



ERDENE RESOURCE DEVELOPMENT CORP.

Erdene Provides Mongolia Coal Project Update Regional Coal Exploration Drill Program Planned

For Immediate Release

Halifax, Nova Scotia – May 10, 2010- Erdene Resource Development Corp. ("Erdene") (TSX:ERD) is pleased to provide an update on coal exploration activities in Mongolia.

"Over the past few years our company has been at the forefront of Mongolia coal exploration. During that time, we have evaluated every known coal occurrence in Mongolia and completed over 250 site evaluations. Through that process, we have narrowed our focus to certain prospective areas and potential acquisitions that are now the target of our 2010 field exploration activities and additional due diligence projects." said Peter Akerley, President and CEO of Erdene. "With China now exceeding three billion tonnes per year of coal consumption and imports growing significantly, Mongolia is experiencing rapid development in the coal mining sector. Erdene is well positioned to be a part of that growth through its direct holdings, royalty interest and partnerships."

2009 and 2010 Coal Exploration Programs

In 2009, Erdene conducted regional scale geological mapping programs in Southwest and South Mongolia covering over six million hectares of ground within prospective high quality thermal and metallurgical grade coal basins. In addition, Erdene conducted comprehensive due diligence on several coal deposits and companies with prospective licenses, including the Mongolian government-owned Tavan Tolgoi coal deposit, a potentially five billion tonne thermal and coking coal deposit, as preparation for a possible tender bid submittal.

The 2009 mapping program successfully identified several new prospective coal basins and coal occurrences for detailed follow up work and formed the basis for a 404,937 hectare application program, comprising six applications in Southwest Mongolia. The six applications lie within large unexplored basins that contain numerous coal occurrences up to 11 metres in true thickness extending over areas up to 20 km in length. All applications have recently been approved by the Mongolian Cadastre Office and are the focus of an exploration program that includes a ground-based geophysical program and a two to three thousand meter exploration drill program. This exploration drill program commences in May and will continue throughout the 2010 field season.

A significant part of the 2010 field season will also focus on targets in Western and Eastern Mongolia where new transportation links are planned in areas with limited, previous coal exploration. These targets are considered to have very good potential for metallurgical and high quality thermal coal discoveries. Erdene has been awarded one license in the eastern part of the country with license applications pending in both regions. Erdene is also conducting due diligence evaluations on newly discovered coal deposits for potential joint venture or purchase opportunities.

In conjunction with the 2009 regional mapping program, Erdene completed comprehensive property and company based evaluation programs within several, prospective metallurgical grade coal basins throughout Mongolia, including a detailed review of coal acquisition opportunities in the South Gobi Coal Basin. Erdene plans to continue regional property evaluations in 2010 as well as increased license staking and acquisition activity to identify and secure large-tonnage metallurgical, high-quality thermal coal deposits. A budget of USD\$1.9 million is in place for 2010 coal exploration programs in Mongolia; these programs are fully funded by Xstrata Coal Canada Ltd. through the Erdene-Xstrata Coal Alliance. Xstrata Coal Canada Ltd. has the right to earn a 75% interest in any of Erdene's coal projects in Mongolia by funding through to completion of feasibility.

Galshar Coal Project

Erdene has a royalty interest in three coal exploration licenses (Galshar property) located in Eastern Mongolia. In December 2008, Erdene optioned its 100% interest in the Galshar property to a private Mongolian company and received cash consideration of USD\$100,000 with additional payments of USD\$100,000 remaining. Erdene is also entitled to a royalty of USD\$1.50 per tonne of coal for each tonne of the first five million tonnes of coal mined from these properties and a royalty of USD\$ 0.75 per tonne for any additional tonnes of coal mined from these properties in excess of five million tonnes.

Mongolia-China Coal Market Background

Mongolia borders China, the largest coal consuming nation, which is reported to have consumed 3.1 billion tonnes of coal in 2009 with imports expected to double in 2010 to 126 million tonnes. Mongolia provides many large open pit deposits and vast unexplored basins, whereas 80% of China's coal mines are underground with 90% of their high quality resources located below 400 metres, particularly their metallurgical grade resources. Currently, more than one-half of China's coal imports are sourced from Australia, Indonesia and Vietnam. In January 2010, China sourced coal shipments from as far away as Colombia. The Erdene-Xstrata Coal Alliance is positioning itself to become a major participant in the coal industry in Mongolia.

Qualified Person

J.C. (Chris) Cowan, P.Eng. (Ontario), is a Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the technical information contained in this news release.

About Erdene

Erdene Resource Development Corp. is a diversified resource company with multiple projects at various stages of development from exploration to production; all projects are focused on high-growth commodities. These projects include a 25% interest in Xstrata Coal Canada Ltd.'s Eastern Canadian Donkin Coking Coal Project, a 100% interest in the large tonnage Zuun Mod Molybdenum project in Mongolia, a royalty interest in a developing construction material project in the United States as well as a 65% equity interest in TSX-V listed Advanced Primary Minerals Corporation. Erdene has a current working capital position of approximately \$12.3 million, including that of its controlled subsidiary APM, with 89,230,877 common shares issued and outstanding and a fully diluted position of 93,084,877 common shares.

Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. Discussion of the various factors that may affect future results is contained in Erdene's annual information form dated March 29, 2010, which is available at www.sedar.com. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

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