CATALPA RESOURCES

Media Release / ASX Announcement

ASX Codes

Shares: CAH

Options: CAHOB

Shares on issue:

178,014,015

Share Price Current:

A$1.36 (11 May 2011)

12 month range:

A$2.27 (high) - A$1.36 (low)

Market Capitalisation:

A$242 million

Board of Directors

Mr Peter Maloney	Non-executive Chairman
Mr Bruce McFadzean	Managing Director and CEO
Mr John Rowe	Non-executive Director
Mr Barry Sullivan	Non-executive Director
Mr Graham Freestone	Non-executive Director
Mr Murray Pollock	Non-executive Director

Senior Management

Mr Erik Palmbachs	Chief Financial Officer and Company Secretary
Mr Stuart Pether	Chief Operating Officer
Mr Nick Winnall	Manager Exploration
Mr Adrian Pelliccia	Manager Business Development
Mr John Winterbottom	Manager Geology
Ms Raelene Wyatt	Manager HR
Mr John Fraser	General Manager - Edna May

12 May 2011

CRACOW EXPLORATION UPDATE

HIGHLIGHTS

- Aggressive and accelerated exploration drilling campaign at Cracow Gold Operations targeting Mineral Resource upgrade and discovery with forecast full year expenditure of A$11.3 million (100%)

- Targeted Ore Reserve expansion anticipated to exceed mine depletion in FY2011

- Successful Resource definition drilling supports Mineral Resource upgrade within targeted Kilkenny and Tipperary shoots; vertical extent and confidence of Tipperary shoot increased

- Recent best intercepts include:
  - 6.1 metres (4.26 metres[1]) @ 8.8g/t gold in KKU106
  - 8.0 metres (4.79metres[1]) @ 13.5g/t gold in KKU116

- Exploration success with drilling along the Kilkenny structural corridor confirming the continuation of mineralised structures

Note: [1] estimated true width

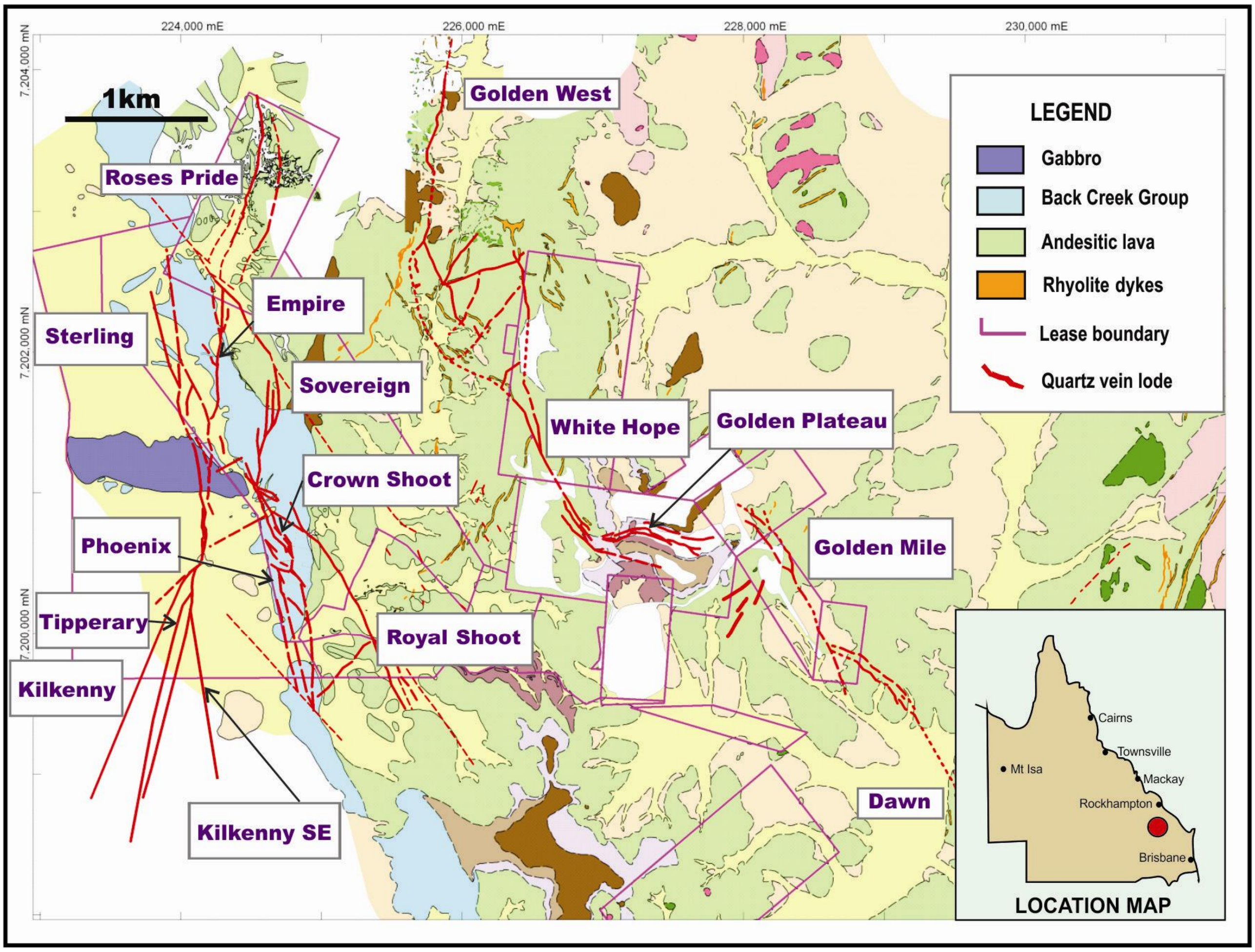
LEVEL 1, 9 HAVELOCK STREET, WEST PERTH WA 6005
PO BOX 1300, WEST PERTH WA 6872
www.catalparesources.com.au

ASX:CAH

TELEPHONE: +61 8 6216 9700
FACSIMILE: +61 8 9321 8804
EMAIL: manager@catalparesources.com.au

Catalpa Resources Limited (ASX:CAH), a 30% stakeholder of the Cracow Gold Joint Venture, is pleased to report exploration assay results from the Cracow Gold Operations, targeting high grade epithermal gold mineralisation south of the western Cracow Goldfield, Queensland. Expenditure to date for the financial year is A$9.3 million. This accelerated programme has a clear focus to support the current resource upgrade at Tipperary and Kilkenny together with exploration on numerous prospects (Figure 1).

Figure 1: Location plan of Cracow projects and exploration targets



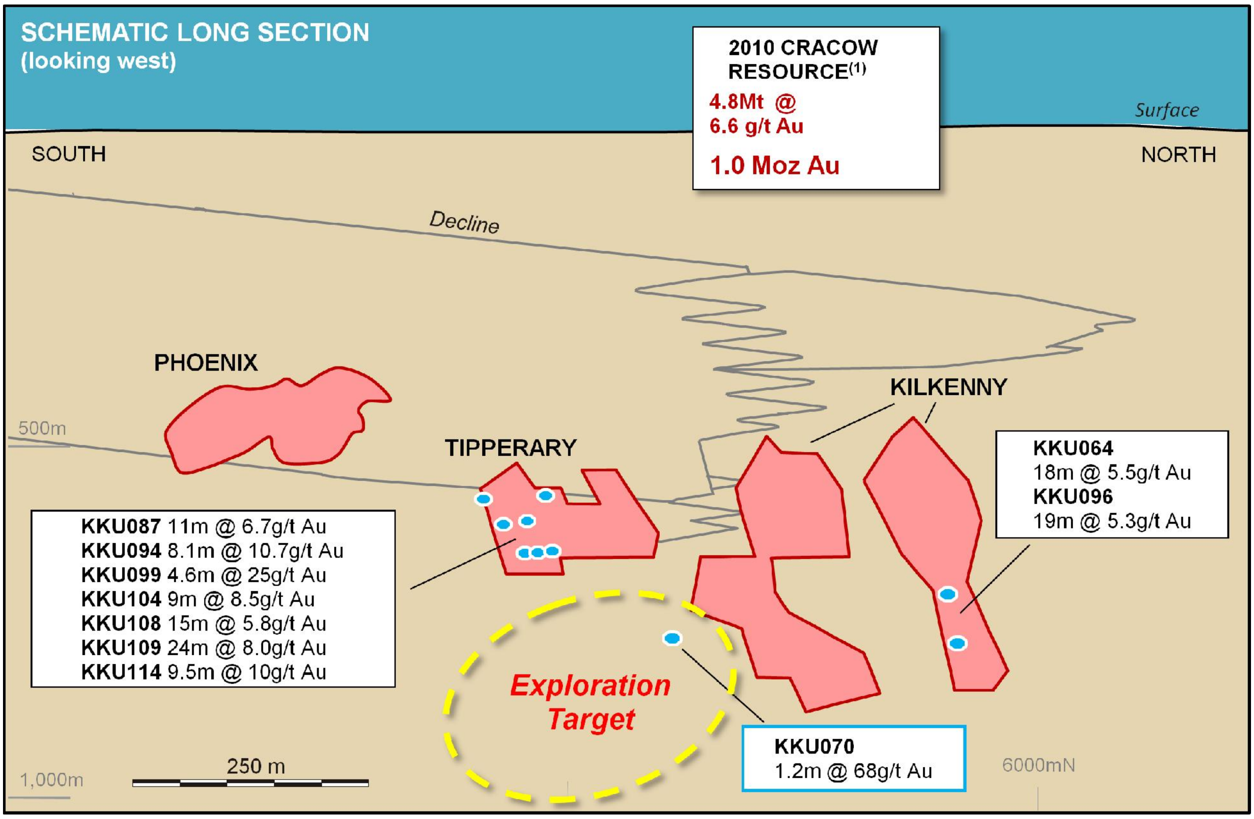
KILKENNY AND TIPPERARY SHOOTS

Resource definition drilling to support an upgrade of the Tipperary and Kilkenny Resources continued at Cracow with a total of 56 underground holes drilled for 8,434 metres being completed in FY2011. High grade intersection results include 6.1 metres (4.26m[1]) at 8.8g/t gold in KKU106 and 8.0 metres (4.79m[1]) at 13.5g/t gold in KKU116.

Drilling continues to validate the Kilkenny and Tipperary shoots, in line with expectations, and also extends the vertical extent of the Tipperary Shoot. Results are anticipated to support a material increase in confidence to the Tipperary Mineral Resource with a significant proportion likely to be upgraded to Indicated category enabling conversion to Ore Reserve. At 31st December 2010, Tipperary contained an Inferred Mineral Resource estimate of 101,000 ounces.

Drilling is planned to follow up on a significant intersection of 2.9 metres (1.2 metres estimated true width) at 68.0g/t gold returned from hole KKU070 (reported ASX announcement April 28). This result was returned from outside the defined Mineral Resource, lifting the potential for additional Resource ounces (Figure 2).

Figure 2: Schematic Long Section (looking west) showing recent high grade intersections



NOTE: (1) refer Newcrest Resource and Reserves statement, 2010. Resource figures quoted on 100% basis

WESTERN FIELD

Drilling to date has demonstrated that several potentially fertile structures exist in the Kilkenny South East Corridor. Broad spaced step-out drilling is proposed to test for southerly extensions to the Western Epithermal Field. Recent drilling has downgraded southern extensions of the Kilkenny – Killarney system, however areas along strike to the south and south-east of the Airstrip Structure and the Kilkenny South East Corridor (Figure 3) remain completely untested by drilling. Magnetics suggest that south to south-east trending structures are likely to extend south of existing drilling.

GOLDEN PLATEAU

Results obtained from the Reverse Circulation ("RC") drill programme completed in December have demonstrated potential for a 20,000 to 60,000 ounce gold target at Bradshaws. Follow-up drilling is proposed to establish up and down dip continuity in vein width and gold grades. The Bradshaw's target is located approximately 200 metres south of Golden Plateau which has historically produced in excess of 800,000 ounces of gold.

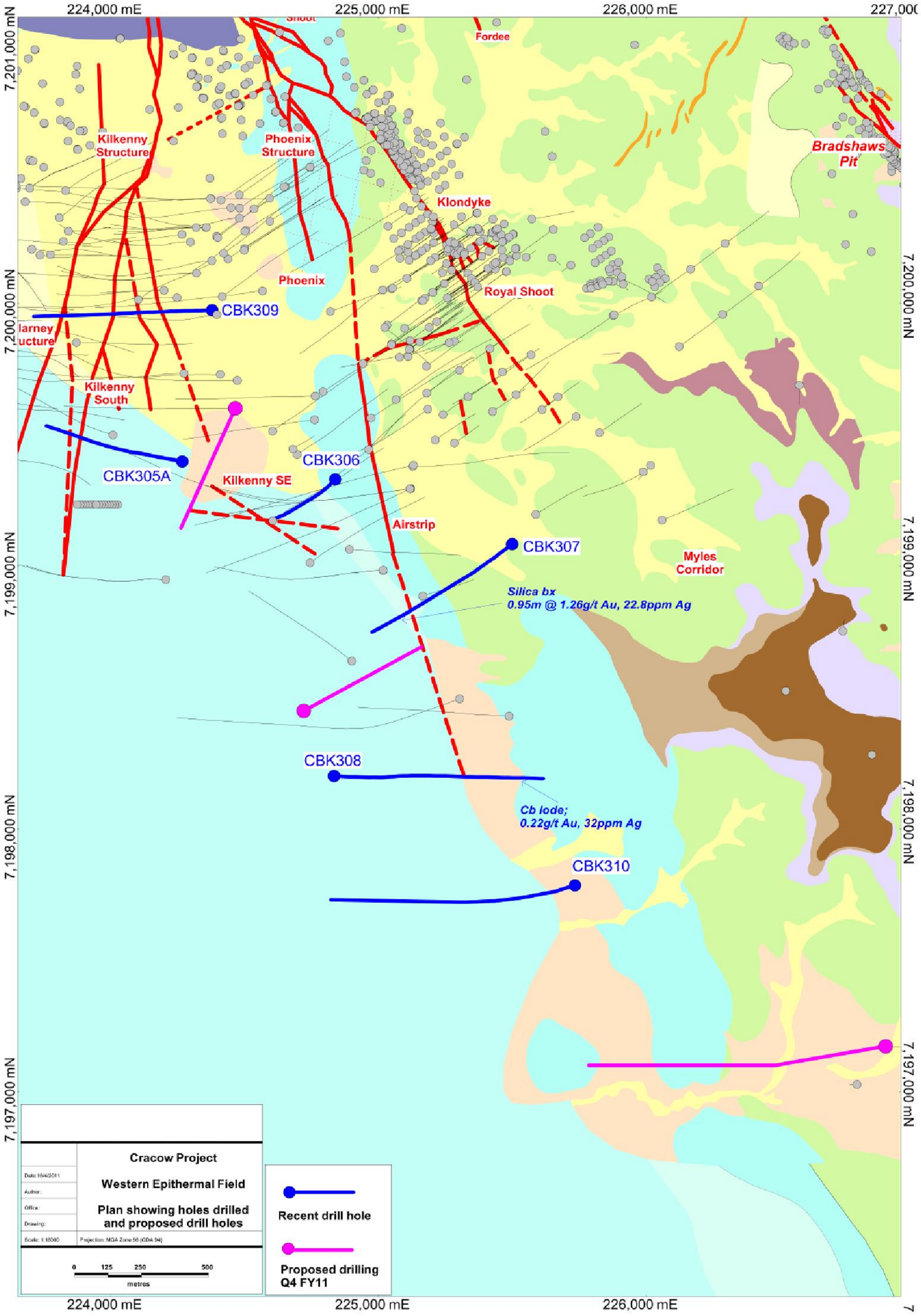
CRACOW SOUTH

Mapping in the Cracow South area has identified sub-cropping gold and multi-element anomalous epithermal quartz veining.

In the FY2011 programme to date, KRC079 intersected a carbonate plus quartz vein which returned weakly anomalous gold and silver. Hole KRC082 returned 2 metres at 0.51g/t gold from 19 metres, associated with silica alteration. These intersections are interpreted to occur on a common northwest striking structure, and lateral to, or above, better developed epithermal quartz veining. Follow-up drilling along strike from and/or below the existing results is planned.

Several target areas previously defined by mapping, soil sampling and ground magnetics at Cracow Creek and the Southern Klondyke corridor have yet to be drill tested. Drilling is proposed to test these remaining targets for further evidence of epithermal gold mineralisation along southerly extensions of the known epithermal quartz vein corridors.

Figure 3: Kilkenny structural corridor drill hole location plan (with recent drill holes in blue)



APPENDIX – Significant Intersections

Tipperary Resource Definition Drilling											
Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Total Depth (m)	Azimuth MGA	Dip	From (m)	To (m)	Interval (m)	Est True Thickness (m)	Au (g/t)
KKU101	Core	7,200,048	224,016	146.2	284	55	117.0	128	11.0	7.05	3.6
KKU106	Core	7,200,048	224,016	161.3	259	53	133.0	139.1	6.1	4.26	8.8
KKU116	Core	7,200,048	224,016	175.3	225	60	147.0	155.0	8.0	4.79	13.5
KKU117	Core	7,200,048	224,016	177.4	269	62	121.5	133.0	11.5	5.20	1.9
KKU119	Core	7,200,048	224,016	244.8	218	46	211.2	213.8	2.6	1.99	2.4
KKU120	Core	7,200,048	224,016	213.5	224	50	187.6	195.0	7.4	5.36	4.4

Reporting Criteria: Intercepts reported are intervals of Au >1g/t with intervals of <1g/t Au up to 2m included. Downhole and estimated true thickness reported to one decimal place. Au grade reported to two significant figures. Samples are generally from diamond core drilling which is NQ diameter for surface holes and LTK60 for underground. Some intercepts may be of larger or smaller than NQ due to drilling logistics. NQ core is photographed and logged by the geology team before being cut in half. Half core samples are prepared for assay and the other half is retained in the core farm for future reference. LTK60 core is photographed and logged by the geology team, the whole core is sampled. Each assay batch is submitted with duplicates and standards to monitor laboratory quality.

GLOSSARY

$ or A$ - Australian Dollars (M – million)

AIFR – All Injury Frequency Rate

Anomaly – an area which exploration has shown to be different from the surrounding area or region

Assay – a test to determine the level of a particular element in a sample

Ag – the symbol for silver (Argentum) on the Periodic Table

Au – the symbol for gold (Aurum) on the Periodic Table

Diamond drilling – a method of drilling in which a cylinder of rock is recovered by drilling with a diamond-impregnated bit

Footwall – the rock which lies below the ore

g – gram – a measure of weight

g/t – gram per tonne – the grade of a precious metal deposit

Grade – the level of a valuable mineral or element in a rock

Hanging wall – the rock which lies above ore

JORC Code – Joint Ore Reserve Committee Code – sets the standard for reporting resources and ore reserves

Ktpa – kilo ('000s) tonnes per annum

koz – kilo ('000s) ounces (see definition for ounce)

Moz – million ounces (see definition for ounce)

Mtpa – million tonnes per annum

Ore reserve – the economically mineable part of an Indicated or Measured Resource. An ore reserve allows for losses which may arise from an inability to extract the entire resource, and for dilution by material which doesn't contain the valuable component. A feasibility study assessing the legal, environmental, social, cultural heritage and governmental aspects of the project as well as the technical aspects of mining, processing and marketing is required, coupled with financial analysis to confirm the viability of the project, prior to reporting a reserve

Ounce (Troy) – 31.1034 grams – a measure of the weight of a precious metal

Resource – an in-situ mineral deposit from which valuable minerals may be recovered. Under the JORC Code there are Inferred, Indicated and Measured resources, depending on the level of information available, with "Inferred" the least known, and "Measured" offering the greatest level of confidence. On completion of a positive feasibility study, the Indicated Resource will generate a Probable Reserve, and the Measured Resource will generate a Proven Reserve.

Reverse Circulation (RC) drilling – a method of percussion drilling which minimises contamination of the sample

Rotary Air Blast (RAB) drilling – a method of drilling where the drilling tool is turned in the hole without any percussive or hammer effect

Competent Person Statement

The exploration data has been compiled according to the JORC Code for the reporting of Mineral Resources and Ore Reserves by Adrian Pelliccia, a full-time employee of Catalpa Resources Limited. Mr Pelliccia 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 Pelliccia consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

About Catalpa Resources Limited

Catalpa Resources Limited (ASX: CAH) is a fast-growing mid-tier gold producer with two exciting gold assets; a 100% interest in the 100,000 ounces per annum Edna May Gold Operations in Western Australia and a 30% interest in the 100,000 ounces per annum Cracow Gold Operations in Queensland (70% Newcrest Mining Limited).

The Company recently confirmed an impressive high grade underground Resource of 660,00 ounces at 9.1g/t gold for 195,000 ounces. Mining studies are in progress with a view to establishing an underground operation concurrent with existing open pit operations in 2012.

The Cracow Gold Operations has a history of steady underground gold production of over 100,000 ounces per annum for the past five years and it is considered to have considerable exploration upside. Catalpa has a pre-emptive right over Newcrest's 70% stake in the asset.

With a combined Mineral Resource of more than 2 million ounces and a combined Ore Reserve of more than one million ounces of gold, the Cracow and Edna May Gold Operations provide a sustainable long life cash flow to fund Catalpa's growth strategy and provide shareholder returns.

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

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

For further enquiries contact:

Bruce McFadzean	Adrian Pelliccia
Managing Director & CEO	Manager Business Development
Catalpa Resources Limited	Catalpa Resources Limited
Tel +61 8 6216 9700	Tel +61 8 6216 9700