

Bayswater Meets Terms of Competing Offer for Reno Creek Project

Vancouver, BC, January 7, 2010 — **Bayswater Uranium Corporation (TSX-V: [BAY](#)), (OTC: [BYSWF](#))** announces that, further to its news release dated December 29, 2009, advising that Strathmore Minerals Corp. (TSX-V: [STM](#)) (“Strathmore”) had received an unsolicited competing offer (the “Competing Offer”) from a foreign based corporation (the “Competing Bidder”) for the Pine-Tree Reno Creek Properties in Wyoming—previously referred to as Reno Creek Property by the Company (“the Property”), Bayswater has elected to meet the terms of the Competing Offer.

Bayswater will acquire a 100% interest in the Property in consideration of an aggregate payment of US\$20 million to Strathmore of which US\$ 17.5 million is payable in cash and US \$2.5 million is payable through the issuance of common shares of the Company. Bayswater shall grant to Strathmore a 5% gross production royalty, which can be repurchased in whole or in part at any time for US \$2 million (US \$1 million cash and US \$1 million in common shares) per 1% royalty reduction. A non-refundable deposit of US\$250,000 in cash was previously paid to Strathmore in conjunction with the signing of the August 20, 2009 letter of intent (see news release dated August 24, 2009), which is credited against the US\$20 million purchase price, and a further US\$250,000 non-refundable deposit, for an aggregate deposit of US\$500,000, shall be paid to Strathmore on or before January 21, 2009, and further credited against the purchase price.

“The Competing Offer provides the opportunity to acquire 100% ownership of the Reno Creek Property at a cash cost of US\$18.5 million upon closing of the transaction, versus a cash cost of US\$26 million over two years,” states Mr. George Leary, President of Bayswater. “We intend to move forward aggressively to finance the acquisition.”

Bayswater shall have 90 days from its agreement to meet the terms of the Competing Offer (the “Closing Date”) to complete the transaction.

While the Competing Offer is subject to satisfactory due diligence and shareholder approval of the Competing Bidder, among other things, Bayswater has completed its due diligence process and received the approval of its shareholders at an extraordinary meeting of the Company held on November 16, 2009.

The terms of the Company’s agreement with American Uranium Corp. (“American”), as described in the Company’s news release dated August 24, 2009, remain substantially unchanged. In exchange for American’s consent to the transaction and termination of its rights pursuant to a previous joint venture on the Property, the Company shall pay to American US\$2,000,000 on the Closing Date, of which US\$1,000,000 shall be payable in cash and US\$1,000,000 shall be paid through the issuance of common shares of the Company at a deemed price equal to the price of the concurrent financing to be completed by the Company on terms to be determined.

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, December 9, 2009 and December 29, 2009 for additional information concerning the Property and the related transactions.

Consolidation

The Company announced a proposed consolidation of its share capital in order to raise needed capital for acquisition of the Property in its news release dated October 20, 2009. A consolidation on an up to 15-for-1 basis



was approved by the shareholders of the Company at the extraordinary meeting held on November 16, 2009, and the board was granted the discretion to amend the consolidation ratio to such lower number they thought fit. The board of directors of the Company has determined, in light of the Competing Offer and the necessary financing to complete same, a consolidation of its shares on a 10 to 1 basis is appropriate in the circumstances which is effective immediately. The Company's name will remain the same, but its new trading symbol will be "BYU".

Financing

The Company announced the terms of a financing on December 9, 2009 which has been withdrawn pursuant to our meeting the terms of the Competing Offer and the consolidation as above. The revised terms of financing in order to meet the terms of the Competing Offer will be announced in due course.

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

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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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