

30 June 2010



Polo Resources Limited
(“Polo” or “the Company”)

**Polo completes sale of interest in Mongolian Joint Venture for US\$35 million
and Cancellation of Warrants**

Further to the announcement of 24 May 2010, Polo Resources Limited (AIM and TSX: POL) announces the signing of a Sale and Purchase Agreement and the completion of the sale of Polo’s 50% interest in Peabody-Polo Resources B.V. (the “JV”), being the joint venture company holding coal and uranium assets in Mongolia, to Winsway Coking Coal Holdings Ltd (the “Disposal”).

Polo has received cash consideration for the Disposal of US\$15 million and a further US\$20 million is payable within 12 months in cash or, in certain circumstances, by the issue of shares in Winsway. In addition, Polo will retain a 1% royalty (net 0.5% as a result of the arrangements described further below) for coal sold from licences currently held in the JV.

As part of these arrangements, the warrants to subscribe for 265,455,111 ordinary shares in the Company granted to Peabody Energy have been surrendered for no consideration. The fully diluted share capital of the Company is reduced by 9.6% to 2,487,395,623 ordinary shares. The current issued share capital of the Company is 2,346,645,623 ordinary shares.

The key terms of the Sale and Purchase Agreement and the other agreements entered into between the parties, the JV and Peabody Energy are set out at the end of this announcement.

Whilst the Disposal is not subject to shareholder approval, pursuant to Rule 15 of the AIM Rules for Companies, the effect of the disposal will be that the Company will be classified as an investing company as it ceases to own, control or conduct all, or substantially all, of its existing trading activities or assets. As required by AIM Rule 15, the Company is preparing an investing policy and a circular to shareholders convening a General Meeting at which shareholders will be asked to approve the Company’s proposed investing policy. A further announcement will be made in due course.

Neil Herbert, Executive Co-Chairman, said:

“We are pleased to have completed the divestment of our holding in the joint venture in Mongolia. Polo is focused on maximising shareholder value through its uranium and coal interests in Extract Resources Limited, GCM Resources plc and Caledon Resources plc.

The Company holds 22,550,849 shares in Extract Resources representing a strategic 9.30% interest in the fast developing uranium project at Rossing South. Extract

continues to progress well; aggressive drilling rates continue to underpin this globally significant project as it advances to completing the Rossing South Definitive Feasibility Study. Extract's results to date continue to support the base case mine plan which remains low risk, bulk tonnage, open pit mining, with ore processed through a conventional agitated tank leach plant. Polo continues to actively evaluate options regarding its interest in Extract which, given the strategic importance of the stake, Polo expects could result in a premium valuation.

The Company holds 15,220,985 shares in GCM Resources Plc representing a 29.83% interest. GCM continues to work with the Government of Bangladesh and other stakeholders and remains ready to move the Phulbari Project forward when the Government approves the Scheme of Development. Discussions with the Government, which are now covering the detail of the Project and its implementation, continue to progress well.

The Company currently holds 54,985,196 shares in Caledon representing a 25.30% interest. On 24 June 2010, Polo announced the termination of merger discussions previously announced on 27 April 2010 due to recent market volatility but remains a supportive shareholder. Caledon recently confirmed that its tonnage application is likely to satisfy the Expression of Interest criteria necessary to be included in Stage 1 of the proposed new Wiggins Island coal port development. This is a key development for Caledon and should this result in a port allocation it would enable Caledon to advance with its Minyango coking coal project in Queensland."

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Further information on the Disposal

Share Purchase Agreement

A share sale agreement dated 29 June 2010 has been entered into between Polo Resources Cooperatief U.A. ("Polo Coop") (1) and Lucky Colour Limited (a wholly-owned subsidiary of Winsway ("Winsway Purchaser")) (2) (the "Sale Agreement") under

which Polo Coop agrees to sell its 50% shareholding in Peabody-Polo Resources B.V. ("JVCo") to Winsway Purchaser in return for US\$35.0 million. Of this US\$35.0 million, US\$15 million has been paid in cash and US\$20 million takes the form of deferred consideration to be settled in certain circumstances in common shares of Winsway within 12 months of completion or, failing this, is to be paid in cash. The Sale Agreement contains limited warranties to Winsway as to the ownership of the shares and Polo Coop's capacity to sell the shares.

In the Company's unaudited 31 December 2009 interim financial statements, the Company's 50 per cent. interest in the joint venture had a book value of US\$15,672,000 (30 June 2009: US\$19,505,000).

Proceeds from the Sale Agreement will be used for working capital and investment purposes.

Deed of Release

A Deed of Release and Termination dated 29 June 2010 has been entered into between Polo Coop (1), Peabody Holland BV ("Peabody BV")(2), JVCo (3), the Company (4) and Peabody Energy Corporation ("Peabody") (5) (the "Deed of Release") which is intended to effect between the parties to that deed various releases, waivers and to terminate obligations under the existing joint venture agreement and subscription agreement relating to JVCo. On completion, Polo paid approximately US\$506,000 in repayment of a receivable in exchange for the right to pursue collection on its own. Pursuant to this Agreement, Peabody also agrees to terminate the Warrant Instrument granted to Peabody and Peabody has agreed to surrender all of the warrants owned by it for their "in the money" value, which at the time of closing was zero. The warrants had an expiry date of 30 November 2010 and exercise prices between 3.78 pence and 4 pence per share. These warrants have been cancelled.

Non-Compete Agreement

In place of the existing non-compete obligations of the Company, a Non-Compete Agreement dated 29 June 2010 has been entered into between Polo Coop (1), the Company (2), JVCo (3) and Peabody BV (4) under which the Company and Polo Coop covenant that they, their subsidiaries and their affiliates together with their officers and directors and agents (acting in their capacity as such) will not (a) be involved in any business or asset relating to the Coal Business in Mongolia; (b) solicit or discourage from dealing any supplier, customer or client; and (c) solicit any employees or persons who are Peabody representatives, in each case for a period of twelve months from the date of completion of the transaction.

Royalty Agreement

In place of the Group's existing entitlement to receive a royalty, a Royalty Agreement dated 29 June 2010 has been entered into between the Company (1) and the JVCo (2) under which the Company would be entitled to the payment of a royalty of 1% on coal which is mined and sold, based on FOB mine site price, by the JVCo and its group pursuant to the exploitation of certain licences held by the JVCo (other than in respect of the stockpile at the Ereen mine). The Royalty Agreement terminates on the earlier of (a)

the total payments to Polo exceeding US\$50 million; (b) the 25th anniversary of the agreement; or (c) all of the licences to which the royalty relates, expiring or being transferred to transferees who assume the liability to make the royalty payments.

The Company has also entered into a Deed of Termination with American Patriot International, LLC ("AmPat") dated 29 June 2010 under which the Company and AmPat agree to terminate certain existing arrangements between them regarding the management of the Company's interest in the JVCo in consideration of the Company paying over to AmPat 50% of the royalties received by the Company under the Royalty Agreement.

About the Company

Polo is an emerging energy company focused on acquiring and developing advanced stage coal and uranium properties. For complete details on Polo Resources Limited, management encourages investors and interested parties to view its public documents filed on AIM Market at 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.