CATALPA RESOURCES

Media Release / ASX Announcement

22 April 2010

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CATALPA ENTITLEMENT OFFER RECEIVES STRONG SUPPORT

On 16 March 2010 Catalpa Resources Limited ("Catalpa") announced an Entitlement Offer to Eligible Shareholders to raise A$10m via the issue of up 8,013,378 new Catalpa shares at A$1.25 per share on the basis of 1 new Catalpa share for every 19 shares held.

The Entitlement Offer closed for acceptances at 5:00 p.m. (Perth time) on Friday, 16 April 2010.

Catalpa is pleased to advise that the offer was heavily oversubscribed with applications received for A$30m worth of shares under the Entitlement Offer and oversubscription facility. This is well in excess of the $10m being sought.

All Eligible Shareholders who applied on or before the closing date of 16 April 2010 will receive their full entitlement under the Entitlement Offer. However, given the strong take-up, allocations under the oversubscription facility will be minimal.

Catalpa's Managing Director, Bruce McFadzean said: "We are very pleased with the excellent response of our shareholders to the Entitlement Offer, which we believe is a great endorsement of our growth potential and strategy."

"The combination of the successful A$10 million Entitlement Offer and the A$10 million institutional placement (as announced on 16 March 2010) will place Catalpa in an excellent position to accelerate resource definition and exploration drilling at our fully owned Edna May Project."

"We remain extremely confident in the exploration upside potential at Edna May and look forward to fast-tracking exploration programs at a number of prospective targets at Edna May, including Golden Point, Greenfinch, Edna May Underground and other regional opportunities on the Edna May tenements."

"We appreciate the continued strong support shown by our shareholders which has seen the Company transition from a junior gold explorer to a fast-emerging mid-tier producer."

ASX Code: **CAH**

Shares on issue:
160,300,668

Share Price Current:
$1.50 (21 April 2010)

12 month range
$1.98 *(high)* - $0.20 *(low)*

Board of Directors

Mr Peter Maloney	Non Exec Chairman
Mr Bruce McFadzean	Managing Director
Mr John Rowe	Non Exec Director
Mr Murray Pollock	Non Exec Director
Mr Barry Sullivan	Non Exec Director
Mr Graham Freestone	Non Exec Director
Mr Graham Anderson	Company Secretary
Mr Leonard Math	Company Secretary

Senior Management

Erik Palmbachs	CFO
Stuart Pether	GM Operations
Nick Winnall	Manager Exploration
Adrian Pelliccia	Manager Geology

The issue of new Catalpa shares and dispatch of confirmation statements is expected to occur on Friday, 23 April 2010.

It is expected that the new Catalpa shares will commence normal T+3 settlement trading on the Australian Securities Exchange on Tuesday, 27 April 2010.

The Entitlement Offer was fully underwritten by joint underwriters Investec Bank (Australia) Limited and Austock Securities Limited.

ENDS

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ABOUT CATALPA RESOURCES

Catalpa Resources Limited (ASX: CAH) has two exciting gold assets; a 30% interest in the 100,000 ounce per annum Cracow Gold Operations - a producing gold mine in Queensland (70% Newcrest Mining Limited); and the 100,000 ounce per annum Edna May Gold Operations in Western Australia (100%) - an advanced gold project ahead of schedule to commence production in a month early in May 2010.

The A$92 million Edna May Gold Project is fully funded, and, as part of the finance facility, Catalpa has sold forward 352,316 ounces of gold at A$1,557.50 per ounce. At an average gold price of A$1,400 per ounce Catalpa will realize an average cash operating margin of A$72 million per annum from the Edna May Gold Operations alone.

With a combined Mineral Resource of more than 1.9 million ounces and a combined Ore Reserve of more than a million ounces of gold (refer announcement dated 2 December 2009), the Cracow and Edna May Operations will provide a sustainable cash flow to fund Catalpa's growth strategy.

Catalpa is confident that both the Cracow and Edna May Gold Operations offer further Reserve and Resource growth potential, with ongoing exploration programmes at both operations. In parallel, the Company continues to proactively identify and assess other production growth opportunities.

The Company has a committed and technically accomplished management team and a highly-experienced and supportive Board, committed to realising shareholder value from the Company's growing asset portfolio.

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

EDNA MAY OPERATIONS (100%)

Catalpa's wholly-owned Edna May Gold Operations is conveniently positioned just two kilometers from the infrastructure of Westonia, on the eastern edge of WA's Wheatbelt region. The mine is half way between Perth and Kalgoorlie and ideally situated to be serviced by either of these major mining centres.

With its robust economics, geologically and metallurgically well defined ore-body, high Ore Reserve confidence and excellent recovery rate of more than 92%, Catalpa's Edna May Gold Operations offers an attractive, long-term platform to grow a mid tier gold producer.

Catalpa's mine and processing schedule demonstrate average gold production at Edna May in excess of 100,000 ounces of gold recovered per annum for a life of mine of more than nine years, with production planned to commence in June 2010.

CRACOW GOLD OPERATIONS (30%)

Catalpa owns 30% of the Cracow Gold Operations in Queensland with Newcrest Mining Limited, and also has a pre-emptive right over Newcrest's 70% stake in the asset. The Cracow Gold Project is well managed and operated by Newcrest, allowing Catalpa to remain focused on constructing the Edna May Gold Project on time and within budget.

The Cracow Gold Project has a history of steady gold production of over 100,000 ounces per annum for the past four years and it is considered to have considerable exploration upside.

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Neither Catalpa nor any other person warrants or guarantees the future performance of the shares to be issued under the Entitlement Offer or any return on any investment made pursuant to the Entitlement Offer. This announcement contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could ", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in the information in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including forecasts, projections, guidance on future earnings and estimates including resource and reserve estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this announcement and Catalpa assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Catalpa and the board of directors of Catalpa, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this announcement.

This announcement is for information purposes only and is not financial product or investment advice or a recommendation to acquire Catalpa shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should read this announcement and the Offer Documents in their entirety and consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Catalpa is not licensed to provide financial product advice in respect of Catalpa shares.

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