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Company Announcements Platform
Australian Stock Exchange
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Sydney
NSW 2000

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New Zealand Exchange Ltd
Level 2, NZX Centre
11 Cable Street
Wellington, New Zealand

BULLER COAL OFFTAKE MEMORANDUM OF UNDERSTANDING

Bathurst Resources (ASX & NZSX:BTU) is pleased to announce the execution of a Memorandum of Understanding (“MoU”) with Stemcor Australia Pty Ltd (“Stemcor”) a subsidiary of Stemcor Holdings Limited for the sale of coal from the Buller Project in New Zealand.

Stemcor is the world’s largest independent steel trader with turnover exceeding US\$5.5bn (2009) and trading approximately 15 million tonnes of steel and steel-making raw materials annually.

The key aspects of the MoU are:

- 5 year term from the commencement of first coal production (expected late 2011)
- Exclusive agency agreement for 45% of the first 1 million tonnes production plus 30% of any additional production above 1 mtpa
- Stemcor recognises the high quality nature of the Buller product and has agreed to have a proportion of its Agents commission driven by premiums above benchmark that they can obtain on product sales
- Stemcor to act as principal in certain markets
- Subject to satisfactory financial due diligence, agreement to provide up to US\$50 million in a Coal Finance Facility; and
- Subject to formal documentation and completion of financial and operational due diligence to the satisfaction of Stemcor.

Stemcor has a unique position in the industry and a strong worldwide reputation. They will be an excellent partner for Bathurst as it develops its high grade hard coking coal project.

The coal produced from Buller will be of a premium quality and is in high demand from steel manufacturers around the world as it is the preferred feedstock for use in steel making and high end custom coke manufacture.

This partnership with Stemcor will offer Bathurst the best opportunity to maximise value for its product and to establish a track record for reliable, high quality coal production & sales on a global basis, without committing large quantities of the asset for lengthy periods of time.

About Stemcor

Stemcor is the world's largest independent steel trader by tonnes traded.

Stemcor plays a pivotal role in the steel industry, acting as a trading intermediary between producers and purchasers and providing a range of value-adding services. Steel goods traded include a wide range of long, flat, tube and semi-finished products. Raw materials for the production of steel include iron ore, pig iron, coal, coke, ferroalloys and scrap.

Stemcor currently employs approximately 1,500 people in its network of 80 offices in 40 countries across the globe. For the financial year ending 31 December 2009, Stemcor handled 15.2 million tonnes of steel and associated raw materials (2008 - 20.4m), with turnover of £3.5 billion (2008 - £6.3bn).

Stemcor's services span every step in the steel supply chain, from the provision of steel-making raw materials to producers through to the delivery of processed steel to end-users.

The Group's core competencies comprise finance, raw materials, steel trading, distribution and stockholding. Stemcor's breadth of expertise, from mine head to factory floor, enables it to offer integrated supply chain solutions that deliver competitive advantage both to producers and purchasers of steel.

Stemcor does not own any steel mill, nor is any mill a shareholder in the Company. This independence ensures that it is objective in matching exact customer needs in terms of quality, specifications, financial terms and delivery.

Stemcor was formed in London in 1951 and is a privately owned company. The majority of shares are held by the Oppenheimer family, represented on the Board by Ralph Oppenheimer (Executive Chairman) and Philip Edmonds (Deputy Chairman), with the balance of shares held by employees.

Stemcor Australia's Managing Director, Stephen Baker said:

"This agreement marks an important step for Stemcor in the further development of our steel mill raw materials trade. We have a good working relationship with the management at Bathurst and are excited about the future prospects for this project."

"We view their product as a very good fit for our steel and steelmaking raw materials focus, and as a niche product of high quality, it should be well received by our customer base in Asia."

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Bathurst's Managing Director, Mr Hamish Bohannan said:

"We are delighted to have reached this outcome with Stemcor. We have been working with them for a number of months and we are extremely confident in their experience, their people and their relationships in the global steel markets."

"Stemcor are looking to expand the coal arm of their business and we are pleased that they have recognised the strong coking properties that our coal possesses and believe this offtake agreement will be a mutually beneficial and long term relationship for both parties."

ENDS

On behalf of the Board of Bathurst Resources Ltd



Hamish Bohannan
Managing Director

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