



23<sup>rd</sup> March 2011

## PROSPERITY IDENTIFIES SIX NEW TARGETS IN ACEH

### ASX: PSP

### SHARE INFORMATION

Issued Shares: 344.5m

Unlisted Options: 21.2m

### BOARD OF DIRECTORS

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### KEY PROJECTS

#### ACEH

Ownership: earning 73%

Location: Aceh, Indonesia

#### TENNANT CREEK

Ownership: 100%

Location: NT, Australia

- Helimag Survey 3D inversion modelling results for the eastern belt of magnetic anomalies outlined in the Aceh project highlights six additional potential copper/gold porphyry targets.
- Assessment of the new targets identified has commenced with follow up reconnaissance geology and sampling.
- Drilling is in progress at Panton Luas with two rigs on site. Preparation of drill sites and access to the Mutiara and Pelumat sites continues with drilling expected to commence as soon as possible.

Prosperity Resources Limited (ASX: PSP) is pleased to release the second part of the 3D inversion modelling from the 2010 helimag survey flown within the exciting Aceh Project in Indonesia.

Prosperity Resources controls a 410km<sup>2</sup> contiguous tenement position along a 60 km structural corridor to the west of the Sumatra Fault considered highly prospective for gold/copper mineralisation. The helicopter borne magnetic survey completed in the latter part of last year identified several potential porphyry centres and high grade skarn occurrences.

This second part of 3D inversion modelled data was undertaken to assist in interpretation of the magnetic survey and to focus field geological reconnaissance mapping and sampling activities. The integration of the magnetic and field data has aided both geological and magnetic interpretation and refined the understanding of mineralisation controls and its setting.

This release presents magnetic 3D inversion data for the **NE Panton Luas, Samadua East, Serotan, Damar Buwi, Mersak East and Payabu prospects**. Information on geology and geochemistry of these areas is very poor at this stage. This release only includes prospects which fall within the eastern belt of anomalies within the Prosperity licences. The previous release contained information covering anomalies from the western belt of anomalies. As noted in the previous release for the western belt there is a commonality in geological style in the eastern belt, in this case evidence of magnetite-rich intrusives with significant vertical persistence which are considered likely to be related to significant altered and mineralised basic to intermediate composition intrusives.

The data from most of the eastern area was flown at 200 metre line spacing. Current reconnaissance field programs are directed at confirming their character over this field season.

The following information is shown as slices through block models to illustrate the depth characteristics of the anomalies at the location of the prospects.

The block modeling in the eastern area was undertaken to define distribution persistence characteristics of the high magnetic susceptibility targets to some 600 metres below surface as the targets in the eastern belt were considered to have much greater depth extent than those of the western belt discussed in the previous release dated 22 February 2011. It is tentatively proposed that the initial depth range for drilling of the eastern targets will be to about 600 metres depth rather than the shallower target depth for those of the western belt (University of British Columbia inversion software was used).

The regional reduced to pole (RTP) magnetics showing the first pass targets selected for 3D inversion modelling of magnetic data is shown in Figure 1.

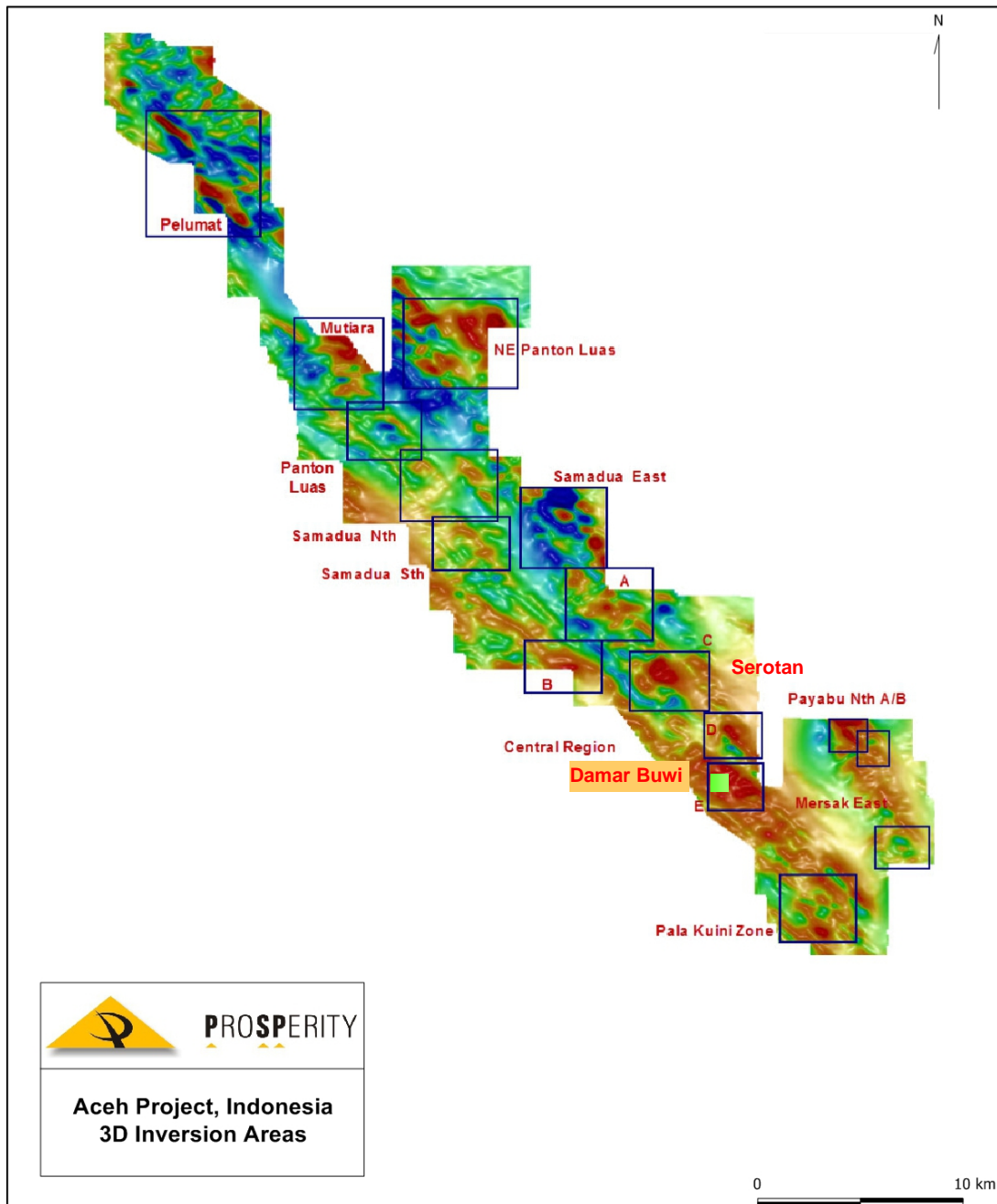


Figure 1: Relation of areas for 3D magnetic inversion processing.

### North East Panton Luas Anomaly

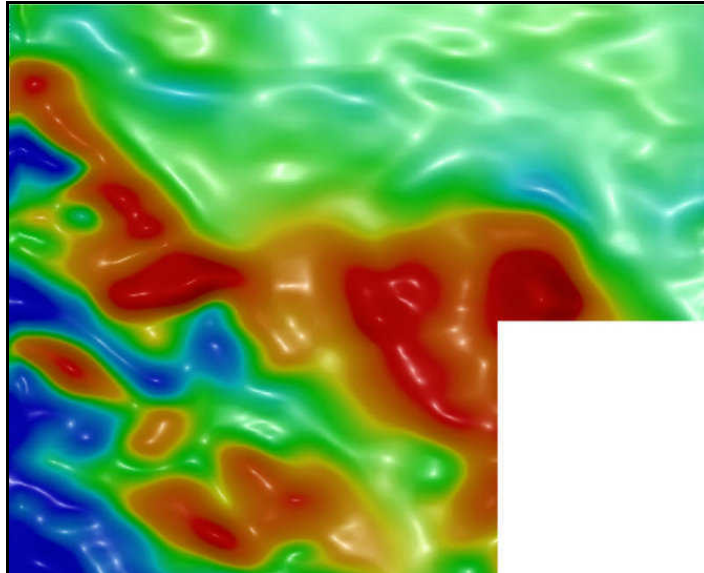


Figure 2: RTP magnetic image of North East Panton Luas Project area.

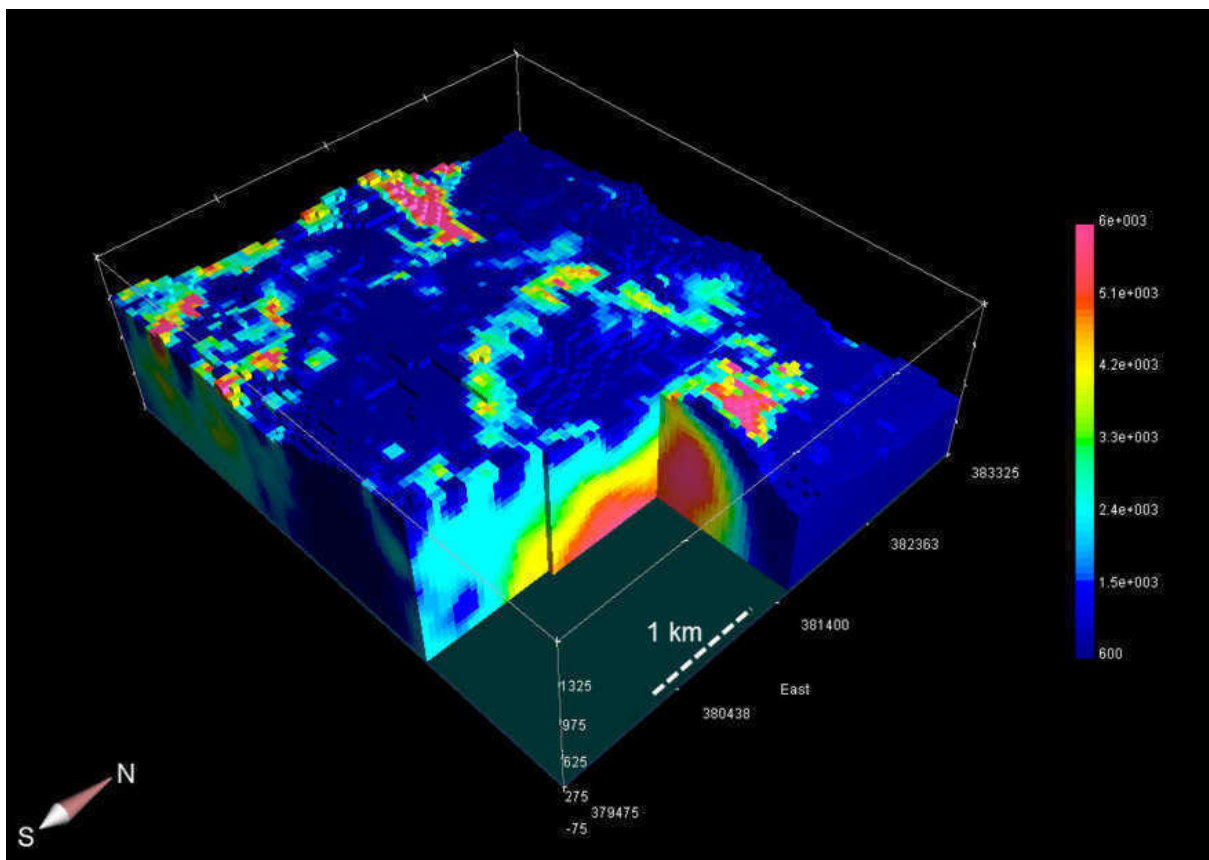


Figure 3: NS and EW cut through 3D block model of North East Panton Luas anomaly showing distribution of magnetite related hydrothermal alteration hosted in basic to intermediate intrusive. (Note: scale bar is for guidance only and is only true at position of line on figure as model is shown in perspective. The magnetic body is persistent to depth.)



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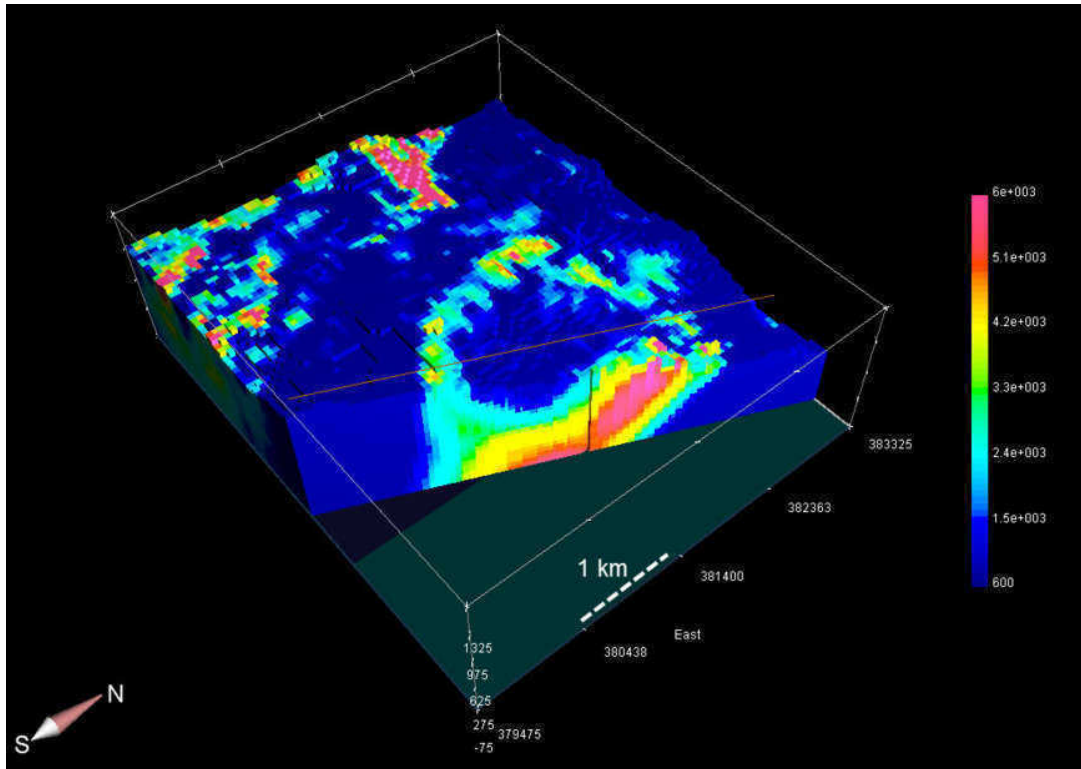


Figure 4: NNE - SSW slice through North East Pantan Luas anomaly illustrating relationship of magnetite bearing intrusive with “ring” structure. The field characteristics of this feature are not known at this time. Magnetic features to the west (top of image) likely relate to skarn hosted magnetite associated with limestone and intrusives of the Mutiara area to the west.

### Samadua East Anomlies

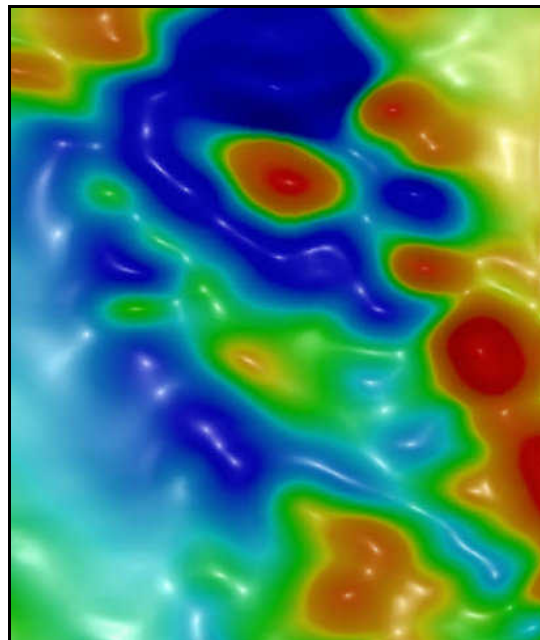


Figure 5: RTP magnetic image of Samadua East Project area.

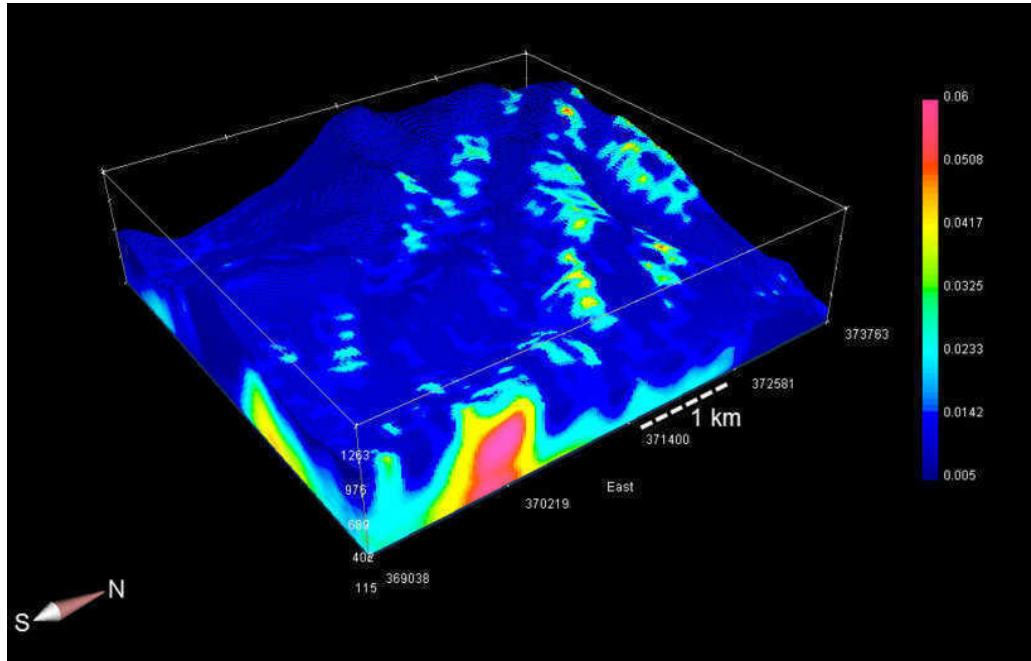


Figure 6: Oblique view of Samadua East area showing section through anomaly SE corner of block. This shows the persistence of the magnetic anomaly to depth, a feature characteristic of an intrusive.

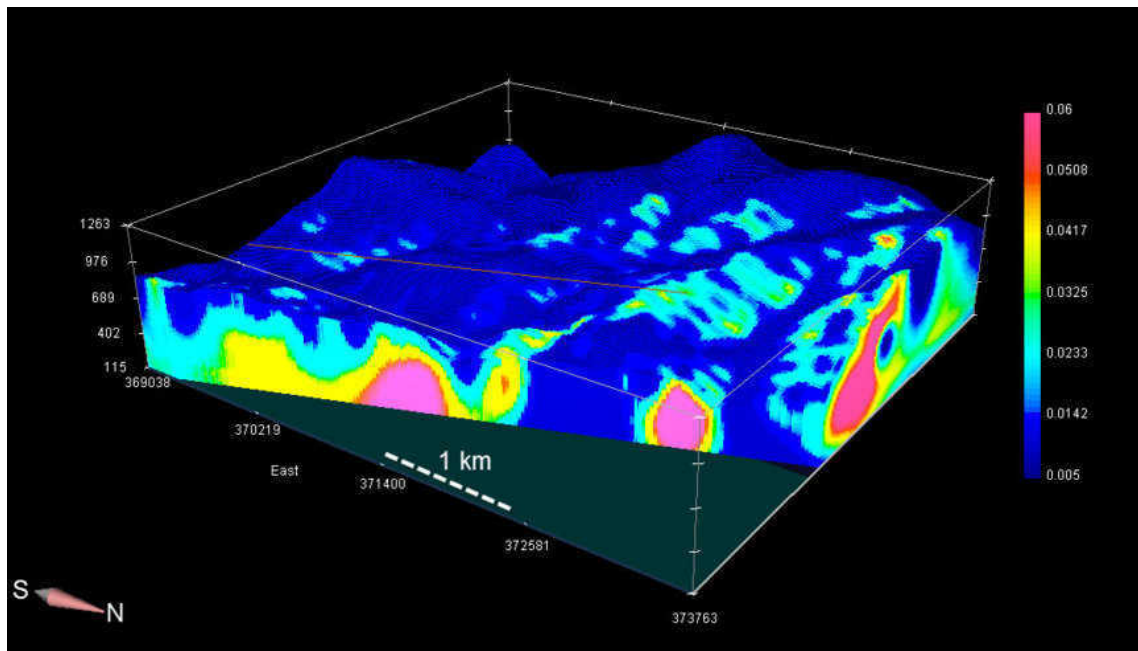


Figure 7: NE-SW slice through the Samadua East area showing a number of interpreted intrusive magnetic bodies.

## Serotan Anomaly

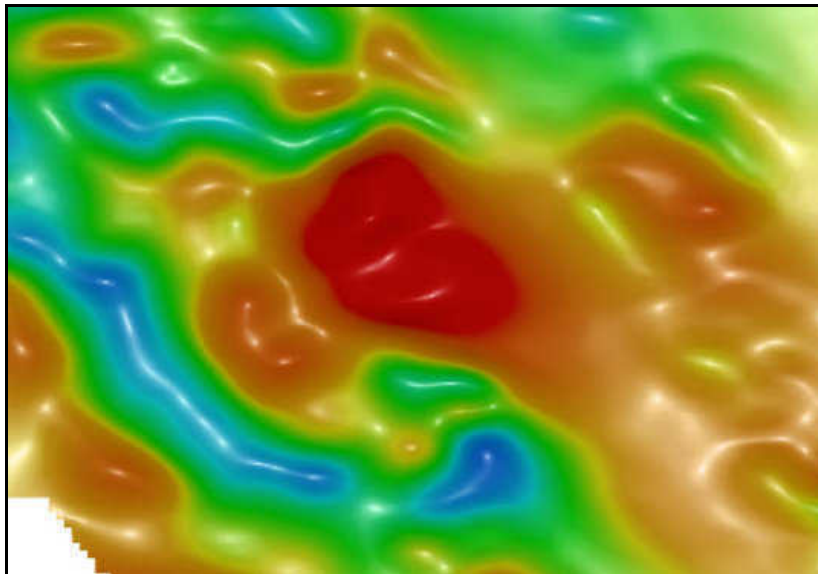


Figure 8: RTP magnetic image of Serotan Project area.

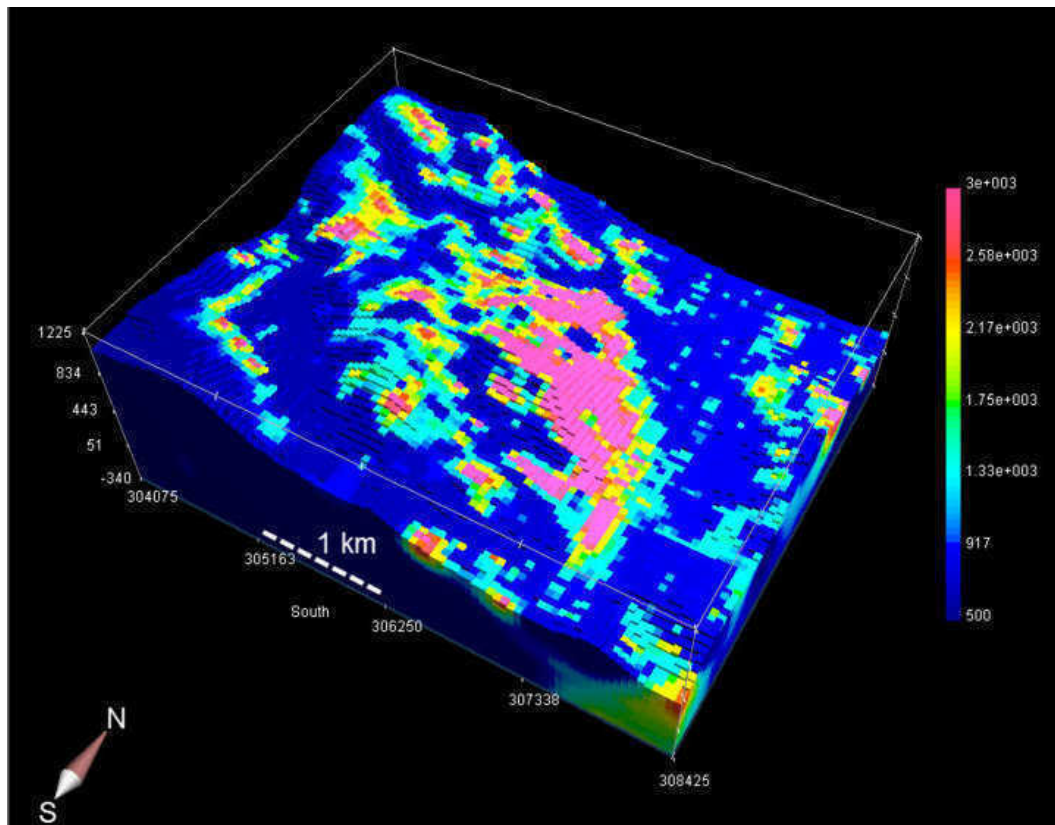


Figure 9: Oblique view of Serotan magnetic anomaly. It is interpreted to be related to a basic to intermediate intrusive.

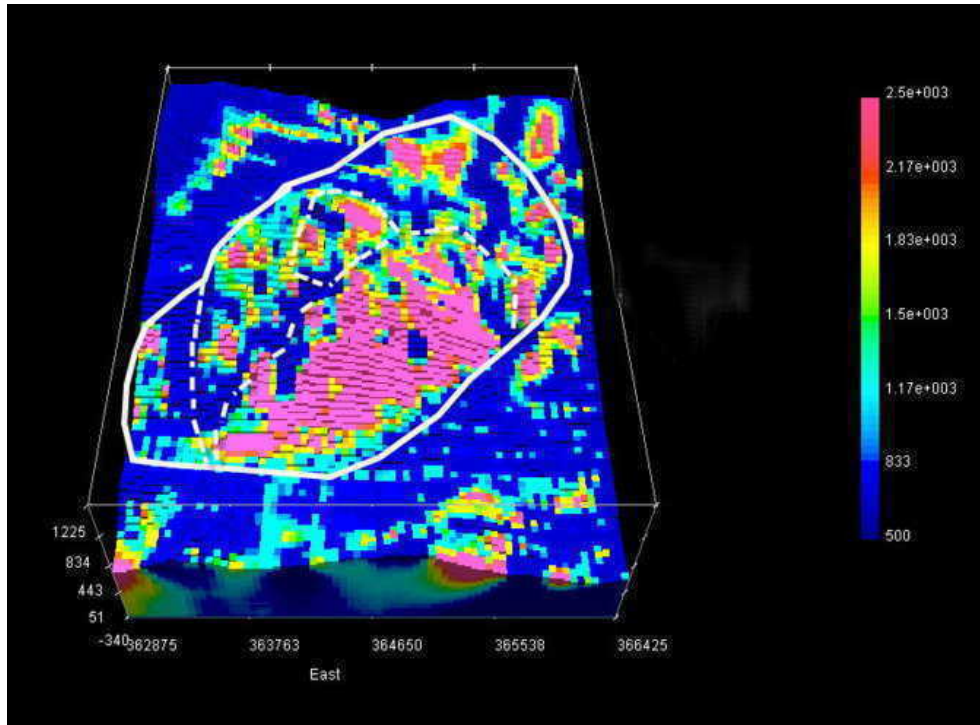


Figure 10: Tentative outline of intrusive body or complex at Serotan. The primary target is mineralised porphyry. The erosion level of exposure in the area is unclear as it has yet to be assessed in the field.

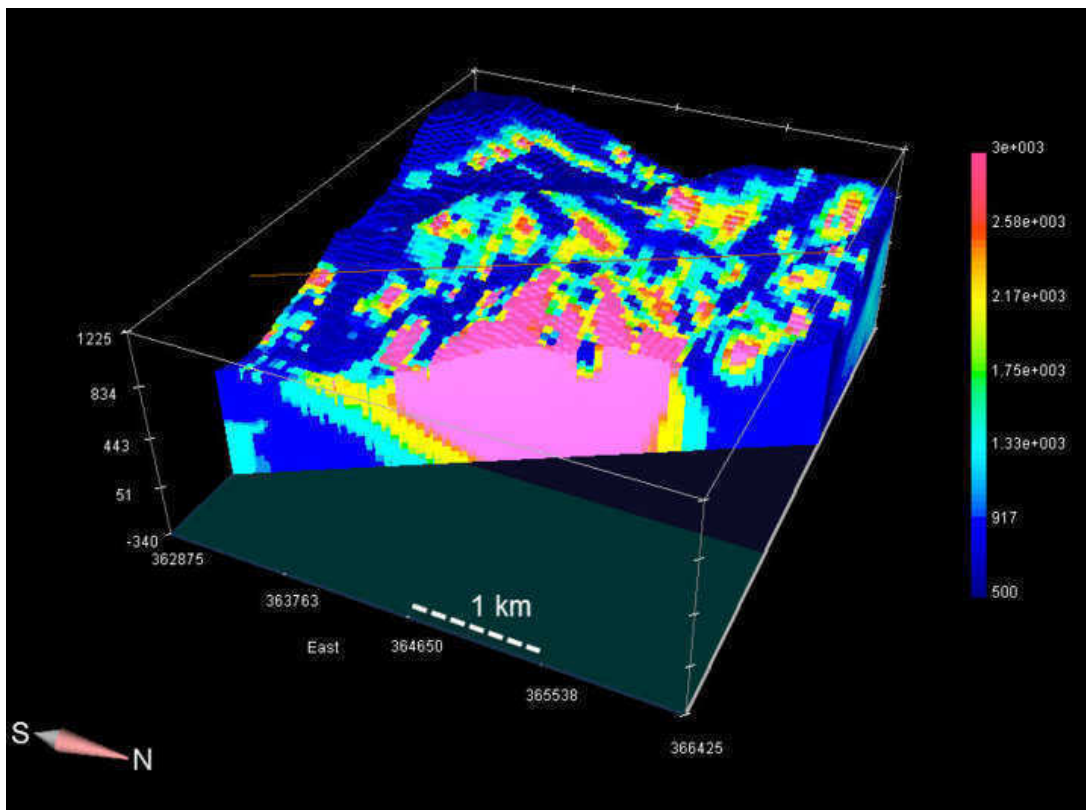


Figure 11: NE-SW Section through main magnetic anomaly at Serotan. The modeling suggests a series of east-west trending dykes are present, perhaps indicating an intrusive complex, but this requires field confirmation. Modeling also indicates significant persistence to depth for the feature.

### Damar Buwi Anomaly Zone

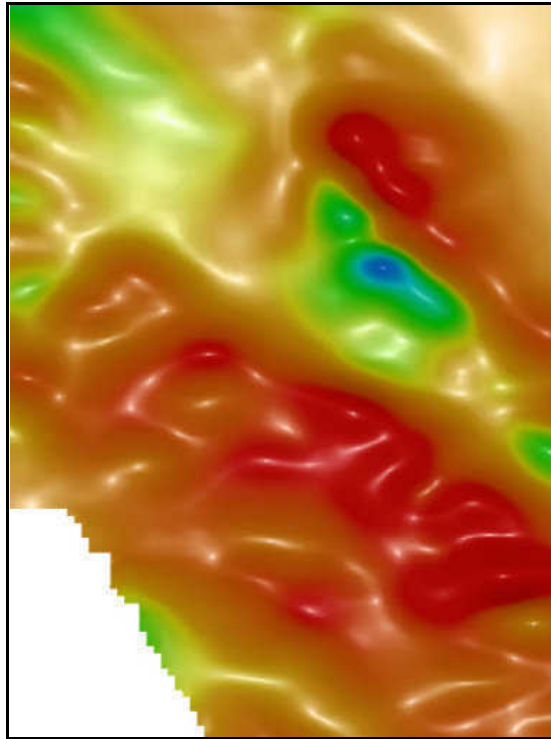


Figure 12: RTP magnetic image of Damar Buwi Project area.

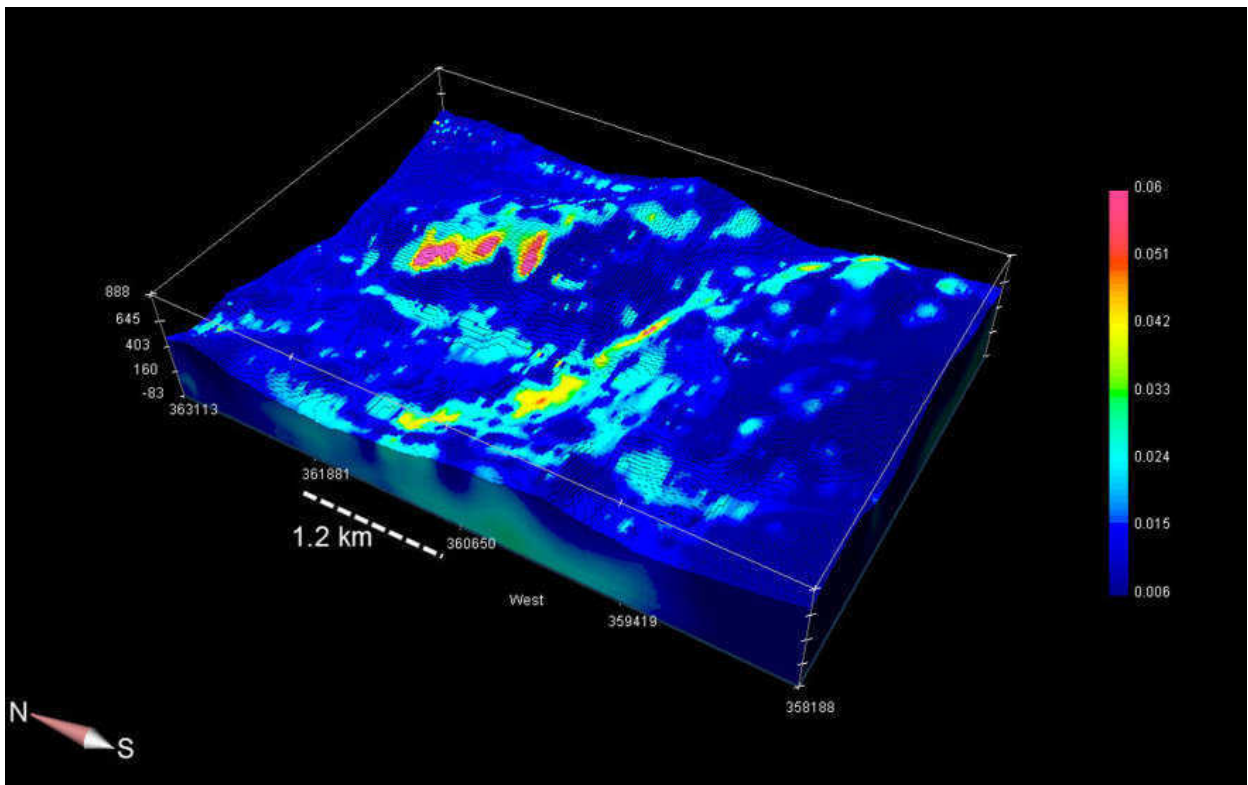


Figure 13: Oblique view from SW to NE across Damar Buwi Project area.



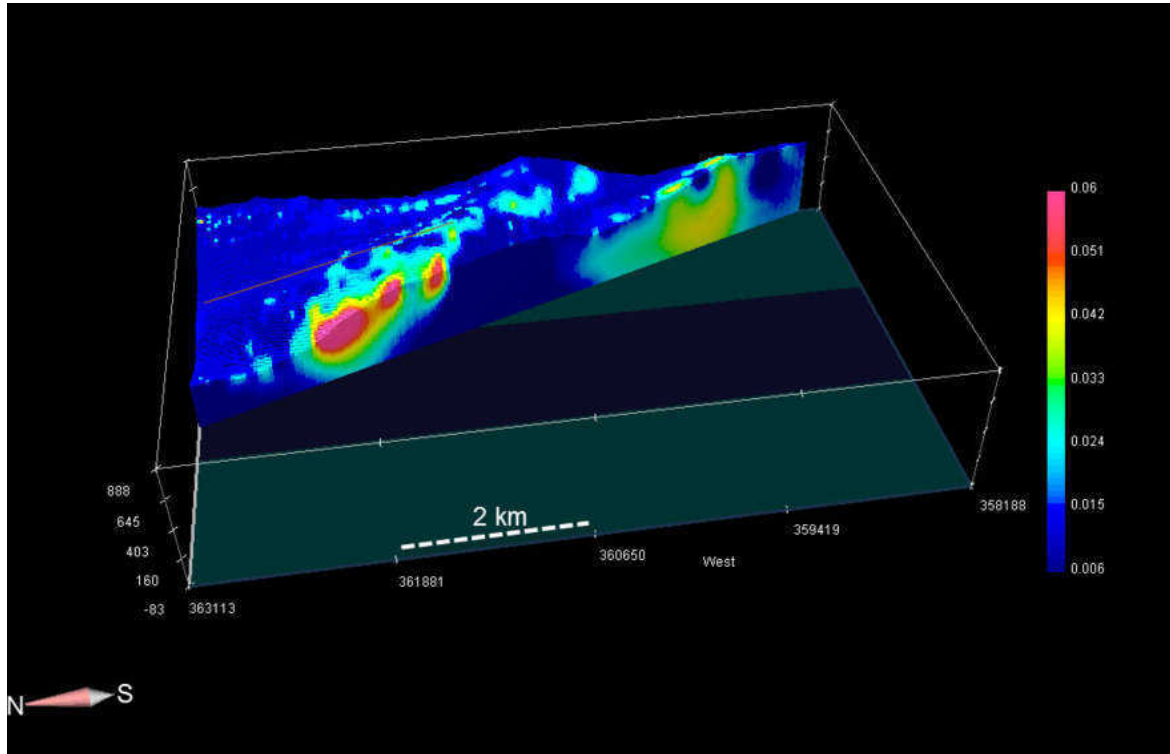


Figure 14: NW to SE section through 3D inversion model of Damar Buwi Project area. The intense north eastern anomaly does not appear to be well developed to depth as with other project areas.

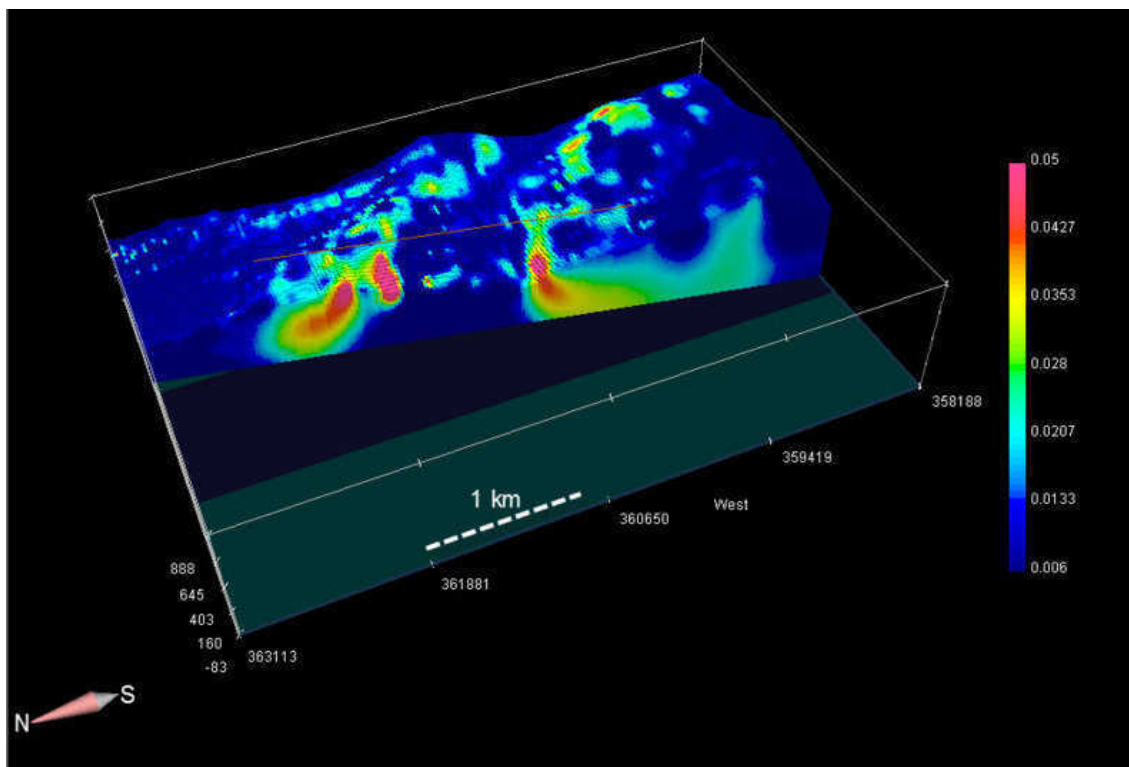


Figure 15: The broad character of the southern magnetic feature appears to relate to a lithological unit or sequence dipping and flattening to SW rather than a magnetic intrusive body. Reconnaissance mapping is scheduled for this area.

Payabu Prospect

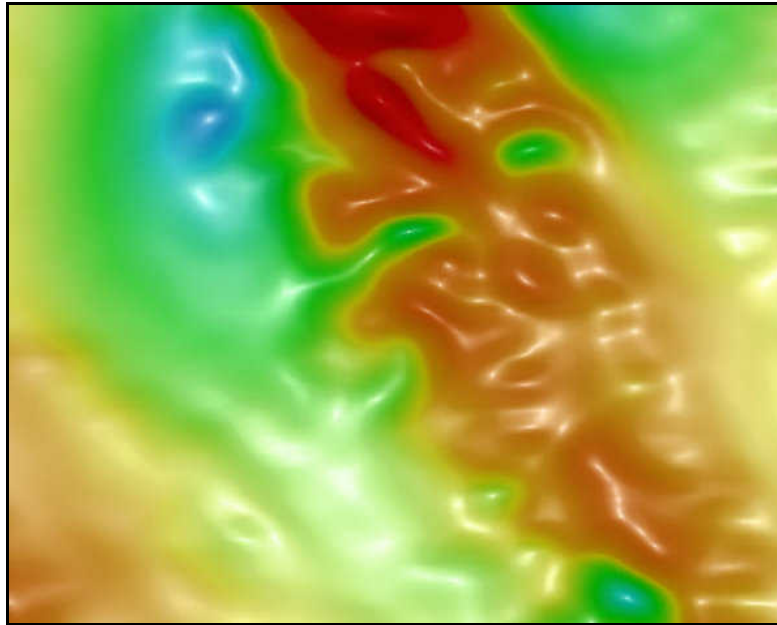


Figure 16: RTP magnetic image of Payabu Project area.

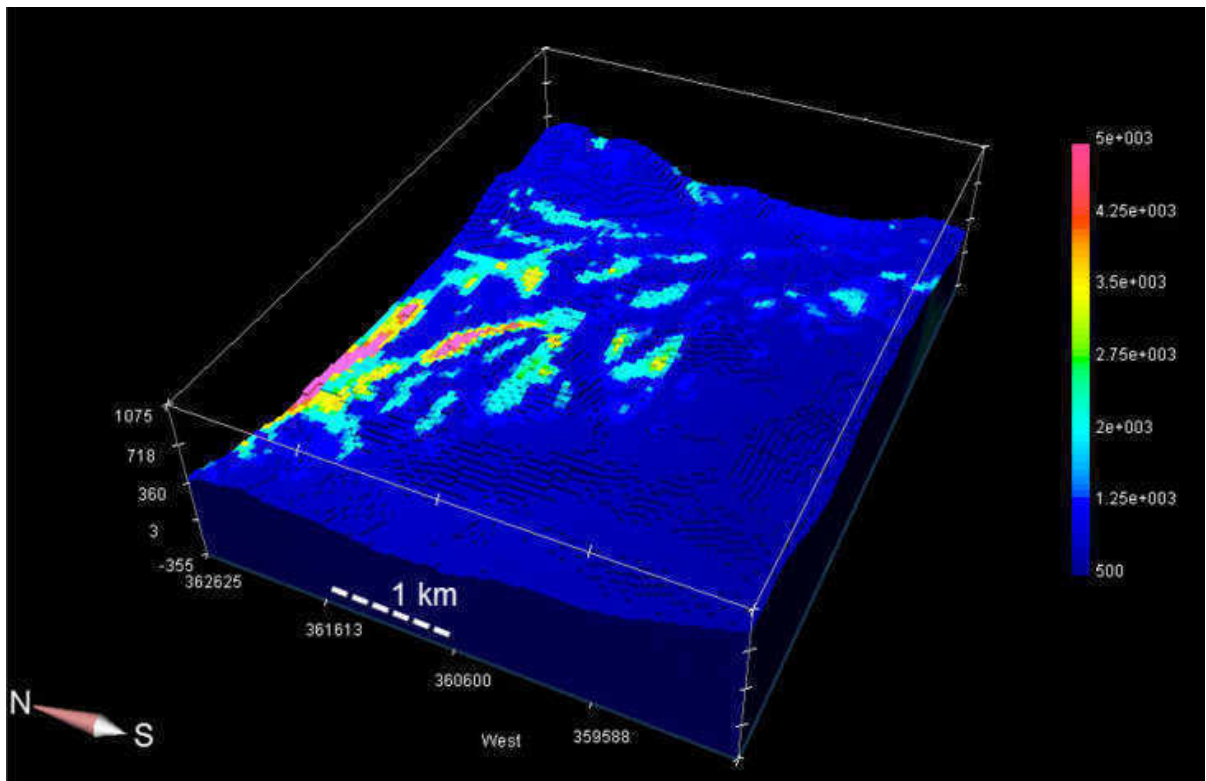


Figure 17: Oblique view from west of Payabu Project area. The anomaly pattern is suggestive of lithological and structurally bound control on magnetic anomalism rather than intrusive or intrusive contact control.



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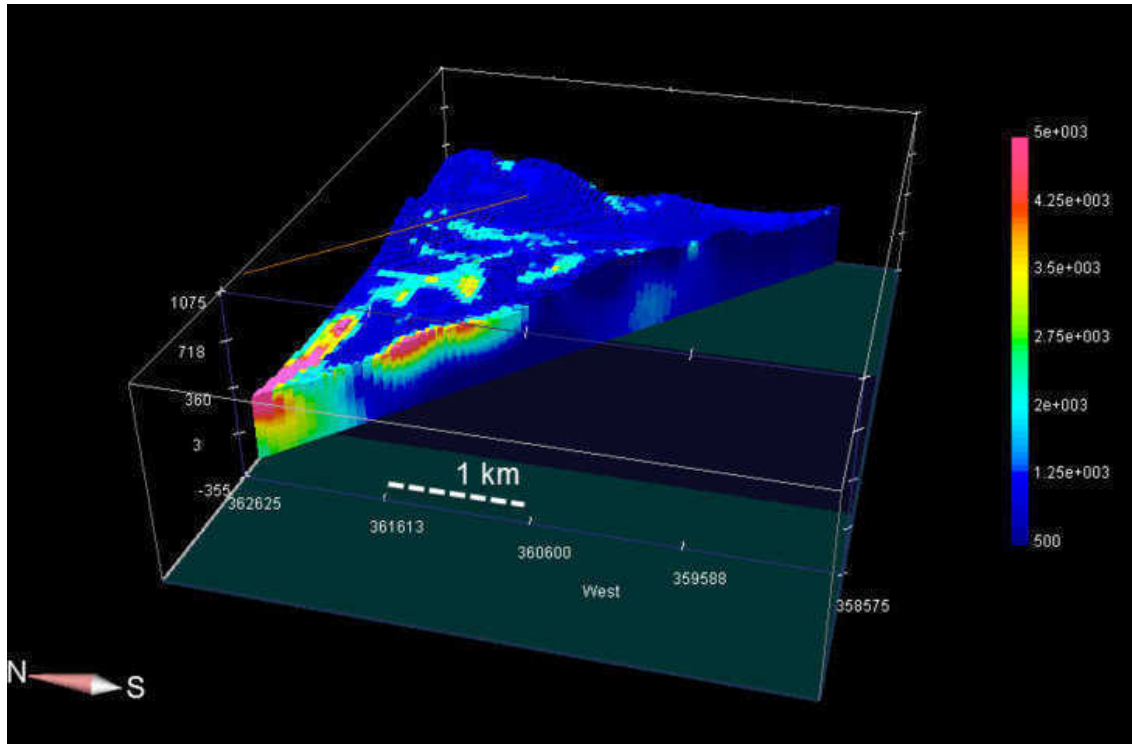


Figure 18: NW-SE slice through Payabu 3D block model illustrating calculated distribution of magnetic anomaly source. A deep intrusive source does not appear likely within the model limits. A follow up helimag survey is proposed within the licence to the north of this area to assess potential in that direction.

### Mersak East Project

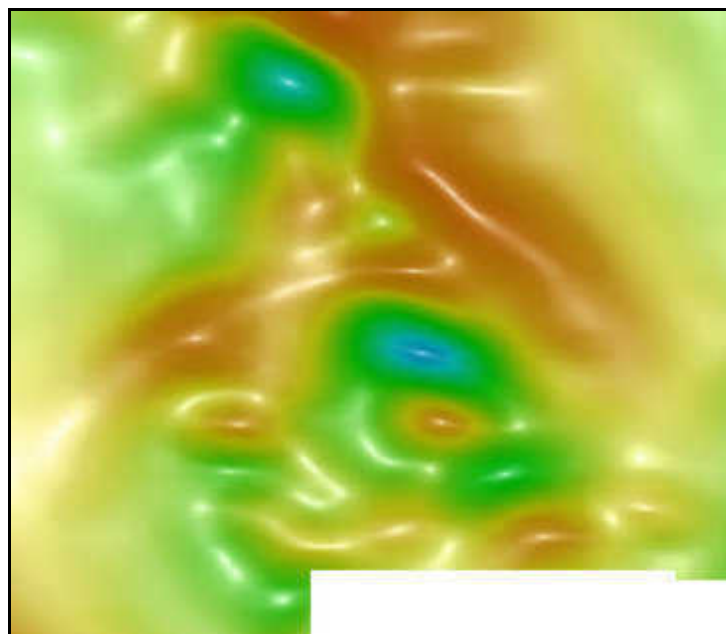


Figure 19: RTP magnetic image of Mersak Project Area. The anomaly pattern is suggestive of a magnetite poor intrusive.

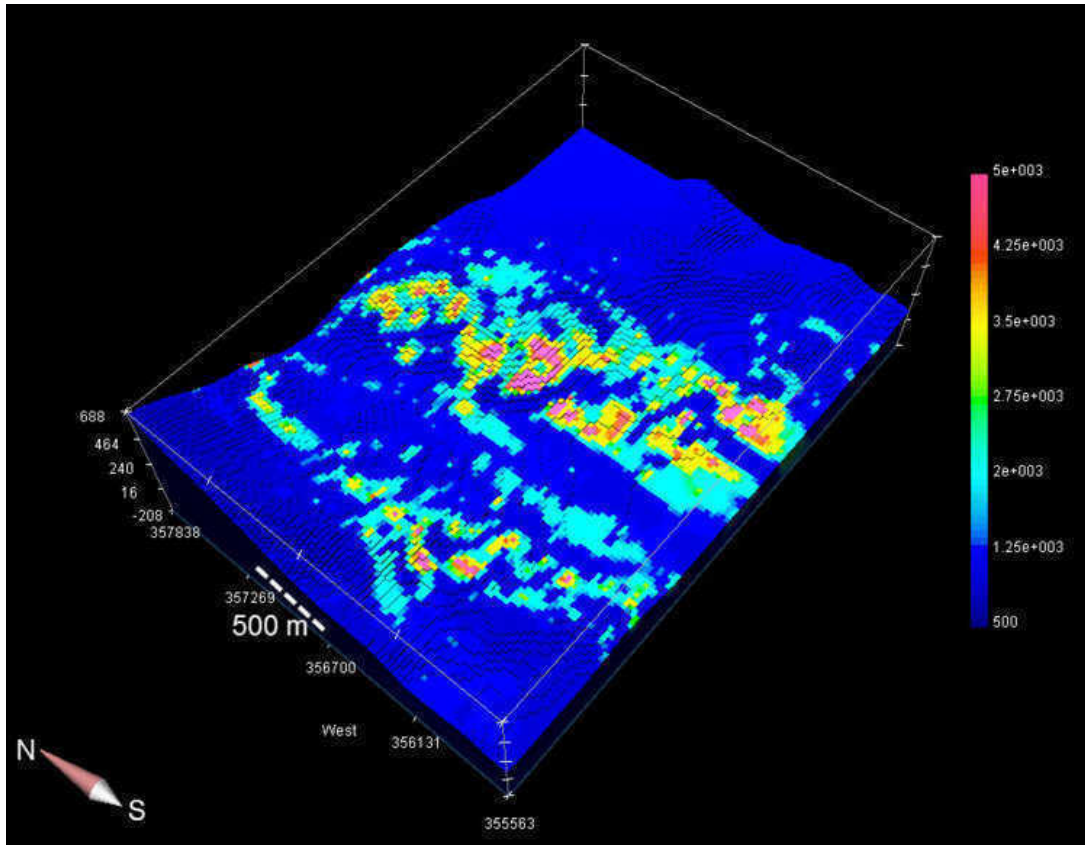


Figure 20: SW to NE oblique view of Mersak Project Area.

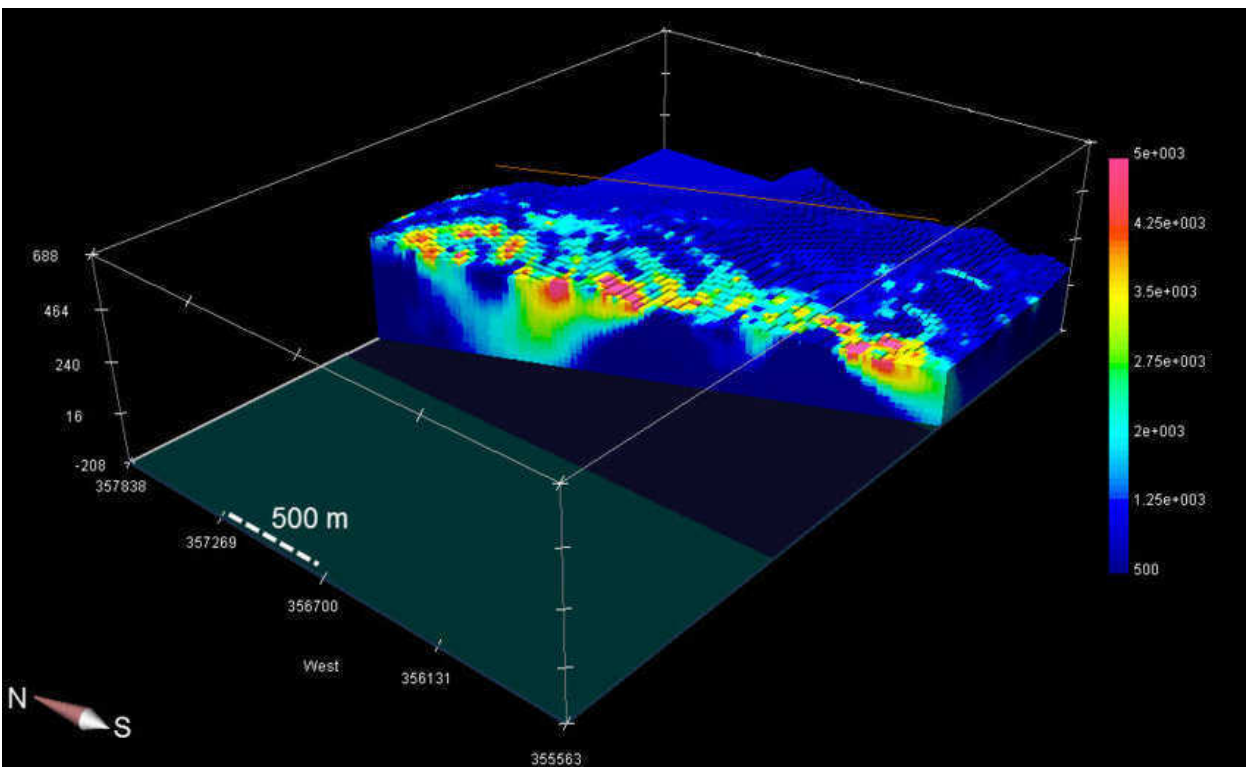


Figure 21: Approximate N-S section through 3D block model of Mersak area. Reconnaissance mapping of this area has indicated magnetite poor granodioritic intrusive material associated with the dark blue zone in the vertical section. This surrounded by contact rocks with elevated magnetic response.

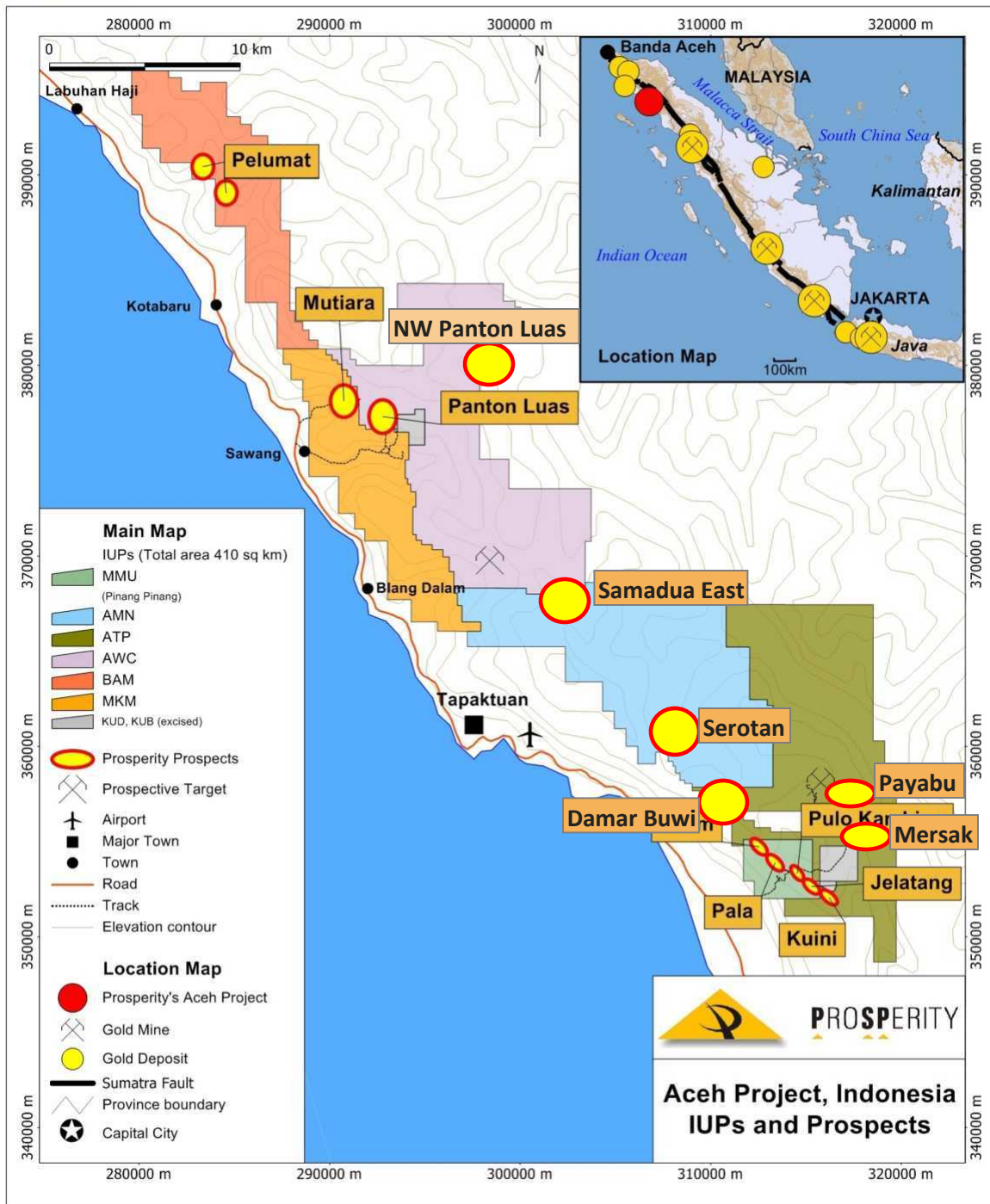


Figure 22: Location Map: Prosperity's Aceh IUPs

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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.