SUITE 2, MEZZANINE FLOOR
35-37 HAVELOCK STREET, WEST PERTH WA 6005
PO BOX 389, WEST PERTH WA 6872
TEL: +61 8 9322 2700
FAX:+61 8 9322 7211

WEB: www.bathurstresources.com.au

17 May 2010

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

INITIAL JORC RESOURCE FOR BULLER COAL PROJECT

Bathurst Resources Ltd (ASX:BTU) is pleased to announce an initial JORC resource of 7.3 million tonnes of coal for the first stage of its Buller Coal Project in New Zealand.

As part of Bathurst's Definitive Feasibility Study (DFS) for the Buller Project, the company has implemented a two stage exploration program.

The first stage, which has now been completed, focused on Escarpment, the area targeted for first coal production in the Denniston Sector, with five to seven years of mine life. Four holes totalling 215 metres were drilled bringing the total to 66 holes drilled on Escarpment.

"*As a result of this drilling program Bathurst can confirm that it has an initial resource of 7.3 million tonnes of high quality coking and thermal coal, which will underpin the first seven years of production at our Buller project*," Bathurst's Managing Director Hamish Bohannan said.

Escarpment Resource					
Classification	**Mean Thickness (m)**	**Area (ha)**	**Coal Volume (Mm^3)**	**Density**	**Coal Tonnage (Mt)**
Measured	5.9	495.6	2.85	1.32	3.8
Indicated	4.7	306.9	1.28	1.26	1.6
Inferred	4.6	541.0	1.25	1.53	1.9
Total					**7.3**

The drilling also showed good continuity both of seam width and coal quality. The quality of these results gives Bathurst greater confidence that the Initial JORC Resource will be converted into Reserves as part of the DFS.

The DFS is anticipated to be completed in Q3 2010. The updated JORC Reserve is expected to demonstrate that the primary product from the Escarpment will be a high quality coking coal.

This high quality coal has niche ash trimming and fluidity enhancing potential as well as reasonable phosphorus levels. These strong coking properties together with its low sulphur, very low ash and good ash chemistry will make it a premium choice in ash trimming coals.

Buoyed by the results from its first stage program at the Escarpment, Bathurst has now commenced the second stage of its exploration program. This program will involve around 20 holes and approximately 1,000 metres of drilling focusing on:

- Adding to the Denniston Sector mine life, particularly
- Focusing on the Deep Creek area just to the north of Escarpment.

The Denniston Sector has a conceptual exploration target of between 17 and 23 million tonnes of coal. This second phase is initially focused on Deep Creek with the aim of extending the mine life in the sector to more than 15years.

The second phase of drilling should be completed by July 2010. Bathurst expects to announce an updated JORC compliant Reserve and Resource for the Buller Project in August 2010.

Assuming a positive result from the DFS and the second stage of Bathurst's exploration program, the Company anticipates commencing a new exploration programme in FY2011 to further extend the Buller Project resources. The aim of this new exploration programme is to demonstrate the estimated 50 – 90 million tonnes of exploration potential in the Buller Project.

"*Bathurst is pleased that this initial resource confirms the Buller Project's viability. We continue to work towards our planned start up mining date of Q4 2011,*" Mr Bohannan added.

For and on behalf of Bathurst Resources Ltd

Hamish Bohannan
Managing Director

BATHURST RESOURCES OVERVIEW

Introduction

Bathurst Resources Limited is an ASX listed company focused on becoming a producer of high quality coking and thermal coal.

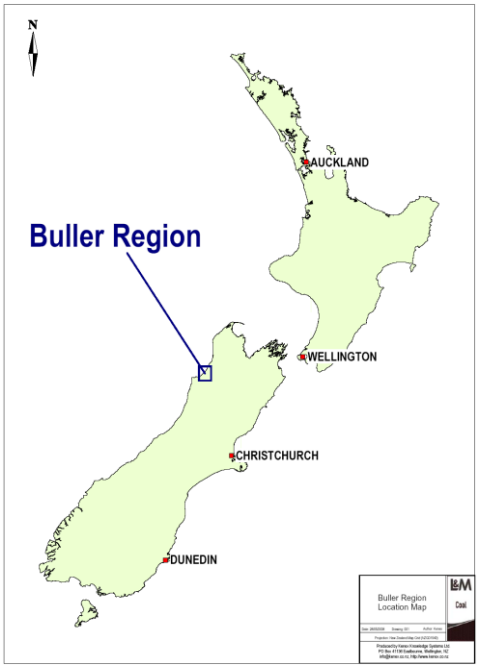
Bathurst has signed an agreement with L&M Coal Holdings to joint venture and ultimately acquire the Buller Project, a hard coking coal asset in the Buller Coalfield in NZ through the acquisition of 100% of L&M Coal Limited. L&M Coal Holdings will also acquire a 5% interest in Bathurst.

Highlights

- Joint Venture to develop the high grade metallurgical coal resources in NZ,
- 100% acquisition of high grade metallurgical coal project in NZ,
- Current exploration potential of 50-90 million tonnes,
- Open cut development opportunity with production in 18-24 months, and
- Development in an area of established operations with infrastructure.

Background

The Buller Coalfield on the West Coast of the South Island of New Zealand is one of the country's most significant fields. The region produces high quality, low ash, coking coals. There has been 140 years of mining in the region. Current production is mainly coking with the majority of coal being exported.



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

The Buller Project area comprises two permits that cover over 10,000 hectares of the Buller Coalfield. The permits largely surround Solid Energy's Stockton open cut mining operation.

Stockton produces approximately 2 million tonnes of coal per annum. Most of the coal mined at Stockton is exported for use in steel mills in India, China, Japan, South Africa and Brazil. The Buller Project would expect to produce the same high quality coal from the same seams mined by Solid Energy at Stockton.

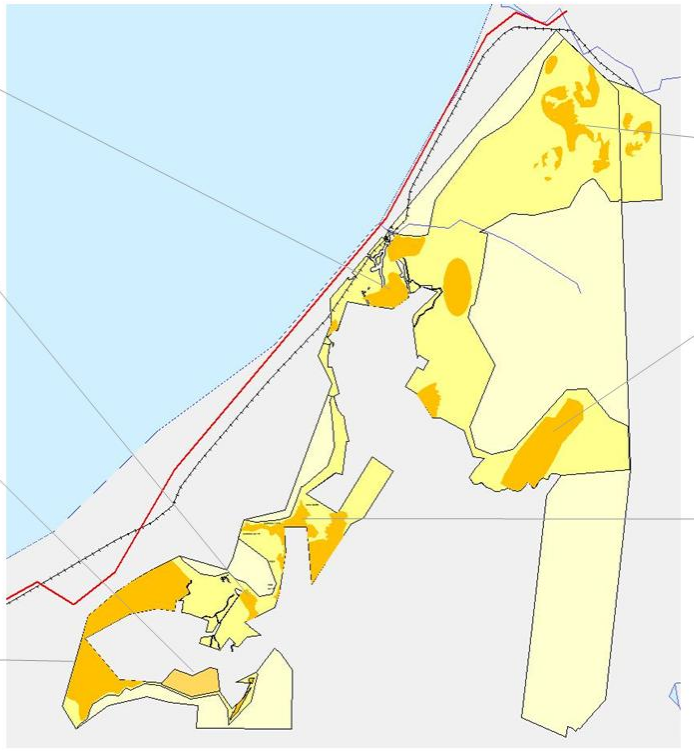
Project Overview

Bathurst has commenced a Definitive Feasibility Study on the Buller Project and appointed Marston International as its DFS study managers. The study is expected to be completed in Q3 2010. In parallel, a staged drilling program has commenced to provide sufficient information to allow conversion of the 50 – 90 million tonne conceptual exploration target to a JORC compliant resource.

Mining is scheduled to commence in the Denniston Sector initially at Escarpment before moving on to Deep Creek, Western Plateau, Banbury and Burnetts Face. The Denniston Sector has a conceptual exploration target of 17 – 23 million tonnes of coal within which an initial JORC compliant resource of 7.3 million tonnes has been established at Escarpment.

The coal which lies in near horizontal seams typically 4 to 10 metres thick and covered by largely sandstone overburden generally 30 to 60 metres thick. The mining schedule indicates an average strip ratio of 9:1. Mining is planned to be open cast to feed a wash plant located near Denniston at the plateau's edge.

The wash plant will produce a high quality hard coking coal coking coal as well as a smaller quality of semi-soft steaming coal. The coal will be transported down the plateau through a pipeline to a filter and screening plant adjacent to the rail line. The product will then be railed to either Westport or Lyttelton for shipping to overseas markets.



Stockton
- Exploration Target: 9-13Mt
- Mining Method: Opencut

Denniston - Banbury and Burnetts Face
- Exploration Target: 1-2Mt
- Mining Method: Opencut

Denniston - Escarpment
- JORC Resource: 7.3Mt
- Mining Method: Opencut

Denniston - Western Plateau
- Exploration Target: 10-25Mt
- Mining Method: Opencut and UG

N Buller - Seddonville
- Exploration Target: 8-15Mt
- Mining Method: Opencut

East Buller - Blackburn
- Exploration Target: 6-9Mt
- Mining Method: Opencut

Denniston - Deep Creek
- Exploration Target: 11-16Mt
- Mining Method: Opencut

Statement of Exploration Potential

The estimate of exploration potential 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 it is uncertain if further exploration will result in determination of a mineral resource.

For further information contact

Hamish Bohannan
Bathurst Resources Ltd
+61(0) 419 234 770
hbohannan@bathurstresources.com.au

or

David Griffiths
Gryphon Management Australia
+61 (0) 419 912 496
david.griffiths@gryphon.net.au

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 ASX release of the matters based on his information in the form and context in which it appears.