

24 May 2010

Polo Resources Limited

("Polo" or the "Company")

Memorandum of Understanding

with Peabody Energy Corporation and Winsway Coking Coal Holdings Ltd.

for sale of Polo's interest in Mongolian Joint Venture

Polo Resources Limited (AIM: POL, TSX: POL) today announces the execution of a memorandum of understanding (the "MOU") with Peabody Energy Corporation (NYSE: BTU) ("Peabody") and Winsway Coking Coal Holdings Ltd. ("Winsway") pursuant to which Winsway may acquire Polo's 50% interest in Peabody-Polo Resources B.V. (the "JV"), being the joint venture company with Peabody formed to hold all of Polo's coal and uranium assets in Mongolia.

Under the MOU, Winsway will pay a non-refundable deposit of US\$1.75 million to Polo by no later than 27 May 2010 and Polo has agreed to grant Winsway exclusivity for the period to 20 July 2010. The deposit will be applied against the total consideration paid by Winsway to Polo at closing.

Subject to certain conditions, Polo, Peabody and Winsway shall negotiate the terms of a sale of Polo's interests in the JV for a consideration of US\$15 million in cash, including the non-refundable deposit, and US\$20 million payable within 12 months of the sale of Polo's interests in the JV in cash or, in certain circumstances, by the issue of shares in Winsway. In addition Polo shall receive a 1% royalty for coal sold from licences currently held in the JV. The royalty shall not exceed US\$50 million and shall not continue for longer than 25 years after completion of the JV sale.

The signing of definitive documents is subject to agreeing documentation and a number of conditions including due diligence and the release and termination of certain of the existing arrangements with Peabody, including the repurchase by Polo of the Warrants granted to Peabody at a value to be determined based on Polo's price on the date of closing. Polo will also agree to certain non compete provisions in Mongolia for a period of 12 months following completion.

Neil Herbert, Executive Co-Chairman, said:

"We are pleased to be executing the divestment of our non-core 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 and currently has approximately US\$23 million in cash."

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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.

ENDS