted price of US\$0.50 per share less than the price of any new shares issued by Signet at a price lower than US\$3.50). On exercise of the Signet Option and the Warrant Polo will be interested in 21,516,665 Signet Shares, comprising 52.9 per cent of the issued shares of Signet (as at the date of this announcement).

The Board of Directors of Polo, following consultation with the management of Signet, has agreed to delay the exercise of the Signet Option and the Warrant until such time as regulatory consents from the relevant jurisdictions that may be required as a result of Polo acquiring Control of Signet are received ("**Regulatory Approvals**"), and confirmations delivered.

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 acquisition of the Non-Independent Directors' Target Shares 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. The resultant shareholdings of the directors are as follows:

<i>Director</i>	<i>Signet Shares interested in</i>	<i>New Polo Shares to be Issued</i>	<i>Resultant interest in % Enlarged Issued Polo shares</i>	<i>Share Capital[^]</i>
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%

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.

Admission

Application has been made for the Consideration Shares issued to be admitted to trading on the AIM Market of the London Stock Exchange and dealings are expected to commence on 2 January 2013. The new ordinary shares will rank *pari passu* with the Company's existing ordinary shares. Following admission there will be 2,662,228,938 ordinary shares in issue.

For further information, please contact:

Polo Resources Limited	+ 27 82 404 36 37
Ian Burns, Finance Director	
Investec	+44 (0) 20 7597 5970
Neil Elliot, George Price, Mark Wellesley-Wood	
Liberum Capital	+44 (0) 20 3100 2228
Chris Bowman, Tim Graham	
Blythe Weigh Communications	+44 (0) 207 138 3204
Tim Blythe, Robert Kellner	
Toronto	+1 416 367 6229

Borden Ladner Gervais LLP	
Jeffery Barnes, Habeeb Syed	

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