

3rd June 2011**DRILLING RESULTS FROM PANTON LUAS PROSPECT IN ACEH****ASX: PSP****SHARE INFORMATION**

Issued Shares: 344.5m

Unlisted Options: 20.9m

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Ownership: earning 73%

Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%

Location: NT, Australia

- Anomalous gold intersections reported from drilling at Panton Luas including:
 - Hole PLDH001: 6m @ 2.05 g/t gold
 - Hole PLDH002: 2m @ 2.36 g/t gold
 - Hole PLDH005: 10m @ 1.14 g/t gold
- Ongoing drilling locally will move to the associated copper rich targets at Mutiara and Pelumat This will begin the wider assessment for porphyry and skarn hosted mineralisation in the Panton Luas Mutiara zone. The potential for porphyry mineralization at depth beneath Panton Luas itself has not been excluded by the shallow drilling undertaken.
- Commencement of drilling at Kuini to the south within the 410km² tenement package is also being scheduled.

Prosperity Resources Limited (ASX: PSP) announces that it has completed a six hole program at the Panton Luas Prospect in Aceh, Indonesia.

The initial program of drilling (200-250 metres deep) at Panton Luas was completed using two shallow capacity Drillcorp diamond drill rigs.

Panton Luas is one of **8 key prospect areas** delineated from exploration to date including **six porphyry intrusive centres**.

An ongoing drilling program is anticipated on a number of additional targets defined by Prosperity to date in the vicinity of Panton Luas.

Prosperity controls a 410km² contiguous tenement position along a 60 km structural corridor to the west of the Sumatra Fault considered highly prospective for gold/copper mineralisation. A helicopter borne magnetic survey completed in the latter part of last year identified several possible porphyry centres high grade skarn occurrences that are the current focus of exploration.

Panton Luas Geology

Prosperity Resources Limited has completed a program of six diamond drill holes at its Panton Luas Project area in southern Aceh. The program was designed to test the extent of recognised gold mineralisation being exploited by



local artisanal miners as reported in previous releases to the ASX and to assess on the basis of alteration observed and geochemistry whether the mineralisation could be related to a mineralised intrusive porphyry body at depth.

The observed gold-bearing pyrite-magnetite mineralisation occurs within fractures and other structures within microdiorite intrusive breccias in some instances spatially in close association with intrusive feldspar hornblende bearing porphyritic dykes. The intrusive breccia consists of polymictic and monomictic clasts of variously altered pyroxene and occasionally hornblende bearing microdiorite, much of which is propylitic (epidote-carbonate± (reddish) hematite) in character and occurs within an otherwise weakly to unaltered intrusive matrix. The close spatial relationship of the pyritic mineralisation with often sheared contacts of the feldspar hornblende porphyritic dykes appears to be due to occupying a common reactivated structure with the pyritic mineralisation postdating the intrusion of the dykes.

Some pervasive silicification of the intrusive breccias is observed at depth in the drill holes with this overprinting earlier alteration. In some sites this is brittle fractured and locally cut by small off set faults. These shears and fractures are filled with fine grained pyrite indicating some aspects of the paragenetic sequence of alteration and mineralisation with pyrite mineralisation being late in its introduction. These features suggest a late mineralisation event beneath Panton Luas which may relate to deeper porphyry intrusion potential.

Observations made from textural relationships, alteration and geochemistry at the shallow levels tested the drilling undertaken in themselves do not suggest the presence of mineralised porphyry at depth. The lack of significant copper geochemistry and indications of increased temperature from alteration mineralogy would support this view. The copper geochemistry found at depth is consistent with the low grades found from surface rock chip sampling. The extent of the gold only mineralisation was disappointing despite there being a number of significant anomalous intersections made. Some petrology on core sections is proposed to confirm details of alteration observed and to assess the potential for vectors toward higher temperature environments.

Further mapping is continuing in the wider area to determine whether there are zones with elevated copper values that may be more reflective of a local porphyry environment. Plans are in place to commence drilling at the associated copper rich occurrences of Mutiara and Pelumat to the north and Kuini to the south.

For further information please contact:

Mo Munshi

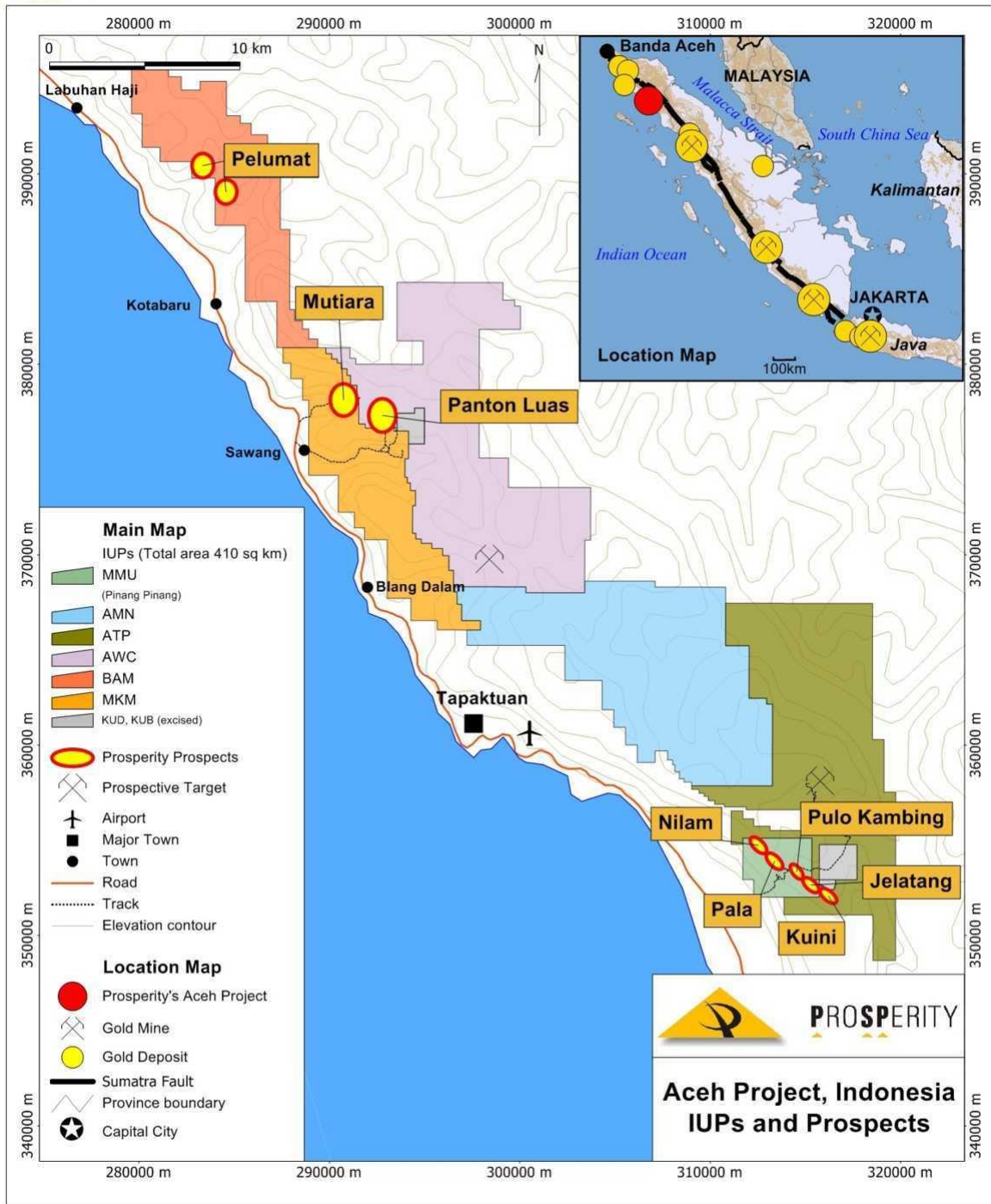
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Location Map: Prosperity's Aceh IUPs

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.



**ACEH PROJECT
DRILLING RESULTS - SIGNIFICANT INTERCEPTS
PANTON LUAS PROSPECT**

Hole No	Prospect	Collar Easting	Collar Northing	Interval	From	Au (g/T)
PLDH001	Panton Luas	292999	377077	6	100	2.05
				4	132	0.88
PLDH002	Panton Luas	293045	377005	10	64	0.49
				2	100	2.36
				4	114	1.08
PLDH003	Panton Luas	293072	376939	1	75	8.76
				2	196	1.08
PLDH004	Panton Luas	293207	376800	4	10	3.84
PLDH005	Panton Luas	293335	376908	8	4	0.46
				10	38	1.14
				10	78	0.80
				2	134	2.56
				24	220	0.22
PLDH006	Panton Luas	293351	377047	2	6	1.88

Grid Coordinates WGS84 Zone 47 North.

Gold analysis was undertaken by Intertek Jakarta by fire assay analysis. Copper was analysed by ICP following acid digest.

All intervals reported as down hole lengths