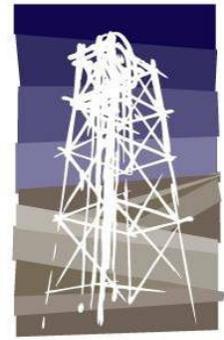


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Bathurst
RESOURCES LTD
ACN 125 679 469

24 February 2010

Centralised Company Announcements Platform
Australian Stock Exchange
10th floor, 20 Bond Street
Sydney NSW 2000

ACQUISITION OF HIGH QUALITY COAL PROJECT, NEW ZEALAND

Bathurst Resources Limited ("Bathurst") is pleased to announce the signing of an agreement with L&M Coal Holdings to joint venture and ultimately acquire an outstanding hard coking coal asset in the Buller coal field in NZ through the acquisition of 100% of L&M Coal Limited.

The acquisition of this advanced exploration asset would complement the recently announced acquisition of the Black Diamond Coal Mine putting Bathurst in an exceptional position in two different regions with two quality operations.

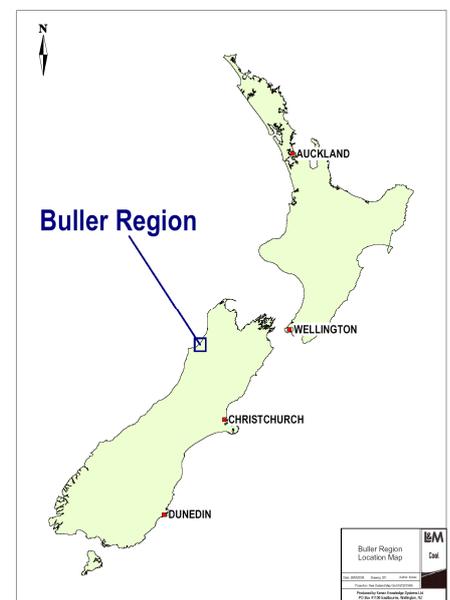
Highlights

- Joint Venture to develop high grade metallurgical coal targets in NZ
- JV leading to 100% acquisition of coal projects
- Current exploration potential conceptually between 50 and 90 million tonnes
- Open cut development opportunity with production in 18-24 months
- Development in an area of established operations with infrastructure in close proximity

Background

The Buller Coalfield on the West Coast of the South Island of New Zealand is one of the country's most significant fields and is particularly well known for its production of very high quality, low ash, coking coals that command premium prices on world markets. The 125 year history of mining in the field continues with the current production of a range of coking and thermal coal, much of which is currently exported.

Coal mining is a significant part of the NZ economy and facilities for export from the West Coast coalfields are



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extensive. Railway lines service the entire West Coast coal mining industry and connect to both river and deep water ports.

L&M Coal has established exploration potential, conceptually between 50 and 90 million tonnes of coking and thermal coals within two permits that cover over 10,000 hectares of the Buller Coalfield with significant further exploration potential remaining within the permits.

The estimate was calculated by CRL Energy using the results from historical and recent drilling undertaken by L&M Coal. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in determination of a mineral resource

Agreement

Bathurst and L&M Coal Holdings have signed a Letter of Intent whereby Bathurst will work in a joint venture with L&M Coal to develop the Buller Project as well as providing Bathurst the sole and exclusive right to execute a sale and purchase agreement to acquire all of the shares in L&M Coal, the agreement of which is to be completed by the 30th April 2010. Following the acquisition of the project, Bathurst would pursue a joint listing on the New Zealand stock exchange.

The Letter of Intent does not impose any financial or other commitment at this stage on Bathurst.

For and on behalf of Bathurst Resources Ltd



**Hamish Bohannan
Managing Director
Bathurst Resources Ltd**

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The information in this announcement that relates to exploration results, mineral resources or ore reserves is based on information compiled by Dr James Pope, of CRL Energy of Christchurch New Zealand, who is a consultant to the company and is a member of the Australasian Institute of Mining and Metallurgy. Dr Pope has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pope consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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BATHURST RESOURCES OVERVIEW



Introduction

Bathurst Resources Limited is an Australian listed company focused on growing and becoming a mid-sized coal producer. Bathurst has been producing coal in Eastern Kentucky since September 2008 when it acquired C&R Holding. Bathurst has been reviewing a number of opportunities in recent months and has now signed an agreement to acquire the Black Diamond coal assets in Eastern Kentucky, USA. This acquisition is to be funded through mezzanine finance at a project level facilitated by Hyde Park Capital Group and Charlotte Capital Partners, Inc.

Bathurst was recently successful in bidding for the Black Diamond assets in Floyd County, Kentucky and has now signed an agreement to acquire these properties and related assets from BD Acquisition LLC who hold the assets following their resumption by the primary creditor, CIT Capital, when the company fell into financial difficulties towards the end of 2008 as the US coal market crashed.

L&M Coal Limited, Buller, New Zealand

The L&M Group, established in 1935, has a long history of exploring and mining natural resources in New Zealand and South America. The Buller Coalfield Exploration Permit 40628, for which application was made in 2003 was designed to acquire and explore large sections of this coking coalfield, then vacant due to low coal prices. The permit and the recent addition of Exploration Permit Application 51078 covers approximately half of the known coalfield and surrounds the working Stockton coal mine.

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