



PROSPERITY

PROSPERITY RESOURCES LIMITED
100 Parry Street
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

28 December 2011

LOAN RESTRUCTURED AS CONVERTIBLE NOTE

Prosperity Resources Limited (ASX: PSP, "Company") advises that the terms of the following credit facility have been renegotiated with the details as shown below, subject to shareholder approval.

The facility was due to be repaid in cash only by 30 June 2012; the renegotiation provides for the loan also to be convertible into fully paid ordinary shares in the Company at the lender's option.

Lender:	Resource Global Finance Limited
Loan amount:	USD500,000
Interest rate:	Nil
Loan due date	30 June 2012

The new terms are as follows:

Conversion:	At RGF's option
Conversion date:	30 June 2012
Partial conversion:	Not permitted
Conversion price:	AUD3 cents per share in the Company. The number of shares is to be calculated by reference to the Reserve Bank of Australia's published USD/AUD exchange rate on the conversion date, rounded to the nearest whole share.

Other loan terms:	Unchanged
-------------------	-----------

Garry Taylor
Company Secretary



ABN 60 103 280 235