

PROSPERITY RESOURCES LIMITED

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11 October 2012

TERMINATION OF MOU

Prosperity Resources Limited (ASX: PSP, "Company") advises that it has elected not to proceed with the Memorandum of Understanding ("MOU") in respect of development of the Company's Aceh Project on the terms disclosed on 20 June 2012. As a result, the MOU has been terminated by mutual agreement, without penalty.

The Company is currently negotiating an alternate structure to achieve the stated objectives, and will notify the market in due course.

For further information please contact:

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