

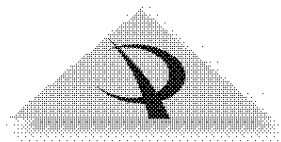
Prosperity Resources Limited

confidential
fax

To: **ASX**
Fax Number: 1300135638

From: **Jodie Chou**
Fax Number: (08) 9322 9485
Business Phone: (08) 9322 7575
Home Phone:

Pages: 2
Date/Time: 31/07/2009 12:42:32 PM
Subject:



PROSPERITY

PROSPERITY RESOURCES LIMITED

100 Parry St
PERTH WA 6000
PO Box 7516
CLOISTERS SQUARE WA 6850
Tel: (+61 8) 9322 7575
Fax: (+61 8) 9322 9485
info@prosperity.net.au
www.prosperity.net.au

Company Announcements Office
Australian Securities Exchange Ltd
ASX Release

31 July 2009

Pinang- Pinang Due Diligence Completed

Prosperity Resources Limited (**ASX: PSP**, "Prosperity") advises that it has completed exploration due diligence on the Pinang-Pinang project in Aceh, Indonesia. Initial assay results from the soil sampling are being compiled and will be released in due course.

Prosperity, through its 90% owned Indonesian subsidiary, PT Prospindo, has signed a formal Joint Venture Agreement with PT Multi Mineral Utama ("PT MMU"). This agreement allows for the subscription for 80% of the shares in PT MMU by the Joint Venture holding company created under the October 2008 Cooperation Agreement with PT Dana Mitra Utama ("PT Dana").

The Joint Venture holding company will earn an 80% shareholding interest in PT MMU through total exploration expenditure of US\$1,250,000. Upon delineation of a JORC code compliant resource, the Joint Venture holding company will have the option to pay PT MMU a further US\$1,250,000 in cash and US\$250,000 in Prosperity shares (based on the closing price at 31 March 2010) to acquire the top thirty metres of the oxide material. All material below thirty metres and from surface outside the initial target area will be owned by the Joint Venture holding company.

The Joint Venture holding company is being established in Indonesia as a 10%:90% venture between PT Dana and PT Prospindo with PT Dana having the option to buy back to 40% at the Scoping study stage, or alternatively buy back to 20% at the completion of a feasibility study. PT Dana will be required to contribute pro rata to expenditure should it elect to buy back at either stage.

ENDS

For further information contact:

Mo Munshi
Chairman/Managing Director
(T) +61 8 9322 7575
(M) +86 139 1017 5192

