



29 September 2016

AGUIA SETTLES LEGACY DRILLING CONTRACT DISPUTE

Brazilian fertiliser developer Agua Resources Limited (ASX: AGR) (“Agua” or “Company”) announces that it has reached a settlement on a legal dispute from April 2013 relating to a former subsidiary Potassio do Atlantico Ltda. regarding the alleged breach of a drilling contract. Under the settlement Agua, has agreed to pay the other party a total of A\$403,000 (R\$1 million) in three instalments between 30 September 2016 and 15 December 2016.

Agua is satisfied that this outcome is in the Company’s best interests rather than continuing to spend time and resources on a legacy contract pertaining to assets that are no longer a focus for Agua.

Agua confirms that this legacy drilling issue in no way relates to the phosphate assets in Rio Grande Do Sul which are now the Company’s sole focus. Project development work is continuing, and the Company remains well funded with cash reserves and the requisite shareholder support to continuing adding value to its phosphate assets. Agua looks forward to updating shareholders very soon on further progress.

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About Agua:

Agua is a fertiliser company focused on the exploration and development of phosphate and potash projects in Brazil to supply the Brazilian agriculture sector. Brazil is Latin America’s biggest economy and is heavily reliant on imports of up to 50 per cent of its phosphate and 90 per cent of its potash needs. Agua is well positioned to capitalise on the growing demand for phosphorus and potash based fertilisers in the expanding agriculture sector in Brazil and controls three large projects, located close to existing infrastructure. The Company is committed to its existing projects whilst continuing to pursue other opportunities within the fertiliser sector.

Forward Looking Statements:

This news release contains forward looking statements, which relate to future events or future performance, including, but not limited to, the completion of the size of the Placement, receipt of regulatory approvals and timing thereof, the Company's business strategies and plans for the use of such Placement proceeds, capital expenditure programs and estimates relating to timing and costs, and reflect management's current expectations and assumptions, including, but not limited to the timing and receipt of necessary regulatory approvals and completion of the Placement and stability of general economic and financial market conditions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward looking statements. Such forward looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties, including imprecision in estimate capital expenditures and operating expenses, stock market volatility, general economic and business conditions, risks associated with liquidity and capital resource requirements, that may cause future results to differ materially from those expected and the forward looking statements included in this news release should not be unduly relied upon. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.