

Bayswater Provides Update on Transaction Regarding Reno Creek Project

Vancouver, BC, December 29, 2009 – Bayswater Uranium Corporation (TSX-V: [BAY](#)), (OTC: [BYSWF](#)) announces Strathmore Minerals Corp (“Strathmore”) has received an unsolicited competing offer (the “Competing Offer”) from a foreign based corporation (“the Competing Bidder”) for the Pine-Tree Reno Creek Properties (the “Property”) in Wyoming. Per Competing Offer, the Competing Bidder would acquire a 100% interest in the Property in consideration of the payment of US\$17.5 million cash, US\$2.5 million in common shares of the Competing Bidder, to be paid on closing, and a 5% gross production royalty, which can be repurchased in whole or in part by the Competing Bidder at any time for US\$2 million (US\$1 million cash and US\$1 million in common shares) per 1% royalty reduction. The Competing Bidder also indicated it was willing to acquire the interest held by American Uranium Corporation on the same terms as the agreement entered into with Bayswater. The Competing Offer is subject to satisfactory due diligence, shareholder approval, and financing by the Competing Bidder, with a closing to occur by March 30, 2010.

Strathmore’s Board of Directors accepted the Competing Offer, but pursuant to the amended and restated LLC Option Agreement dated December 8, 2009 (the “LLC Agreement”), Bayswater has seven business days to complete the existing transaction per the terms of the LLC Agreement or match the terms of the Competing Offer. If Bayswater determines to match the terms of the Competing Offer, it will have 90 days from the date of its agreement to meet the terms of the Competing Offer to close the transaction.

Bayswater is reviewing its options in relation to the Competing Offer and will make a final determination on or before January 7, 2010. Bayswater will provide a further update as soon as possible.

Final completion of a transaction on the Property is subject to receipt of applicable regulatory approvals, among other things. Please see the Company’s news releases dated August 24, 2009, September 18, 2009, October 5th, 20th, and 22nd, 2009 and December 9, 2009 for additional information concerning the Property and the related transactions.

About Bayswater Uranium Corporation - The Super Junior Uranium Company™

Bayswater Uranium Corporation is an international uranium exploration and development company. The Company owns several advanced uranium properties in the United States with significant historical resources that may be amenable to ISR and/or conventional mining. As well, Bayswater is the only uranium company to have major landholdings in each of Canada's most important producing and exploration regions - the Athabasca Basin, the Central Mineral Belt, and the Thelon Basin. Bayswater combines a balanced portfolio of advanced and exploration projects with the uranium expertise of its technical and managerial teams. To capitalize on current market conditions and strong growth of the nuclear industry, the Company is pursuing acquisition opportunities of advanced-stage uranium projects with near-term production potential. Bayswater's vision is to build a major international uranium company. Shares of the Company are listed on the TSX Venture Exchange under the symbol “BAY”. For further information visit www.bayswateruranium.com.

On behalf of the Board of:

BAYSWATER URANIUM CORPORATION

George M. Leary
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Statements in this news release other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, constitute forward-looking statements. Forward-looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in mineral exploration, development and mining. There can be no assurance that such forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on such statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

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