



ASX Release

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TRANSIT HOLDINGS LTD

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Directors:

Ananda Kathiravelu (Chairman)

Richard Monti (Executive)

Brian Thomas (Non – Executive)

Sean Murray (Non-Executive)

Issued Capital:

45,665,474 Ordinary Shares

3,000 Class C Converting Shares

5,750,000 Unlisted Options

ASX Code:

TRH (Fully Paid Ordinary Shares)

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UPDATED: TRANSIT RECEIVES STATE APPROVAL FOR DRILLING

Following the 6th June 2011 announcement on Transit's move to 90% ownership of its operating subsidiary K2O Utah LLC, Transit Holdings ("Transit" or the "Company") is pleased to announce that the company has received approval from the state of Utah for drilling and further exploration on the Paradox Basin Potash Project ("Project") in Utah within two months of filing.

The joint venture is currently preparing the programme and budget for an initial drill campaign that will include the drilling of 4 exploratory wells on the State lease locations as part of the Project's Pre-Feasibility Study.

Now that approvals and the bonding have been accepted the Company can finalise selection of drilling contractor and plan to begin drilling in July/August 2011. Mr Kermit Allen, an engineer and solution mining veteran of over 40 years experience who inter alia oversaw the design and construction of US Strategic Petroleum reserve capacity in salt domes through solution mining, will supervise this drilling program. After the four holes are drilled and results analysed the Company expects to have a JORC compliant statement of resources.

Work will now begin on approvals to drill on federal land to further delineate the resource.

An Exploration Target for Potash Beds 13 and 18 of 2.5 to 3.8 billion tonnes of sylvinitic ore at an average grade of 19% to 29% KCl has been delineated within the Project.

The planned drill campaign follows a positive Scoping Study on the Project. Transit and its joint venture partner completed the Scoping Study on the Project based on 2 million tonnes per annum production of KCl from solution mining of the potash deposit.

The Scoping Study demonstrated that the Project has robust financials and the Company is proceeding to a Pre-Feasibility Study which will include drilling of fresh exploratory wells to augment a database of historical drilling.

For more information please contact:

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*** About the Project**

Transit has earned 90% of the Paradox Basin Potash Project (“the Project”).

The Project covers applications for 386km² of highly prospective potash permits in the Paradox Basin in south eastern Utah. The company’s focus is on sylvinite, a high grade form of potash ore that is cheaper and more effective to process to a saleable form than any other form of potash ore.

The Paradox Basin Potash Project is located close to the key agricultural regions of the United States and as such is ideally situated to supply fertiliser manufacturers and agricultural cooperatives in the western and south-western United States. The Project also has substantial export potential given its excellent proximity to key US rail infrastructure leading to West Coast ports.

The Paradox Basin Potash Project comprises potash (KCl) mineralization in two beds of interest, Potash 13 and Potash 18. An Exploration Target estimated by independent consultants Agapito Associates Inc. for Potash Beds 13 and 18 of 2.5 to 3.8 billion tonnes of sylvinite ore at an average grade of 19% to 29% KCl has been delineated within the Project.

The Exploration Target assumes a grade-thickness cutoff of 32% KCl-m, below which mineralization is excluded from the estimate. The Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Transit and its joint venture partner have recently completed a Scoping Study on the Project based on 2 million tonnes per annum production of KCl from solution mining of the potash deposit. The Scoping Study was based on mining only Potash Bed 18. Subsequent to the estimation of the Exploration Target quoted above it was discovered that over part of the

Project Potash 18 consists of two sub-beds. An estimate of tonnage and grade of 2.3 billion tonnes at 32.8% KCl for the two Potash 18 sub-beds was used in the Scoping Study.

The Scoping Study demonstrated that the Project has robust financials and the Company is proceeding immediately to a Pre-Feasibility Study which will include drilling of fresh exploratory wells to augment a database of historical drilling. The identification of substantial subterranean aquifers and opportunities to capture seasonal snowmelt provides confidence in the availability of water for the project, to add to an impressive suite of infrastructure in the region.

The information set out above that relates to exploration results is based on information prepared by Dr Michael P. Hardy, who is a Senior Consultant with Agapito Associates, Inc. Mr. Hardy is a Registered Member of The Society of Mining, Metallurgy, and Exploration (SME), a Recognised Overseas Professional Organisation and is employed by Agapito Associates Inc who is a consultant to the Company. Mr Hardy has sufficient experience which 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 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."