

26 January 2009

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

Approach Received

Polo Resources Ltd (AIM: PRL) announces that it has received an unsolicited, non-binding, indicative and highly conditional approach from Denham Commodity Partners Fund V LP, which may or may not lead to a cash offer being made for the Company.

The Board of Polo Resources considers the indicative approach to significantly undervalue the Company's assets.

The Company continues to evaluate potential strategic partnerships for its Mongolian mineral interests to expedite the funding and development of these assets.

The Board of Polo Resources is also currently reviewing options to ensure that should a formal offer be made for the Company, the equity rights of Polo's shareholders are appropriately protected.

Further announcements will be made in due course, as appropriate.

Neil Herbert, Deputy Chairman of Polo Resources, said:

"We are pleased with the interest shown in Polo's assets and believe it illustrates the potential resource and significant value available to the Company, as well as the strategic importance of our Mongolian licenses. However, this approach does not appropriately reflect the value of our assets, particularly considering our strong working capital position of approximately US\$78 million and equity stakes in Caledon Resources plc (26.3%) and GCM Resources plc (29.8%). Caledon has announced that it is having discussions which may lead to an offer for the Company and GCM is working with the newly elected government of Bangladesh to move the Phulbari Coal Project forward, both of which would greatly enhance their value.

Polo continues to make progress in achieving its aim to become a major international coal mining and exploration group and is confident that negotiations underway for the development of its assets can deliver substantial value to shareholders."

Number of Relevant Securities in Issue:

The Company's issued share capital consists of 1,874,239,816 ordinary shares of no par value ('Ordinary Shares'), each share having equal voting rights. The Company does not hold any Ordinary Shares in treasury and therefore the total number of Ordinary Shares with voting rights is 1,874,239,816.

The ISIN number of the Ordinary Shares is VGG6844A1075.

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