



PROSPERITY

PROSPERITY RESOURCES LIMITED
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Company Announcements Office
Australian Securities Exchange Ltd
ASX Release

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Loan Agreement Secured

The Board of Prosperity Resources Limited (**ASX: PSP**, "Company") advises that it has executed a second Loan Agreement with China based, Resource Global Finance Ltd ("RGF"). The agreement allows the company to draw down US\$500,000 at nil interest until 30 June 2010. The funds will be used for further exploration work on the Pinang-Pinang project in Indonesia and for working capital.

RGF will have a second ranking fixed charge over the Company's interest in the Co-operation Agreement between the Company and PT Dana Mitra Utama for this loan.

The fee for securing the facility will be in two parts. Drawdown of the first US\$250,000 will require a payment to RGF of 5,000,000 ordinary fully paid shares and 10,000,000 options exercisable at 2 cents per share on or before 30 September 2010. Drawdown of the second US\$250,000 will require a payment to RGF of a further 5,000,000 ordinary fully paid shares.

As per the terms of the original loan agreement with RGF announced on 20th October 2008, the Company has elected not to repay the loan by 30 June 2009. This election will require the issue of 2,000,000 ordinary fully paid shares to RGF. If the company elects to repay the original \$500,000 loan after 31 December 2009, subject to the receipt of all necessary shareholder approvals (if required) the Company is to issue a further 5,000,000 options exercisable at 2 cents per share on or before 30 September 2010.

Chairman, Mr Mo Munshi said "These funds will allow the Company to pursue the next phase of exploration at Pinang-Pinang. The Board believes that an equity raising at the current low share price is not in the best interest of shareholders at this time."

For further information please contact the undersigned on (08) 9322 7575.

Yours sincerely

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