

## **CAPITAL RAISING**

Phosphate Australia Limited (ASX Code: POZ) is pleased to announce a \$3.83 million share placement at an issue price of 27 cents per share ("**Placement**"). The placement has been facilitated by Lead Manager Bell Potter Securities Limited.

The placement was oversubscribed, demonstrating strong interest from potential participants. The shares have been placed to a select group of institutions and sophisticated investors pursuant to Section 708 of the Corporations Act.

Phosphate Australia's Managing Director Andrew James said:

"We are extremely pleased with the strong response to the capital raising which demonstrates a confidence in the Company's ability to progress the Highland Plains Phosphate Project towards development. These funds will be applied towards ongoing resource drilling, metallurgical testwork, road and shipping studies and fast-tracking pre-feasibility studies."

It is anticipated that settlement of application funds and issue of shares is to take place on or about Friday 21 August 2009. The placement will be completed within the Company's 15% share issue capacity pursuant to Listing Rule 7.1. Phosphate Australia's cash position post raising will be approximately \$8.5 million.

### **About Highland Plains Phosphate Project**

Phosphate Australia's core project at Highland Plains comprises a JORC-compliant inferred resource of 56 Mt at 16% P<sub>2</sub>O<sub>5</sub>. The Western Mine Target Zone ("**WMTZ**"), a sub-set of the global resource, contains a JORC-compliant inferred resource of 7 Mt at 23% P<sub>2</sub>O<sub>5</sub>. At surface phosphate mineralisation and thick phosphate intersections within the WMTZ give the company the opportunity to develop Australia's lowest cost new phosphate mining operation located close to the Gulf of Carpentaria.

**JIM RICHARDS**  
Chairman

### **FOR FURTHER INFORMATION:**

**Andrew James**  
Managing Director

**Jim Richards**  
Chairman

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richards is a Director of POZ. Mr Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Richards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*