

September 15<sup>th</sup>, 2011



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

**Polo Announces EGM to consider additional investment in Signet Petroleum Ltd.**

Polo Resources Limited (AIM and TSX: POL) is today posting a circular to shareholders in relation to a meeting of the Company's shareholders ("**Meeting**") to consider and if thought fit approve a further investment of up to US\$20 million in Signet Petroleum Ltd. ("**Signet**").

The Meeting will be held on 6 October 2011 at The Walter Room, St. James Concert & Assembly Hall, College Street, St. Peter Port, Guernsey, GY1 2NZ at 10.00 a.m. BST, to consider and, if thought fit, approve the exercise of an option, granted to the Company by Signet on 22 August 2011, over not less than 4,285,714 new shares in the capital of Signet ("**Signet Shares**") and, subject to the written consent of Signet, the option further provides for a subscription of up to 5,714,285 new Signet Shares at a price per share of US\$3.50 (the "**Option**"). If approved by the shareholders of the Company ("**Shareholders**") at the Meeting, exercise of the Option would entail the investment of up to US\$20 million in Signet by the Company.

*Background information on 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 four countries in Africa, namely, Tanzania, Burundi, Benin and Namibia (the "**Signet Licences**").

*Polo's previous investments in Signet*

On 6 July 2011, the Company subscribed for 666,666 Signet Shares for a total consideration of US\$2,000,000 (at a price of US\$3.00 per Signet Share). On 22 August 2011, the Company subscribed for a further 1,428,571 Signet Shares for a total consideration of US\$5,000,000 (at a price of US\$3.50 per Signet Share).

Signet currently has 29,995,237 issued shares of which the Company holds 2,095,237 Signet Shares, comprising approximately 7.0 per cent. of Signet's issued share capital and 5.8 per cent. of the fully diluted share capital of Signet.

*Proposed terms of the Signet Investment*

Under the terms of the Option, the Company has been granted a 90-day call option over not less than 4,285,714 new Signet Shares and, subject to the written consent of Signet, up to 5,714,285

new Signet Shares (the “**Signet Option Shares**”). The subscription price for each new Signet Share is US\$3.50 for an aggregate consideration for the Signet Option Shares of between US\$15 million and US\$20 million. The Option will lapse on 20 November 2011.

The exercise of the Option is, in addition to being subject to approval of the Shareholders, conditional on the Company being satisfied with its legal and technical due diligence in relation to Signet (and its subsidiaries) and the Signet Licences (some of which is on-going at the date of this announcement). Accordingly, even if Shareholders approve the proposed investment at the Meeting, there is no guarantee that the Company will exercise the Option.

If the investment in Signet is approved by Shareholders and due diligence is completed to the satisfaction of the Company, should Polo exercise the Option in respect of the minimum number of Signet Option Shares (i.e. 4,285,714 new Signet Shares for a total consideration of approximately US\$15 million), the Company will be interested in 6,380,951 Signet Shares representing approximately 18.6 per cent. of the enlarged issued share capital of Signet and 15.7 per cent. of the enlarged issued share capital of Signet on a fully diluted basis. If (having received written consent from Signet) the Option is exercised in respect of the maximum number of Signet Option Shares (i.e. 5,714,285 new Signet Shares for a total consideration of approximately US\$20 million), the Company will be interested in 7,809,522 Signet Shares representing approximately 21.9 per cent. of the enlarged issued share capital of Signet and 18.6 per cent. of the enlarged issued share capital of Signet on a fully diluted basis.

As long as the Company holds not less than 10 per cent. of the issued share capital of Signet, it shall have the right to appoint a director to the board of directors of Signet.

### *The Signet Licences*

#### *Benin*

Signet has acquired a 90 per cent. shareholding interest in Signet Petroleum Benin, a company that entered into a petroleum contract with the Republic of Benin for the exploration and exploitation of hydrocarbons in offshore Block No. 3 on 15 July 2011. Block No. 3 covers an area of 2,863 square kilometres in the hydrocarbon bearing Dahomey Embayment. Within Block No. 3, there are three major sandstone reservoirs all of which have been penetrated in the Seme field in neighbouring Block No. 1 located to the east.

In February 2011, the Brazilian state oil company Petrobras acquired a 50 per cent. interest in Block No. 4 located to the south adjacent to Block No. 3 offshore Benin.

#### *Burundi*

Signet has acquired rights to an 87.5 per cent. shareholding interest in Minergy RE (Rare Earths) Limited, which entered into a petroleum contract with the Republic of Burundi for the exploration of hydrocarbons in Block C in Lake Tanganyika on 21 May 2011.

Block C covers an area of 658.1 square kilometres. Lake Tanganyika lies on the western branch of the East African Rift System. The exploration area in Burundi includes the Rusizi and Lake Tanganyika basins and has been divided into four blocks, of which Block C is one. Block A located in the Rusizi basin was awarded in May 2011 to A-Z Petroleum Ltd. The other two blocks, Block B and D, are owned by Surestream Petroleum Limited.

In August 2011, Total SA was granted the Lake Tanganyika North Area license following a competitive bid process in which nine companies applied.

#### *Namibia*

On 17 June 2011, Signet entered into a petroleum agreement with the Government of the Republic of Namibia in relation to Block 2914B which gave Signet a 75 per cent. interest in the block. On 19 August 2011, petroleum exploration licence no. 0039 was issued to Signet and its partners in relation to Block 2914B, which comprises an area of 12,299 square kilometres.

Block 2914B is located in the highly prospective Orange Basin to the southwest of the Kudu gas field (estimated proved and prospective reserves of over 6 trillion cubic feet) operated by Tullow Oil plc. Block 2914B is also adjacent to blocks operated by HRT Participações em Petróleo S.A.

#### *Tanzania*

Signet holds an 80 per cent. shareholding interest in Hydrotanz Ltd (“**Hydrotanz**”), a company incorporated in Tanzania. Hydrotanz entered into a production sharing agreement with the United Republic of Tanzania and the Tanzania Petroleum Development Corporation pertaining to the North Mnazi Bay on 29 May 2008. North Mnazi Bay is located offshore and covers an area of 252.27 square kilometres. Hydrotanz has recently completed the acquisition of 375 km of 2D seismic and these results will be interpreted with existing data to design a work programme for the block.

A joint venture between BG International Limited and Ophir Energy plc has interests in Blocks 1, 3 and 4 offshore southern Tanzania. These blocks cover 20,853 square kilometres in the Ruvuma and Mafia Deep Basins area, located in water depths ranging from approximately 100 metres to 3,000 metres. The results of the recent drilling activity in Blocks 1 and 4 have confirmed the presence of both Tertiary and Cretaceous reservoir systems. All three of the recent wells drilled in Blocks 1 and 4 have encountered gas within Tertiary reservoirs. According to a report prepared by RPS Energy Limited in July 2011, Blocks 1, 3 and 4 had 2,454 bscf of gross mean contingent resources and 5,643 bscf of gross mean risked prospective resources. Block 1 is located to the north adjacent to the North Mnazi Bay block.

#### *Exercise of the Option subject to Shareholder Approval*

The exercise of the Option is, in addition to being subject to approval of the Shareholders, conditional on the Company being satisfied with its legal and technical due diligence in relation to Signet (and its subsidiaries) and the licences held by it (some of which is on-going).

#### Interests of Polo Directors

In aggregate, Mr Stephen Dattels, Mr Neil Herbert and Mr Ian Burns (the “**Non-Independent Directors**”) are indirectly interested in 5,400,000 Signet Shares, and Mr Dattels is indirectly interested in an option over a further 2,000,000 new Signet Shares exercisable at a price of US\$1.25 per share. As at the date of this announcement the total shareholding of the Directors and other connected persons in Signet’s share capital is approximately 18.2 per cent. of the total issued Signet Shares, and approximately 20.6 per cent. of Signet Shares on a fully diluted basis. Accordingly the Non-Independent Directors are interested in the business relating to exercise of the Option. In addition, Mr Stephen Dattels and Mr Ian Burns are also both directors of Signet. While the exercise of the Option, does not constitute a related party transaction under AIM Rule 13, in accordance with principles of good corporate governance, the Non-Independent Directors have excused themselves from voting on this matter, and the independent Directors of the Company, namely Mr Guy Elliott, Mr Jim Mellon, Mr Bryan Smith and Mr Ian Stalker (together the “**Independent Directors**”) have unanimously resolved to seek Shareholder consent prior to their final decision as to whether to exercise the Option.

#### Independent Directors’ Recommendations

The Independent Directors consider the proposed Investment to be in the best interests of the Company and in accordance with the Company’s investment strategy. The Independent Directors believe the recent sale of the Company’s shares in Caledon Resources Plc provides the Company with an excellent opportunity to acquire a significant shareholding in Signet and diversify its current portfolio of investments.

For the above reasons, the Independent Directors unanimously recommend that Shareholders vote in favour of the resolution to be proposed at the Meeting as they intend to do in respect of their own beneficial holdings of ordinary shares of the Company, representing approximately 2.2 per cent. of the Company’s issued share capital. The aggregate interest of the Directors in the Company is 15.36 per cent. of issued shares capital.

Jim Mellon, Non-Executive Director of the Company stated: “*The potential further investment in Signet provides a great investment opportunity for the shareholders of Polo. Notably, based on comparable companies in the region, Signet’s diverse portfolio of assets has the potential to create significant shareholder value. We are excited to have the opportunity to gain exposure to acreage in these highly prospective areas.*”

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**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. The Company will primarily invest in companies with producing assets and/or resources and reserves that have been verified under internationally recognised reporting standards. For complete details on Polo Resources visit its website at [www.poloresources.com](http://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 and Signet Petroleum Ltd. 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.

