

Shaw River Exercises Ghana Manganese Option

- **Shaw River has exercised its option over the Butre Project in Southern Ghana.**
- **A 943 metre Aircore drilling program to begin evaluation of DSO Manganese targets at Butre has been completed. Results are expected in late March 2010**
- **Butre contains manganiferous horizons in a similar setting to the world class Nsuta manganese mine, located 60km to the north**
- **Shaw River has agreed with Mwana Africa PLC to acquire its 80% stake in the project for a consideration of 980,000 Shaw River shares**
- **The Butre Project is strategically located 30km west of a major bulk port on sealed roads**

Shaw River Resources Limited ("Shaw River" or "the Company") (ASX Code: SRR) is pleased to announce it has exercised its option to acquire Mwana Africa PLC's (MWA) 80% interest in a manganese project located 30km west of the bulk port of Takoradi in the mining friendly Republic of Ghana in West Africa. The option agreement has been varied by mutual agreement such that Shaw River will now issue MWA 980,000 ordinary shares which will be held in three months voluntary escrow lieu of the previously agreed cash exercise price.

Vincent Algar, Shaw River's Managing Director commented: *"Butre is strategically located close to excellent infrastructure and a world class manganese project at Nsuta. By exercising this option and taking an 80% stake, we are adding to Shaw River's manganese project pipeline."*

The Butre Project is strategically located 30km on sealed roads from the bulk port of Takoradi (see Figure1), and 200km west of the Capital Accra. Takoradi currently ships around one million tonnes per annum of manganese ore from the Nsuta mine operated by Palmary Enterprises (operators of the Woodie Woodie Mine in WA). Previous exploration on this project has focused on the gold mineralisation located on the project

The Butre Project contains the Jimra Bepo manganese occurrence, which takes the form of a large 1km long, 114m high hill (see Figure 2), typical of manganese occurrences throughout southern Ghana and West Africa. Shaw River has completed a 943m, 24 hole aircore drilling program to generate an understanding of the manganese occurrences.

Ghana and West Africa have long been one of the key suppliers of high quality manganese oxide ore for the steel market producing over 1 million tonnes per annum which represents over 2% of world manganese ore production.

The key terms of the option exercise agreement between Shaw River and MWA, are as follows:

- Shaw River will acquire MWA's 80% interest in the Butre Project for 980,000 Shaw River Shares. The shares will be held in voluntary escrow for three months.
- Shaw River will acquire 100% of the registered Joint Venture Company, Butre Ahanta Exploration Ltd
- The agreement allows for Shaw River to negotiate in good faith with the 10% joint venture partner to acquire its 10% of the Butre project. The Ghanaian Government hold the remaining 10% interest of the Butre project.

Shaw River has engaged Coffee Geoscience Ghana (formerly RSG), the well respected team of exploration consultants with over 13 years of direct operational experience in Ghana and West Africa, to assist in the evaluation of the Butre Project. Coffey will manage the exploration drilling on the Butre project in 2010.

About Shaw River Resources

Shaw River is an aggressive manganese focused explorer, currently operating five Pilbara manganese projects, and holding an 80% stake in a Ghanaian manganese project.

In 2010 Shaw River's active manganese exploration program will include drilling at Butre (Ghana), 701 Mile (Pilbara), Skull Springs (Pilbara) and Baramine (Pilbara). These drill programs will February 2010. Shaw River will also maintain its active manganese project acquisition strategy as it continues to build its manganese project pipeline.

Shaw River offers excellent exposure to this strategic metal, critical to the global steel industry.

Shaw River's largest shareholder, Atlas Iron (45.7%) is a strong supporter of Shaw River's manganese strategy.

For further details, contact Mr Vincent Algar, Managing Director, on (08) 9226 4455

Competent Person Statement

The information in this report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Vincent Algar and Mr Glenn Martin who are Members of the Australasian Institute of Mining and Metallurgy. Mr Vincent Algar and Mr Glenn Martin are full-time employees of the company and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vincent Algar and Mr Glenn Martin consent to the inclusion in the report of the matters based on their information in the form and context in which it appears

Forward Looking and Exploration Target Statements

Some statements in this announcement regarding future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company's exploration programme, outlook, target sizes, resource and mineralised material estimates. They include statements preceded by words such as "potential", "target", "scheduled", "planned", "estimate", "possible", "future", "prospective" and similar expressions. The terms "Direct Shipping Ore (DSO)", "Target" and "Exploration Target", where used in this announcement, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Targets are conceptual in nature and it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Reserve.

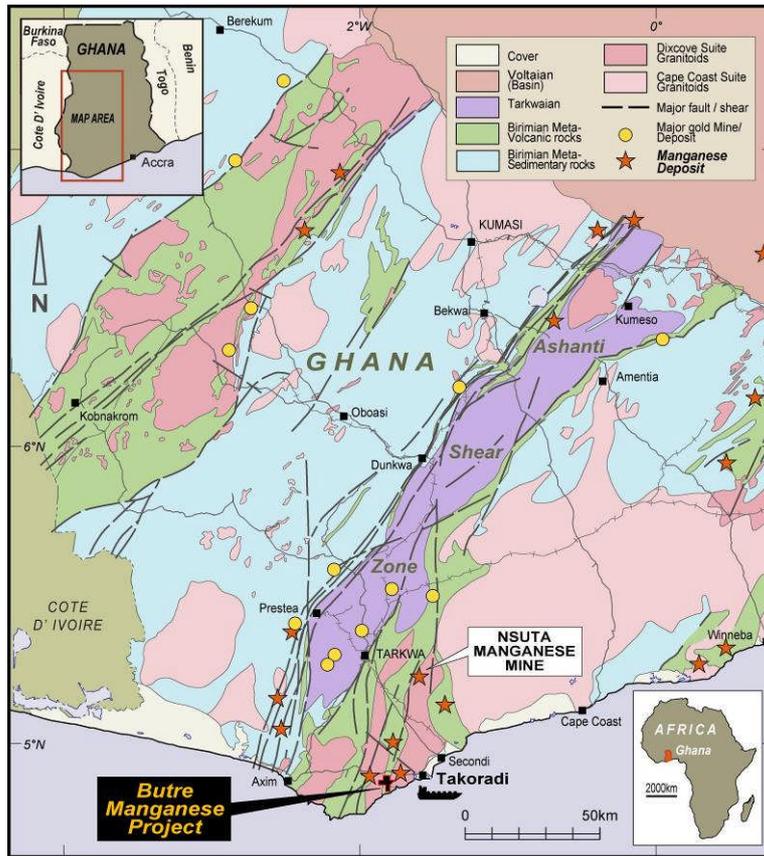


Figure 1. Ghana Geology and Butre Project Location

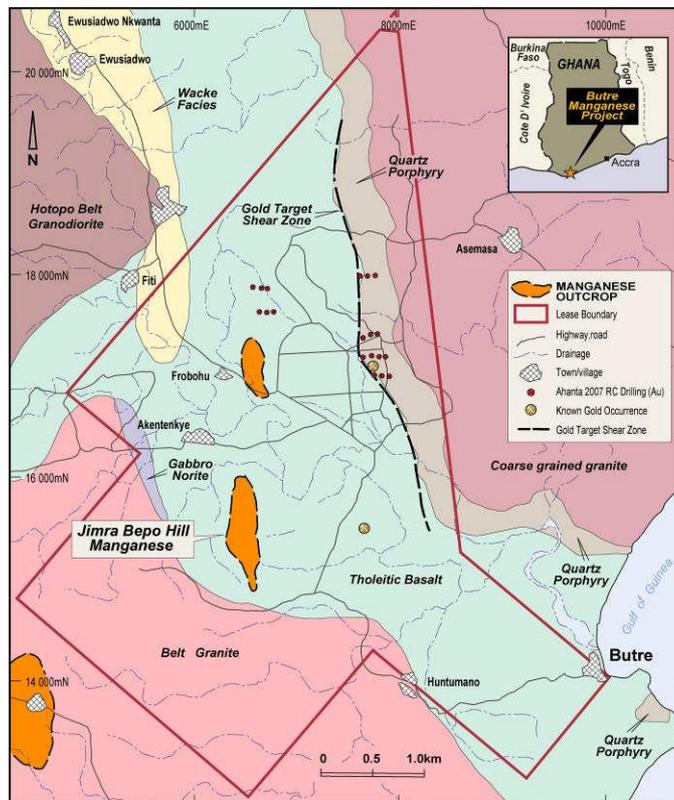


Figure 2. Butre Project Geology