Media Release / ASX Announcement

CATALPA RESOURCES

3 July 2009

EXPLORATION RESULTS ENCOURAGING

Perth-based emerging gold producer, **Catalpa Resources (ASX: CAH)**, today reported encouraging results from its regional auger geochemical sampling program carried out along strike of its fully-funded, $92 million Edna May Operation in Western Australia's Wheatbelt region.

Bruce McFadzean, Catalpa Resources' Managing Director said the current results define coherent surface geochemical anomalies of up to two kilometres wide, and have also produced several new anomalies in previously unexplored areas that strengthen the promising exploration results identified in 2008.

"The sampling consisted of follow up infill sampling in previously defined anomalous areas and first-pass sampling in the previously untested eastern areas of Catalpa's 880km^2 tenement holdings," Mr McFadzean said.

"Two substantial anomalies in the north-western area contain spot highs of up to 26.4ppb Au with several samples containing in excess of 20ppb Au."

"These results are very encouraging and provide a good basis for follow up RAB drill testing."

"In the east, a 1.6km long north-north-west-aligned anomaly contains substantial spot highs of 258ppb Au and 62.7ppb Au in an area of historical, wide-spaced, anomalous RAB values."

"Follow up infill sampling and RAB testing of the target anomalies is being planned," Mr McFadzean said.

ENDS

ASX Code: **CAH**

Total number of shares on issue:
1,171,777,896

Share Price Current:
$0.105 (2 July 2009)

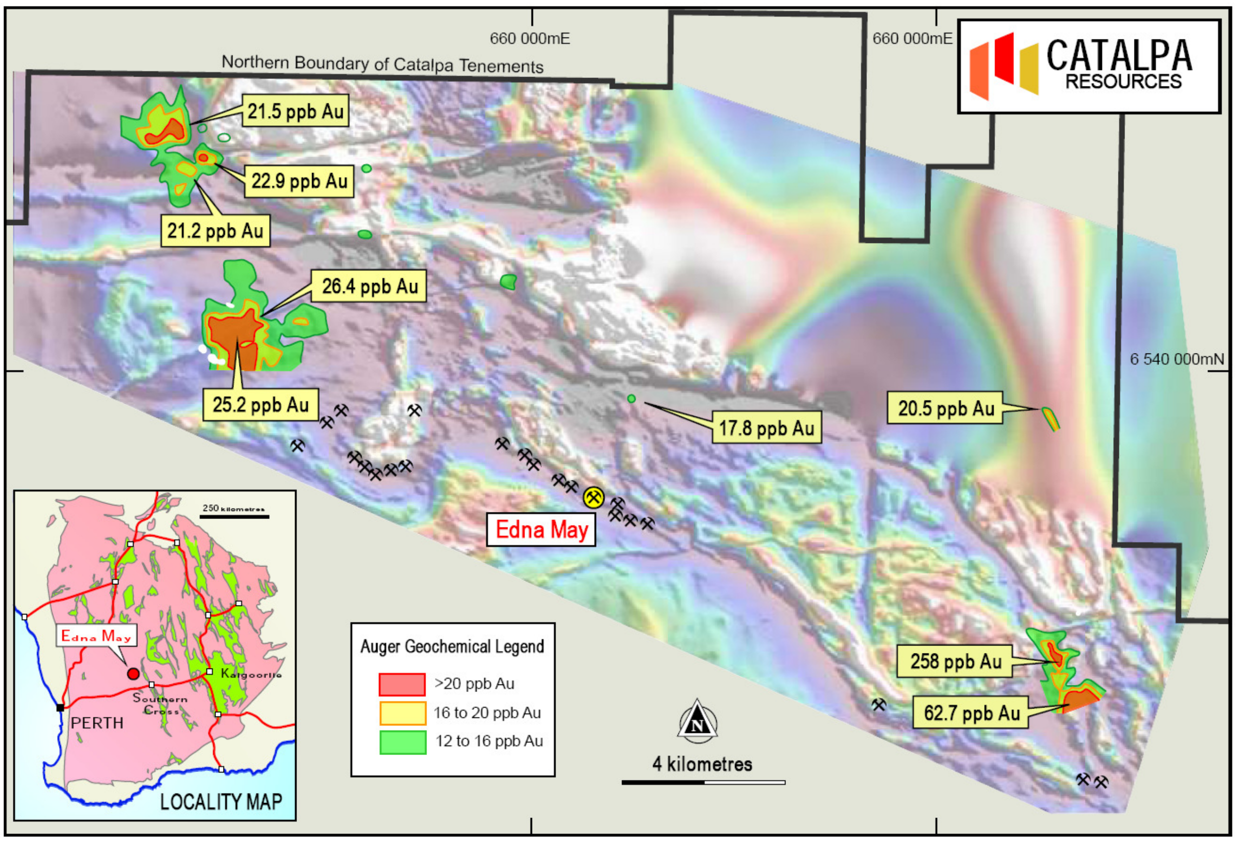
12 month range:
$0.105 *(high)* - $0.021 *(low)*

Major Shareholders

Lion Selection Group Limited	46.75%
HSBC Custody Nominees	6.49%
National Nominees Limited	4.34%
ANZ Nominees Limited	2.76%
Reneagle Pl	1.62%
Goldrich Holdings Pty Ltd	1.37%
Nefco Nominees Pty	0.87%
Springtide Capital	0.85%
Zero Nominees Pty Ltd	0.76%
Prospect Cust Ltd	0.58%

Competent Persons Statement

The exploration and Resource data has been compiled according to the JORC Code for the reporting of Mineral Resources and Ore Reserves by Nick Winnall (Exploration Manager), a full-time employee of Catalpa Resources Limited. Mr. Winnall is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and 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 December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr. Winnall consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.



2009 Auger Geochemical Anomalies over Aeromagnetics

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ABOUT CATALPA RESOURCES

Perth-based **Catalpa Resources Limited** (ASX: CAH) is on the cusp of a new phase of development, following the successful raising of more than $106 million in debt and equity to advance its A$92 million Edna May (open-pit gold) Operations to production by July 2010.

As part of the Edna May finance facility, Catalpa has sold forward 352,316 ounces of gold at an exceptional price of A$1,544 per ounce.

Catalpa has a sound and Resource base at Edna May. Since October 2008 Catalpa has increased its Edna May Reserve by more than 50% from 544 000 to 817,000 ounces, extending the life of the Edna May Operations to more than eight years with planned production of more than 100,000 ounces per annum.

Catalpa plans to utilise Edna May's solid annual cash operating margins to fund its growth and become Australia's next mid tier gold producer.

In keeping with this strategy, Catalpa and its largest shareholder, Lion Selection Limited (ASX:LST), signed a Merger Implementation Agreement in June 2009 to bring together Catalpa's 100% owned and operated 100 000+ oz pa Edna May Operations in Western Australia and Lion Selection's 30% stake in the Newcrest managed, 100 000 oz pa Cracow Gold Operations in Queensland, under Catalpa's experienced management team. As part of the merger, Catalpa will also acquire a pre-emptive right over Newcrest's 70% stake in Cracow.

Following implementation of the merger, expected in October 2009, Catalpa will be a cashflow positive gold producer from its 30% stake in Cracow. From mid 2010 when production commences at the Edna May Operations Catalpa will produce more than 130 000 oz pa.

Catalpa has an experienced and innovative Board and management team that is committed to realising a timely production and cash flow profile at the Edna May Operations. With a buoyant outlook on the gold price, the Board believes that Catalpa Resources presents a sound investment opportunity with significant upside potential.

Catalpa Resources has adopted best practice standards across all its operating activities, including its social, health and safety, environmental management and corporate governance functions.

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