

9 July 2010



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

Proposed investing policy, preliminary approach and proposed meeting of Shareholders

Following the announcement on 30 June 2010 with respect to the sale of its interests in Peabody-Polo Resources B.V., Polo Resources (AIM and TSX: POL) is now categorised as an investing company for the purposes of the AIM Rules. Polo announces that it is proposing an investing policy, the full text of which is set out at the end of this announcement, for approval at a meeting of shareholders ("EGM") which is expected to be held at the beginning of August 2010.

Polo reports that it has been notified that Laxey Partners Ltd ("Laxey") holds 4.04% of the voting rights of the Company as at 2 July 2010 and that Polo has received a non-binding indicative offer letter ("Letter") from Laxey. The Letter, which is subject to due diligence and any regulatory conditions, states that Laxey is considering making an all share offer to acquire the entire issued share capital of the Company through a special purpose vehicle ("Offeror") in consideration for shares in the Offeror. The Offeror, which would be an investing company for the purposes of the AIM Rules, would then apply to have its issued share capital admitted to trading on AIM. The Letter notes that the investing policy of the Offeror would be the orderly realisation of the Company's portfolio and the return of the net proceeds to shareholders. The Offeror would appoint Laxey as its investment manager and seek to capitalise any costs relating to the establishment of the Offeror and facilitating the transaction. The Directors of Polo have rejected the indicative offer contained in the Letter.

Since the Letter was written, Polo has announced the termination of its merger discussions with Caledon Resources Plc and the disposal of its interest in its Mongolian joint venture by the sale of its shareholding in Peabody-Polo Resources B.V. As announced this morning, Polo and its wholly owned subsidiary, Polo Australasia Limited have also signed an agreement for the sale of its shares in Extract Resources Limited for a total consideration of approximately AUD157.9 million and the directors are currently assessing the most suitable manner in which to return value to shareholders through the use of the sales proceeds, which as announced on 2 July 2010, subject to receipt of shareholder approval, completion of the sale of the Extract shares and receipt of cash proceeds of the sale of the Extract shares, the Board of Polo may utilise part of the proceeds of sale to fund a special dividend to shareholders of 3p per share. The Board of Polo also intends to use the proceeds from the sale of the Extract shares in accordance with its proposed investing policy and for working capital purposes. Polo will update shareholders on the outcome of this assessment in due course.

A shareholders circular and notice convening an EGM to consider and if thought fit approve the Company's proposed investing policy will be posted to shareholders shortly.

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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.

Full text of proposed Investing Policy

Polo Resources Limited (the "Company")

Investing Policy

The core of the Company's strategy will be to make direct and indirect investments in natural resources companies and projects, both listed and unlisted, that the directors of the Company (the "Directors") consider to be undervalued or have strong fundamentals and attractive growth prospects.

Natural resources companies or projects, for the purposes of the investing policy, are those involved in the exploration for and extraction of, base metals, precious metals, bulk commodities, thermal and metallurgical coals, industrial minerals, hydrocarbons, energy and uranium and include single-asset as well as diversified natural resources companies.

The Company will primarily focus on making investments in companies with producing assets and/or tangible assets such as resources and reserves that have been verified under internationally recognised standards for reporting, such as NI43-101. The Company may also invest from time to time in exploration companies whose activities are speculative by nature.

The Company will have flexibility to invest in a wide range of investments in addition to unlisted and listed equities and equity-related securities, including but not limited to commodities, convertible bonds, debt securities, royalties, options, warrants and futures as well as the acquisition of assets or projects. Derivatives may be used for efficient portfolio management, hedging and for the purposes of obtaining investment exposure. The Company may also have exposure from time to time to other companies within the wider resources and materials sector, including services companies, transport and infrastructure companies, utilities and downstream processing companies. There will be no maximum or minimum limit on percentage of ownership or on the length of time that any investment may be held.

The Company may take legal or management control of a company from time to time. The Company may invest in other investment funds or vehicles, including any managed by Directors or companies

associated with them, where such investment would be complementary to the Company's investing policy.

There will be no fixed limits on the allocation between unlisted and listed equities or equity-related securities, cash and/or debt.

There is no limit on the number of projects or companies into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time and the Company will consider possible opportunities anywhere in the world.

The Directors may propose a special dividend or implement share buy-backs from time to time but the objective will be to achieve returns to shareholders through the appreciation in the value of the Company's shares rather than by means of distribution.

The Directors will not normally hedge the exposure of the Company to currency fluctuations.

Any material change in the investment objective or investing policy will only be made by a resolution of shareholders as defined in the Company's Articles of Association.