

Media Release / ASX Announcement

11 March 2009

CATALPA GETS SET TO REBUILD EDNA MAY GOLD PLANT

Catalpa Resources Limited (ASX: CAH) today announced that it has given a letter of intent to Perth-based GR Engineering Services ("GRES") to enter into a supply agreement to refurbish and construct the Big Bell processing facility on site at its Edna May Gold Project near Westonia in WA.

Bruce McFadzean, Catalpa Resources' Managing Director confirmed the letter of intent is subject to a number of conditions precedent, including the successful completion of funding for the \$92M project and Board approval to commence the 12-month project construction phase.

"The refurbishment and recommissioning of the 2.8 – 3.2Mtpa Big Bell plant is the single largest capital component of the Edna May Gold Project budget.

"GR Engineering Services has had considerable input into the process modelling, design and costing of the plant construction, refurbishment and commissioning during our feasibility study process, and we are confident in their ability to meet our design specifications and our stringent safety requirements, on-time and within budget.

"We are very pleased to have identified a Perth-based firm as our potential site engineering services provider, as we are committed to utilising local services and labour, in support of the local economy.

"Notably, the cost estimates for the Edna May Gold Project Feasibility Study were carried out at the peak of the resources boom last year when there was unprecedented demand for goods and professional services. That environment has changed somewhat today, and we are revisiting all of the project costs to realise savings wherever possible.

"Early indications are positive with regard to reductions to the Bankable Feasibility Study capital budget.

"The appointment of GR Engineering Services is a clear indication of the advanced status of our preparations for the Edna May Gold Project construction phase, and our confidence in securing the balance of funding for the Project.

"We remain committed to realising an early production and cash-flow profile at Edna May, with a realistic target of mid 2010 for the mine's first gold pour," Mr McFadzean said.

ENDS

ASX Code: CAH

Capital Structure

Total number of shares on issue:

518,168,935

Share Price Current:

\$0.086

12 month range:

\$0.091 (high) - \$0.020 (low)

Board of Directors

Mr John Rowe:	Non Exec Chairman
Mr Bruce McFadzean:	Managing Director
Mr Murray Pollock:	Non Exec Director
Mr Barry Sullivan:	Non Exec Director
Mr Nigel Johnson:	Non Exec Director
Mr Graham Anderson:	Company Secretary
Mr Leonard Math:	Company Secretary

Major Shareholders

Lion Selection Group Limited	51.05%
Goldrich Holdings	3.09%
Zero Nominees	1.71%
Drummond Shay Margaret	1.16%
Parkrange Nominees	1.14%
UBS Wealth Management	0.95%
Charlemange Investments	0.88%
ANZ Nominees Limited	0.69%
Calliton	0.56%
Colbern Fiduciary Nominees	0.56%

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ABOUT CATALPA

Catalpa Resources Limited (ASX: CAH) has finalised a bankable feasibility study (FS) to advance its A\$92 million Edna May gold Project towards production and is currently finalising project funding.

The Edna May Project is conveniently positioned a few kilometres from the infrastructure of Westonia, an established town with a long mining history. The Project is just three hours or 300km by road from Perth; half way between Perth and Kalgoorlie and ideally situated to be serviced by both centres.

Catalpa's mine and processing schedule demonstrate average gold production in excess of 100,000 ounces recovered per annum for a life of mine of more than six years.

In preparation for planned production at Edna May, the Company relocated its 2.8 Mtpa Big Bell mill to site in 2007. The process plant has a twelve month construction period scheduled to commence at the completion of project funding.

With its early cash flow profile, Catalpa aims to grow and develop the Company into Australia's next mid tier gold producer

Notably, the already robust economics of the FS exclude further extensions to the Project life following the planned release of additional Ore Reserves from western continuation of the Edna May Gneiss, Greenfinch. Greenfinch is undergoing further infill drilling, the early results of which indicate new gold mineralisation zones in close proximity to the Edna May pit. A Greenfinch Resource update and new Reserve is on schedule to be finalised in April 2009.

With 64% of the Edna May Reserve already in the highest confidence, Proven JORC category, Catalpa has a sound Resource base with significant growth potential. This Reserve confidence, in conjunction with a Metallurgically uncomplicated and consistent Orebody with recovery greater than 91%, makes this project an attractive long term opportunity to grow a mid tier gold producer

Catalpa has amassed a management team with considerable technical, project and operational expertise and has the support of an experienced and innovative Board that is committed to using the continuing strength of the gold price, to realise value for Catalpa's shareholders.

