



30th September 2010

DRILLING TO COMMENCE AT PANTON LUAS AND MUTIARA PROSPECTS IN ACEH

Highlights:

- Prosperity to commence diamond drilling program next week at gold copper Project in Aceh Province, Indonesia.
- 5,000 metre diamond drilling program using two rigs starting at Panton Luas and Mutiara Prospects.
- Five drill-ready targets identified in the Aceh Project to date with more rigs due to commence in late October 2010.
- Recently completed magnetic survey has highlighted several new potential porphyry and high grade skarn mineralised targets within 60 kilometre structural corridor which were not previously recognised.

Prosperity Resources Limited (ASX: PSP) is pleased to announce that the first ever drilling program is about to commence at the exciting Panton Luas and Mutiara Prospects in its Aceh Project in Indonesia. Prosperity controls a 60 kilometre long land belt and the recently completed helicopter-borne magnetic survey has identified several potential porphyry centres and high grade skarn occurrences.

The initial program of shallow drilling (200-250 metres deep) at Panton Luas and Mutiara will be followed by deeper drilling to 600 metres later in the month. 5,000 metres of diamond drilling are scheduled using two shallow and one deep capacity Drillcorp rigs. An ongoing drilling program is anticipated on the basis of successful results from this initial program on these Prospects and a number of additional targets defined by Prosperity to date.

Chairman Mr. Mo Munshi said “the current program at our substantial regional Aceh gold-copper project is the first significant drilling program to be carried out on the northern targets in the Project region. This drilling follows up very encouraging exploration results generated by Prosperity on a number of the targets delineated to date.”

ASX: PSP

SHARE INFORMATION

Issued Shares: 301.9m
Unlisted Options: 45.2m

BOARD OF DIRECTORS

Chairman & MD: M. Munshi
Non-Exec: J. Arbuckle
Non-Exec: S. Hempel

COMPANY SECRETARY

G. Taylor

PRINCIPAL CONTACT

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KEY PROJECTS

ACEH

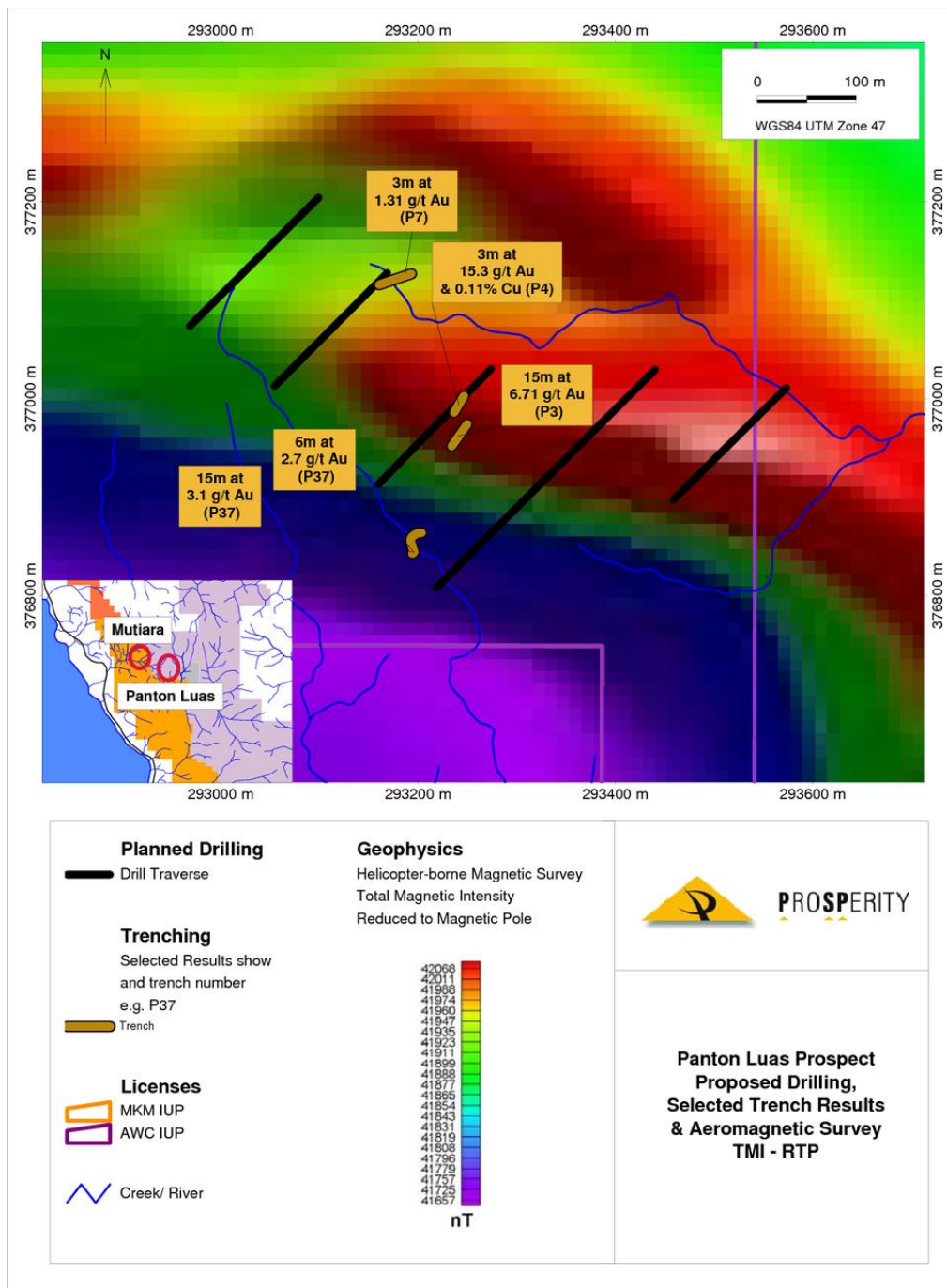
Ownership: earning 73%
Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%
Location: NT, Australia

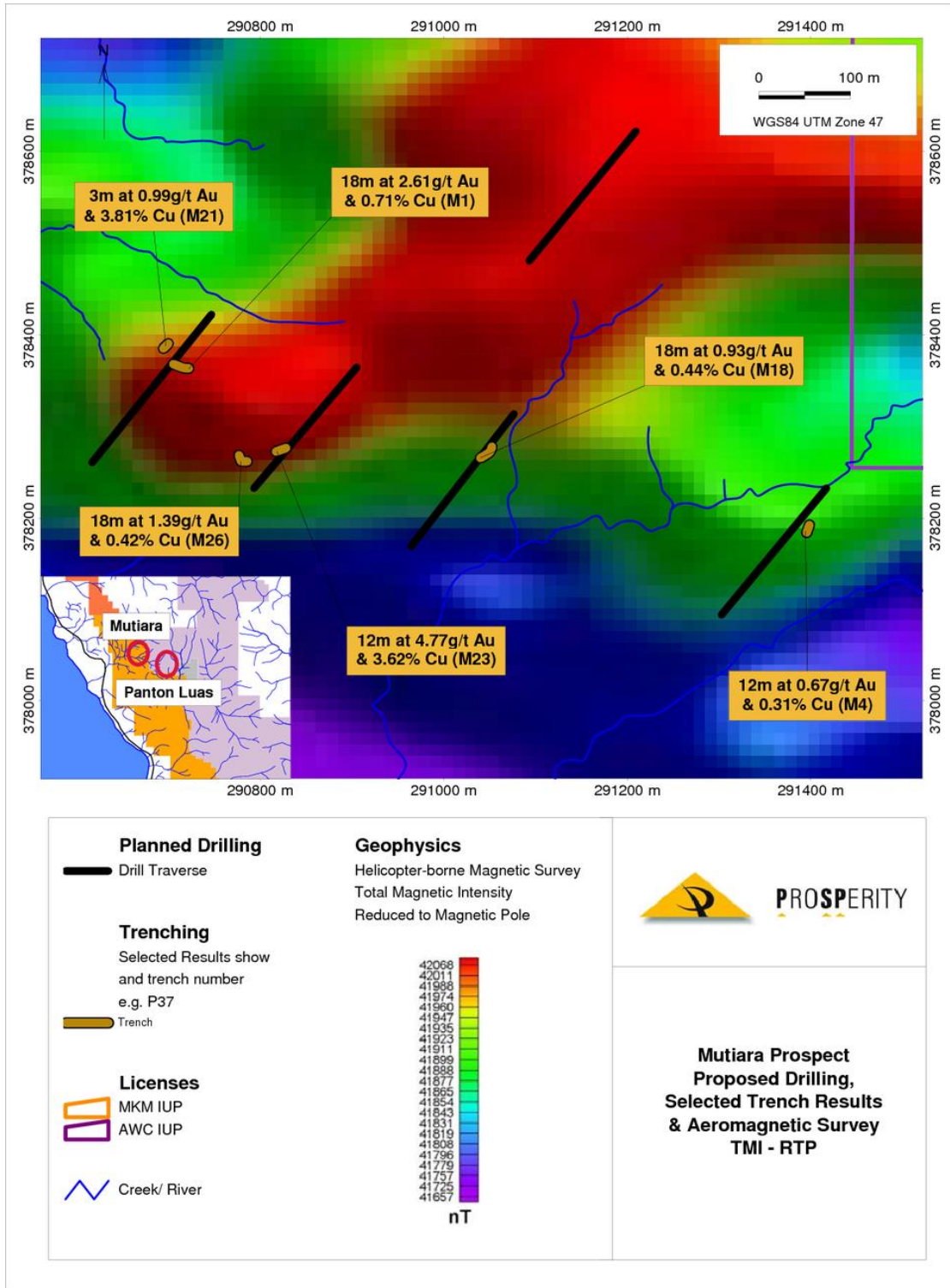
Panton Luas Drilling

The stage 1 drilling program at Panton Luas is designed to test a number of key features of the geology, alteration, geochemistry and magnetics recognised related to both existing sites of artisanal mining activity in intensely to moderately altered microdiorite showing extensive pyritisation and silica-clay alteration and progressing southward to test the peak of a zone of elevated helimagnetic anomalism marginal to the zone of intense alteration. The magnetic anomaly intensity increases away from the site of artisanal workings and reaches a zone of peak intensity coincident with significant and often highly Au anomalous continuous 3 metre composite rock chip traverses over significant widths in silica magnetite altered microdiorite (refer ASX announcement 25th August 2010). These broad areas of anomalism are considered highly significant in the context of a porphyry Au environment from surface rock chip samples and illustrate the widespread nature of anomalism.



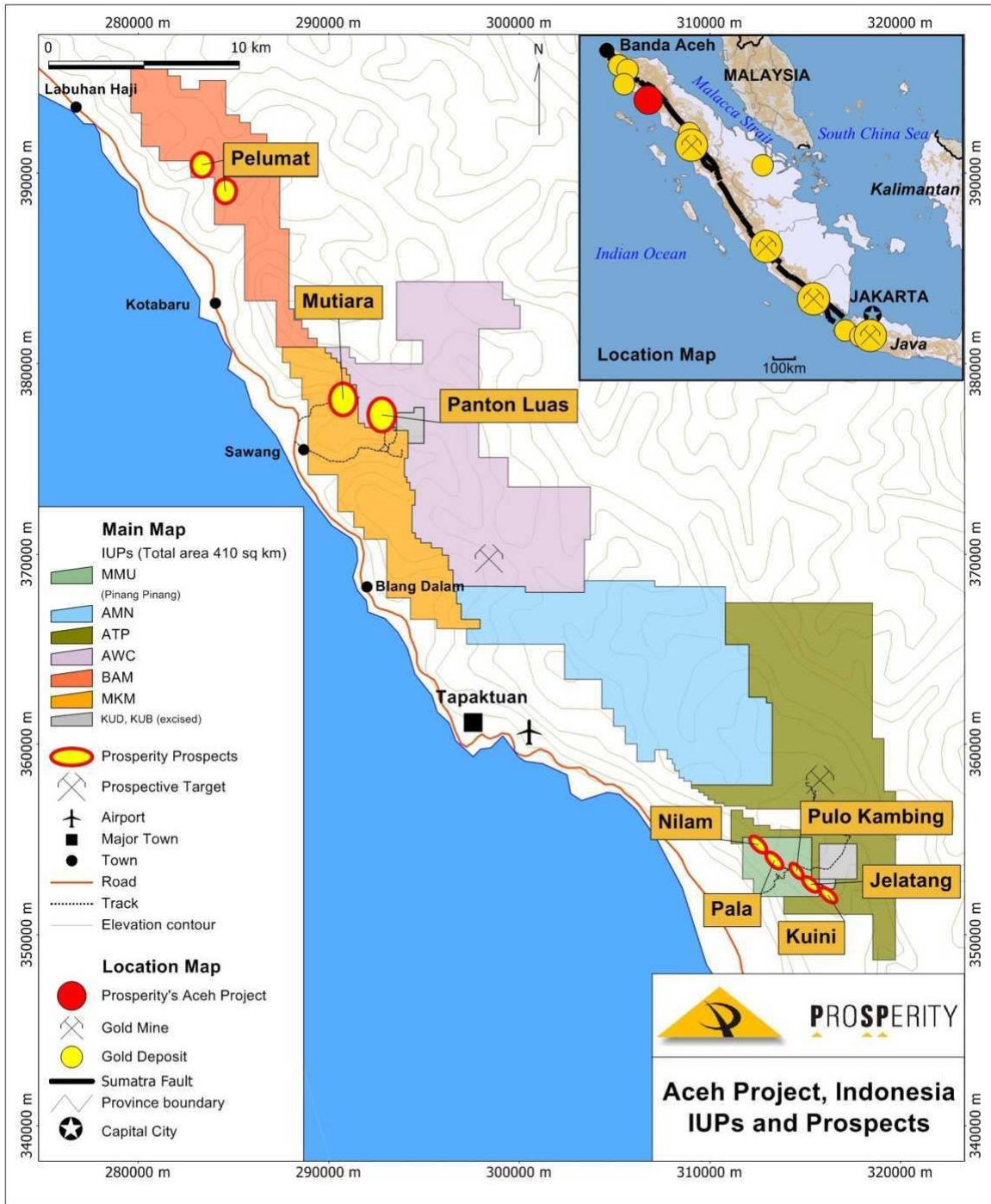
Mutiara Drilling

At Mutiara the first stage drilling is designed to test a significant zone of contact skarn hosted copper mineralisation developed between intrusive microdiorite and limestone (refer ASX announcement 16th August 2010). It is also designed to test a significant helimagnetic anomaly in an area with no exposure that is interpreted to coincide with a hydrothermally magnetite altered microdiorite similar in character to that at the Panton Luas site and considered likely to relate to the intrusives generating the skarns at Mutiara.





PROSPERITY



Location Map: Prosperity's Aceh IUPs

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Competent Person Statement

Information in this announcement that relates to Exploration Results is based on information compiled by Michael Ivey, Principal of M Ivey Pty Ltd trading as MetalsEx Capital, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Ivey is a permanent employee of MetalsEx Capital and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Michael Ivey consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.