PROSPERITY

ASX ANNOUNCEMENT

13 February 2012

PELUMAT PROSPECT: A NEW TARGET READY FOR DRILL TESTING IN ACEH

ASX: PSP

SHARE INFORMATION

Issued Shares: 346.54m

Unlisted Options: 20.95m

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KEY PROJECTS

ACEH

Ownership: earning 73%

Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%

Location: NT, Australia

Highlights:

- Prosperity has completed field exploration and data compilation on its Pelumat Project in the BAM Joint Venture Licence (IUP), the sixth gold-copper anomalous magnetic target defined in its Aceh portfolio in Northern Sumatra, Indonesia.
- High gold and copper grades, some with associated high molybdenum anomalism, have been returned from rock chip, float, channel and soil sampling. The area (900 x 300 metres) and level of anomalism is comparable to that determined for the Kuini Project.
- High metal values associated with a zone of intense magnetic anomalism related to magnetite alteration and skarn development and a low magnetic zone associated with pervasive pyrite-clay alteration associated with an interpreted intrusive magnetic body at depth.
- Significant highly anomalous rock chip, float and soil results include:

  Rock samples: 109g/t Au, 490 g/t Ag, 36.9% Cu (skarn sulphide);
  21.2g/t Au, 243g/t Ag, 2.84% Cu, 42 ppm Mo;
  8.19g/t Au, 4.1g/t Ag, 0.45% Cu, 16 ppm Mo;
  6.4g/t Au, 18.4g/t Ag, 1.81% Cu, 311 ppm Mo;

  Soil samples: 1.59g/t Au, 0.7g/t Ag, 319 ppm Cu, 11 ppm Mo;
  1.08g/t Au, 1.5g/t Ag, 6310 ppm Cu, 18 ppm Mo;
  0.95g/t Au, 0.7g/t Ag, 2790 ppm Cu, 19 ppm Mo;
  0.79g/t Au, 606 ppm Cu, 4 ppm Mo;
- Two drill targets have been defined and will be tested in an initial 5-6 hole program. Site access has been agreed and road construction has commenced.

Prosperity Resources Limited (ASX: PSP) is pleased to release results from geological mapping and geochemical sampling from its 2011-2012 sampling program at the Pelumat Prospect in southern Aceh.

The program continues the pattern of field assessment undertaken at its Pala, Jelatang, Panton Luas, Mutiara and Kuini targets that follows from its regional helicopter-borne magnetic survey.

Information from the aeromagnetic program was released to the ASX on 13 September 2010 and examples of 3D inversion modelling of the magnetic data on 22 February 2011. ASX releases of 2nd and 6th February 2012 give results from drilling at Kuini.

The Pelumat Prospect is one of ten known magnetic skarn and intrusive targets recognised by Prosperity along 60 kilometres of strike length in Prosperity's 410 square kilometre Aceh Project. The location of Prosperity exploration activities in southern Aceh are shown in Figure 11.

Chairman Mr. Mo Munshi said, "These new very encouraging geochemical results from Pelumat highlight the potential of the magnetic targets we have selected for assessment in our Aceh project areas. The Kuini Project was very similar when we did the soils and rock chip sampling over it and look what it has turned out to be when we drilled it. These early targets have been selected both on their character and for their relative ease of access and logistic support. The results give us confidence in the exploration strategy adopted and that the as yet unassessed magnetic anomalies more remote from road access will show similar promise".

Geology, Geochemistry and Site Setting

Reconnaissance mapping and rock chip and channel sampling over the Pelumat area aeromagnetic anomalies returned anomalous and locally highly anomalous copper results at numerous sites over the southern anomaly and a low between this and the northern anomaly area. Copper in rock samples greater than 250ppm (i.e. > background) was very common, with some sites having results >500ppm, and locally >1000 ppm. The aeromagnetic anomalies are shown in Figure 1 with the geochemical target as determined boxed.

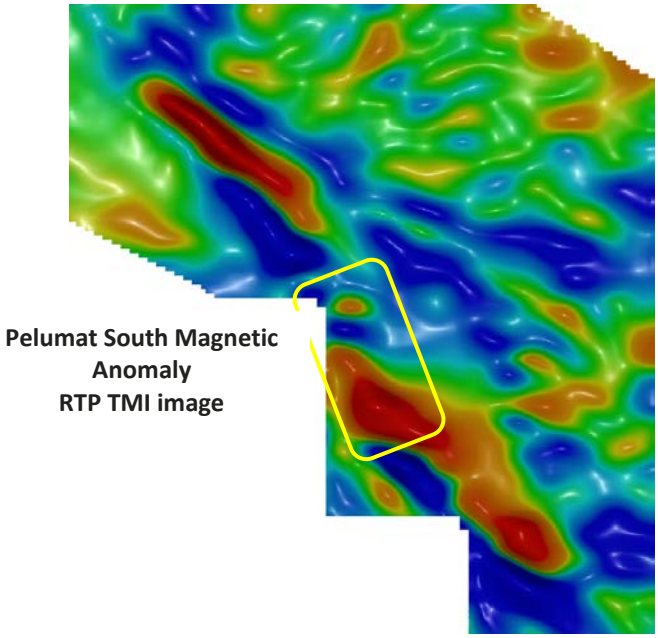

Figure 1: View of Pelumat magnetic anomalies with Pelumat South target anomaly boxed.

Follow-up mapping and more detailed rock-chip and channel and grid-based soil sampling was undertaken in late 2011 and extended in 2012 as the soil and rock anomalism was not closed in a southeast direction. The aeromagnetic anomaly also increased in intensity in this direction. Although mapping is incomplete it has been confirmed that the geochemical and magnetic anomalism correlate with domains of hydrothermally altered and mineralized intrusive and lesser endoskarn.

Copper in soil samples broadly correlate with zones of stronger rock geochemistry; however, anomalous soil numbers cover a larger area. Low order gold anomalism has a more restricted distribution than copper, but spot gold highs occur coinciding locally with areas of elevated copper in soils. The extent of rock chip sampling is limited by the extent of outcrop and largely confined to streams and ridges in the Pelumat South area.

Altered intrusive rocks with >1% pyrite and trace to 0.5% (and locally greater) disseminated, fracture- and veinlet-controlled chalcopyrite are present and locally common throughout the Pelumat South Prospect. Zones with richer endoskarn-hosted mineralization also occur in close proximity to marble/limestone country rocks.

Mapping suggests that silicified and secondary biotite and magnetite (potassic) altered fine-grained microdiorite intrusive appears to host the bulk of the disseminated and veinlet-hosted mineralization identified throughout the prospect. Outcropping distribution of this fine-grained microdiorite unit is poor. This may partly explain the patchy, irregular nature of the higher order (say >500ppm Cu) rock and soil geochemistry.

Variations in copper geochemistry might also be explained by the presence locally of unaltered and weakly altered coarser-grained, equigranular diorite and augite-phyric diorite porphyry intrusive units (the latter verging on a gabbroic composition). These distinct, coarser-grained and more equigranular intrusive units appear to host sporadic to negligible mineralisation. The poorly mineralized coarser-grained dioritic rocks often contain high-temperature K-feldspar and aplite dykes and veins (noted also in the microdiorites). Figure 2 below shows example of fine chalcopyrite-pyrite filled veinlets in microdiorite cut by feldspar vein with centreline pyrite-chalcopyrite fill.

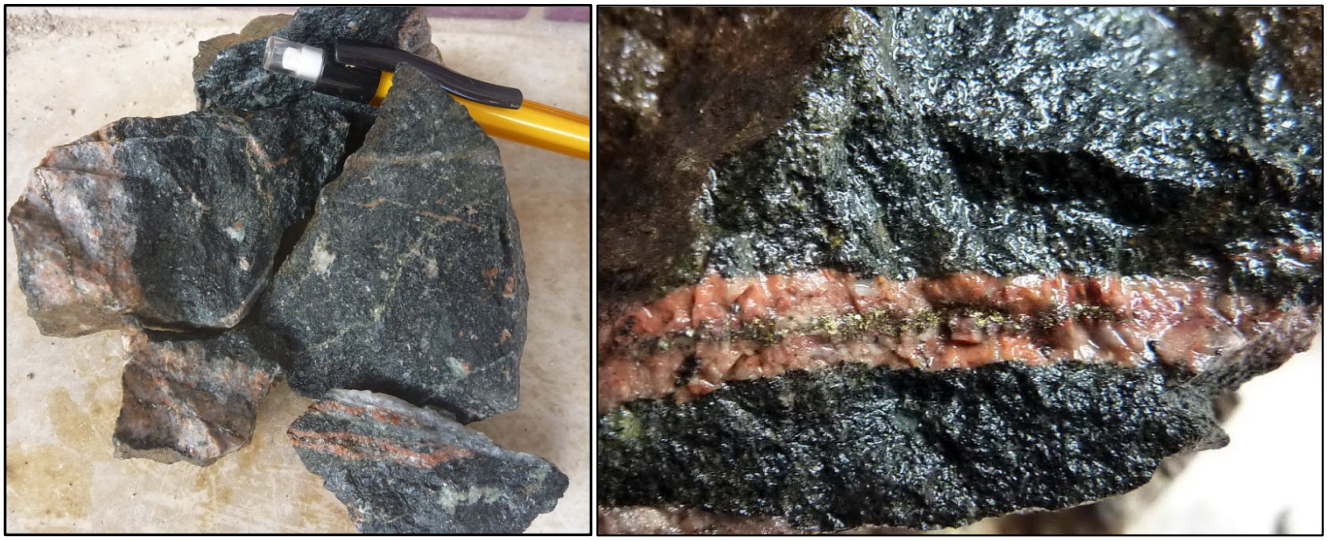

Figure 2: (Left) Example of fine chalcopyrite filled millimetre wide veinlets in microdiorite-diorite and (right) feldspar vein with centreline filled with chalcopyrite-pyrite.

The distribution of gold in rock and soil samples is shown over geology in Figures 3 and 4. Figures 5 and 6 show copper in rock and soil samples over geology and Figures 7 and 8 show molybdenum in rock and soil samples over magnetics. The highly elevated copper values are from skarn mineralisation.

Table 1 and 2 at the end of the release show the rock chip and soil data from Pelumat sorted on gold values with the forty highest gold values shown with associated elements to illustrate the nature and geochemical character of the anomalism.

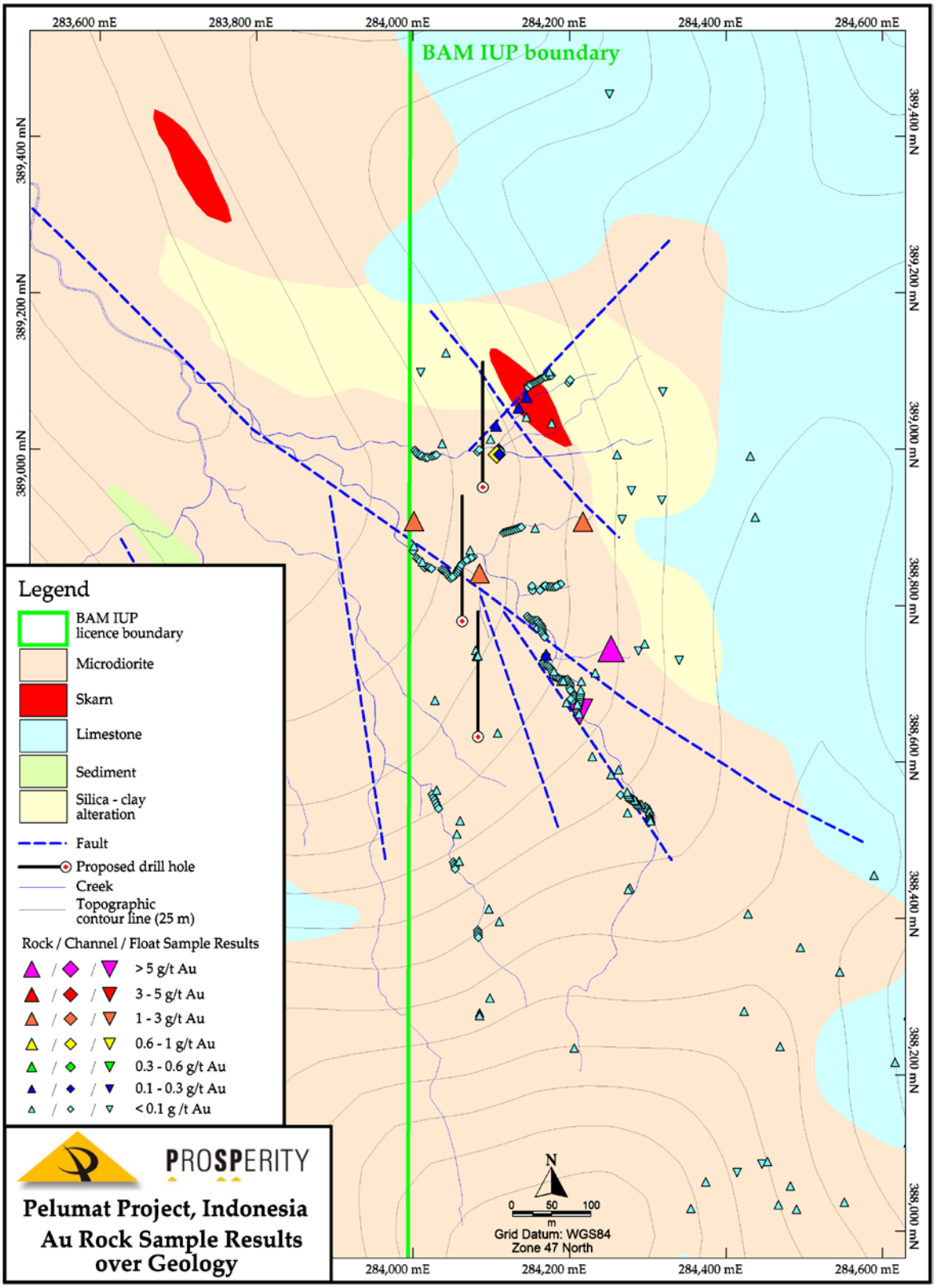

Figure 3: Summary geology with gold rock chip results. Proposed drill hole collar locations and traces indicated for first three holes.

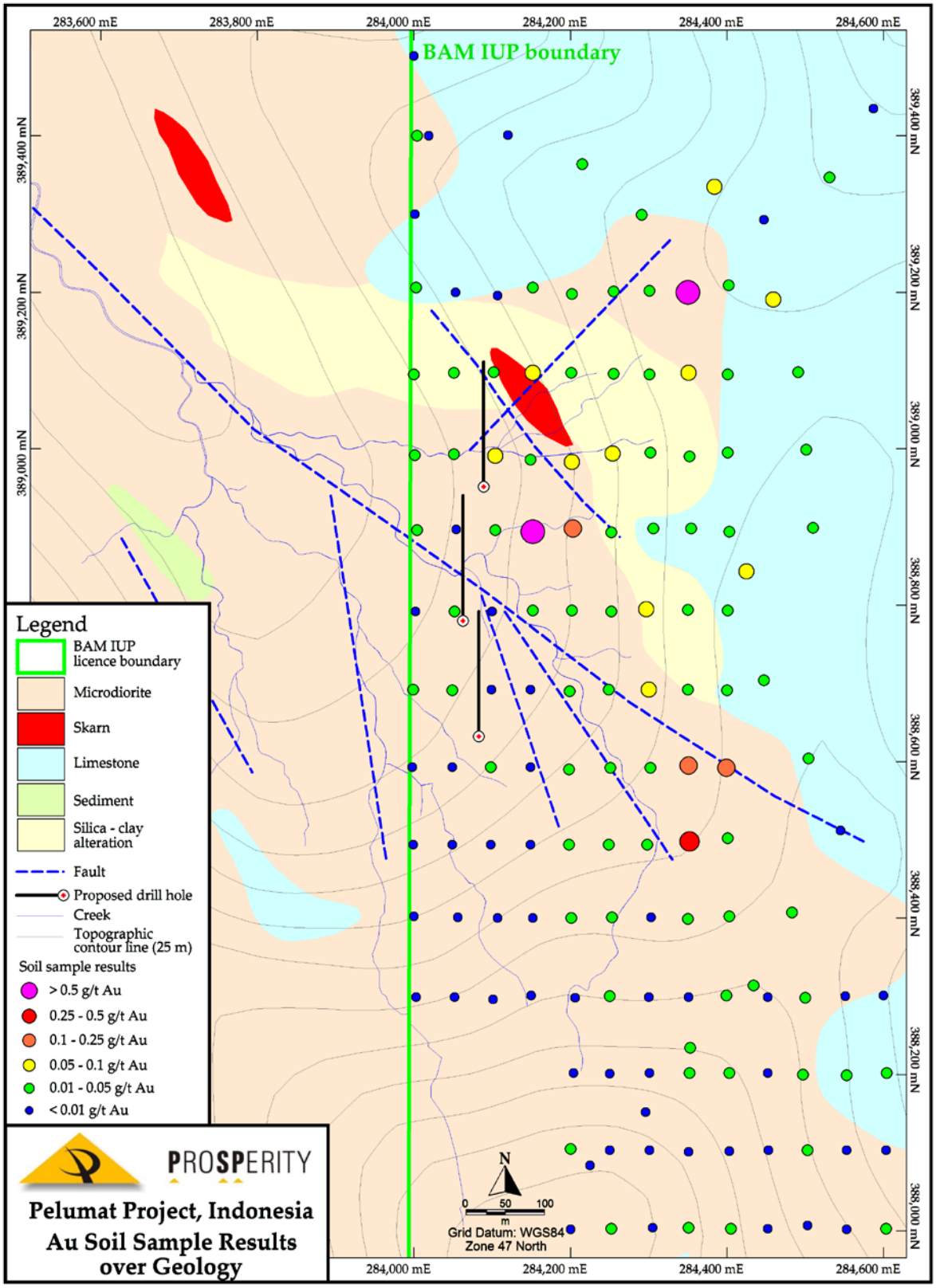

Figure 4: Summary geology with gold soil results. Proposed drill hole collar locations and traces indicated for first three holes.

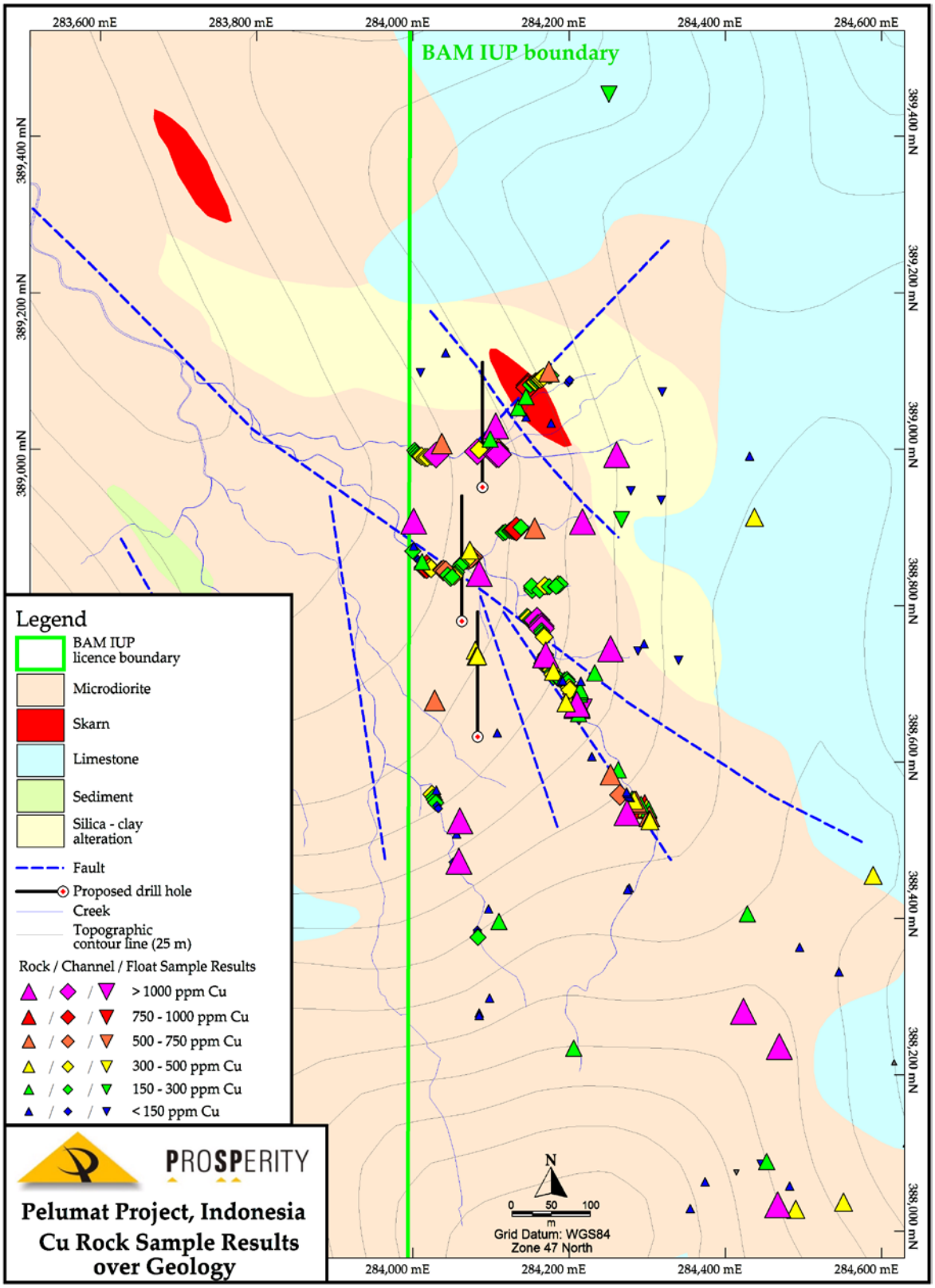

Figure 5: Summary geology with copper rock chip results. Proposed drill hole collar locations and traces indicated for first three holes.

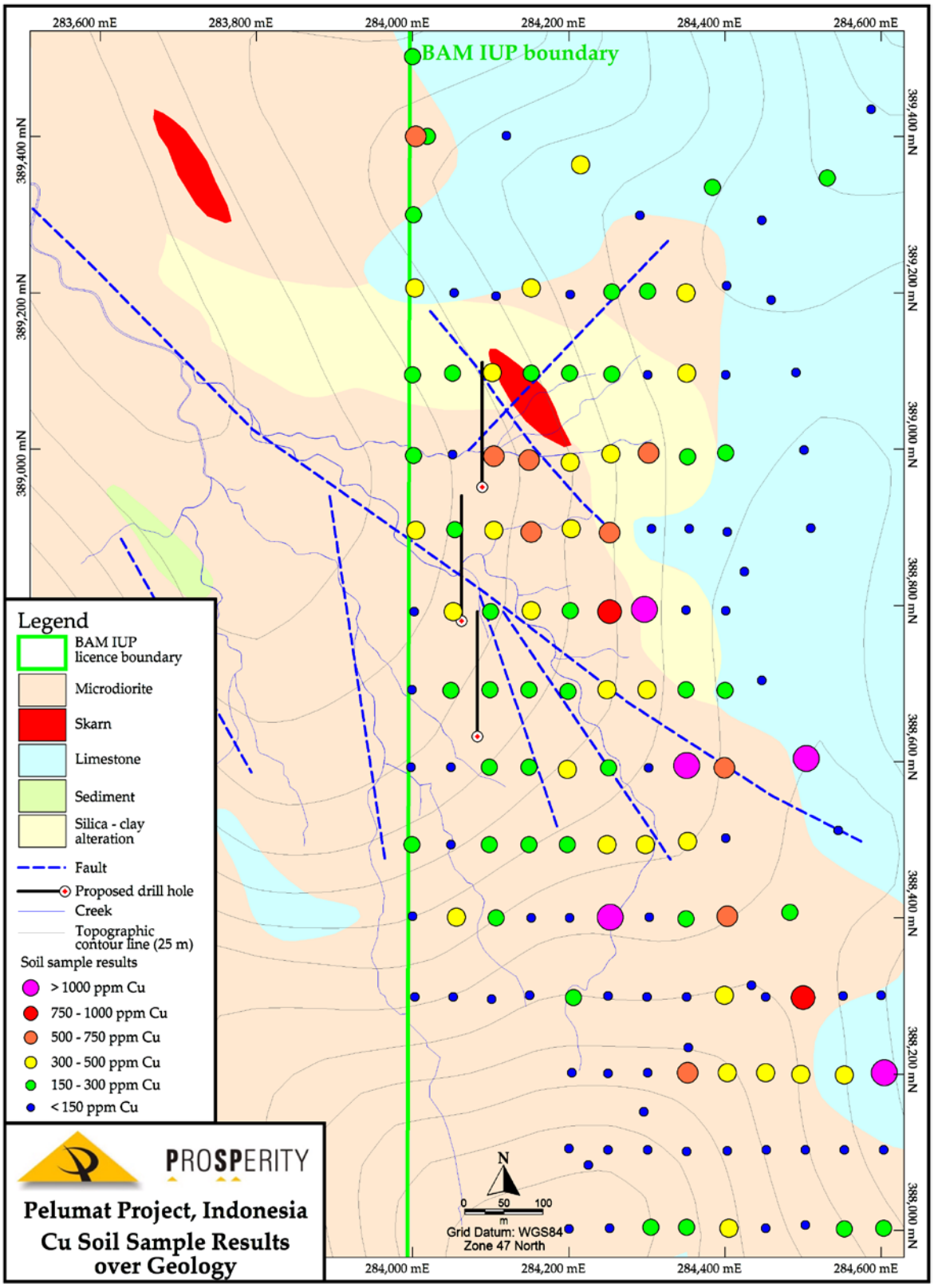

Figure 6: Summary geology with copper soil results. Proposed drill hole collar locations and traces indicated for first three holes.

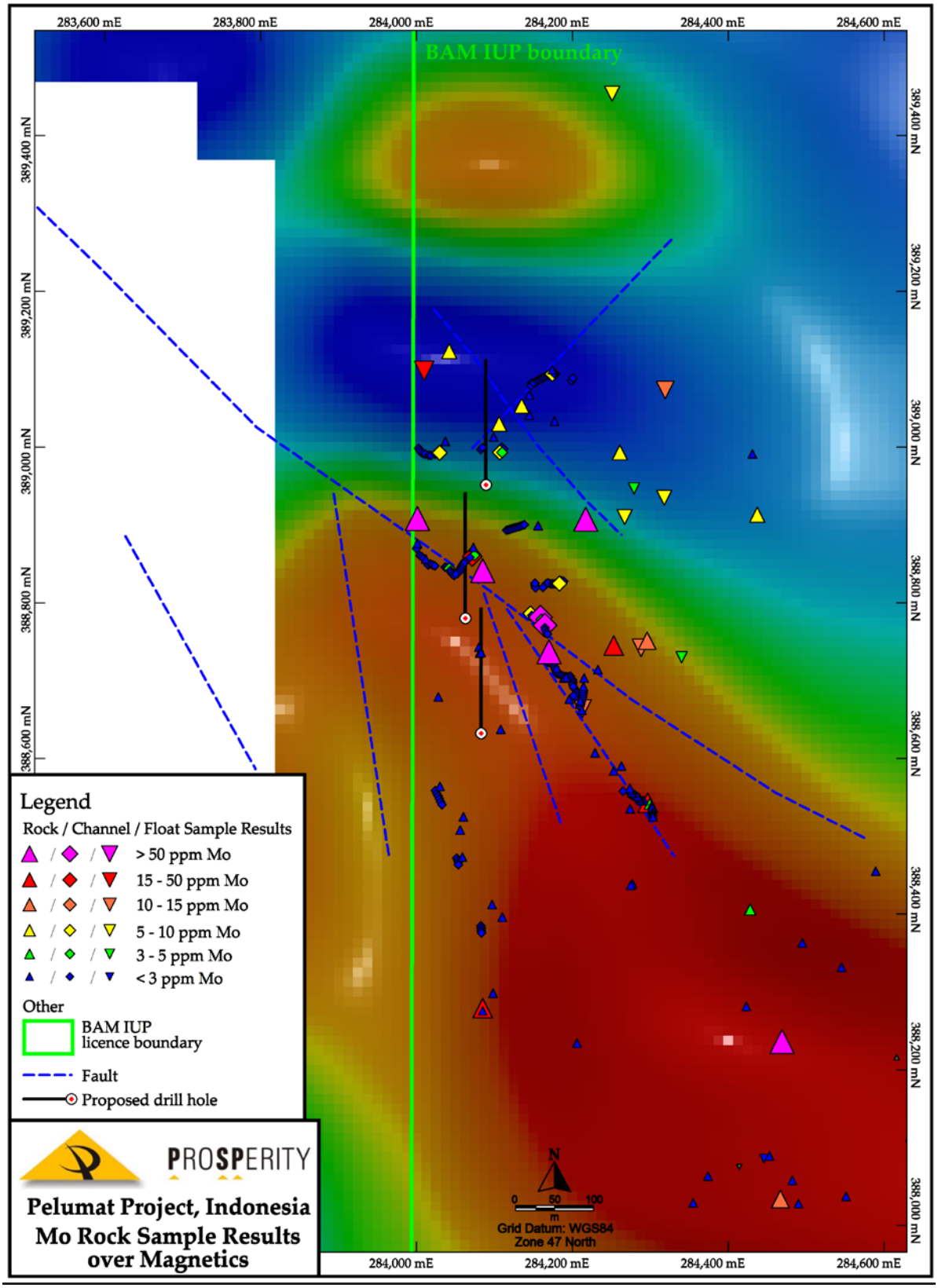

Figure 7: Summary geology with Molybdenum rock chip results. Proposed drill hole collar locations and traces indicated for first three holes.

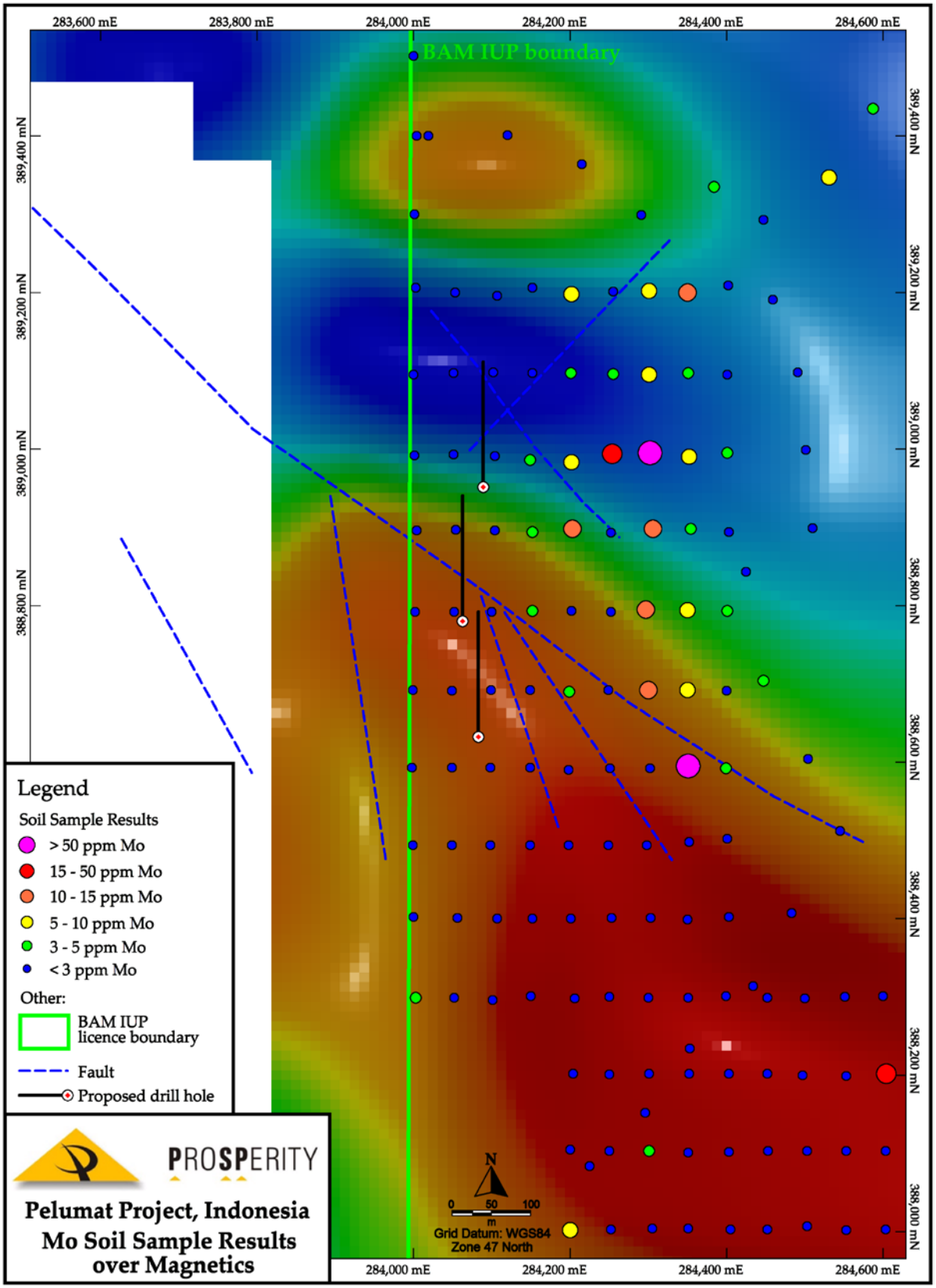

Figure 8: Molybdenum soil samples over RTP TMI magnetic image. Proposed drill hole collar locations and traces indicated for first three holes.

Drilling Program

The proposed drilling program is designed to test two features of the magnetics and related geochemistry. The first is an area of low magnetic anomalism with a high magnetic core that might reflect a magnetic intrusive body as illustrated in Figure 7 and 8 above and Figure 9 below. A fence of three holes is proposed collared approximately as seen in the rock and soil figures above extending from the high magnetic feature in the south across the magnetic low zone toward the discrete high anomaly in the north. A 3D inversion model of the magnetics is shown in Figure 9 below where the low zone is circled in magenta and the central high is shown extending to depth and inferred to be a magnetic intrusive body. Collar positions are shown as red dots.

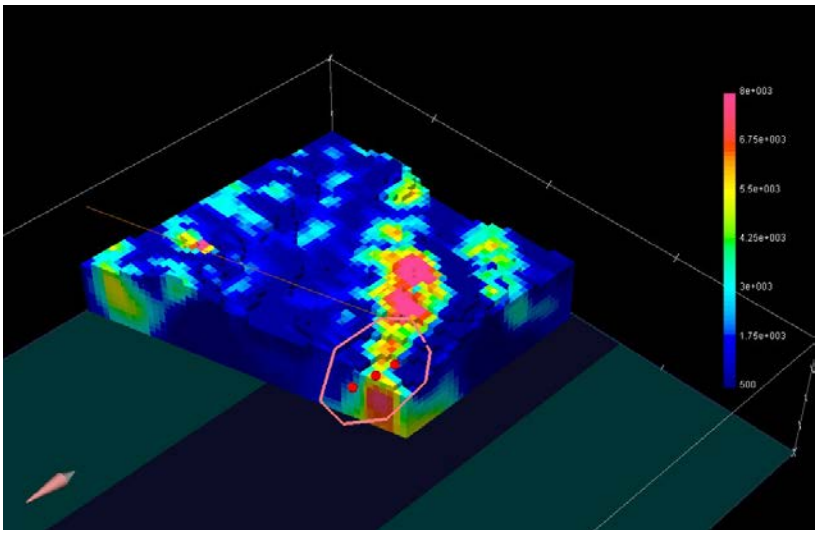

Figure 9: 3D inversion model of TMI magnetic data. North is to left in direction of pointer, target circled and drill collars red dots. Of note is the modelled magnetic body to depth under the collar positions.

The second stage of the drilling program will be directed at testing the contact skarn potential extending to the south east along the main magnetic anomaly. Sites for this drilling are still being resolved and will likely require more detailed 3D inversion modelling to refine the location of the intense core of the anomaly. A section through the anomaly is shown in Figure 10 which demonstrates its persistence to depth. The strike extent of the anomaly, also shown in Figure 1, is 1.5 to 2 kilometres.

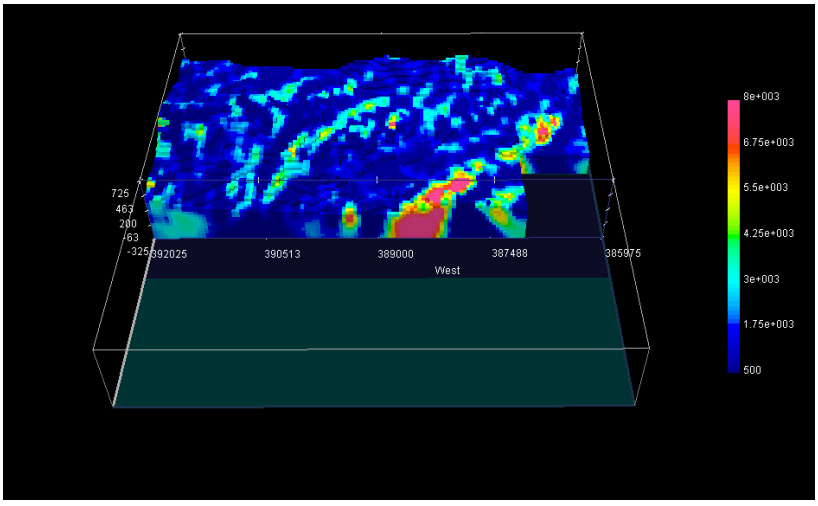

Figure 10: Section through major magnetic body extending to south east for approximately 1.5 to 2 kilometres which likely represents an extensive magnetite bearing skarn contact between intrusive and limestone (marble) units. This represents a target in its own right due to potentially high grade of recognised mineralisation within the skarns.

Table 1: Pelumat rock chip samples sorted on gold values. Forty highest gold bearing samples shown with associated elements. The highest gold values are samples of chalcopyrite-rich skarn associated mineralisation.

Pelumat Prospect BAM JV Aceh, Indonesia - Rock Samples WGS84 Zone 47 North													
Prospect	Sample_ID	Tenement	Easting	Northing	Altitude	Au1 (g/t)	Au2 (g/t)	Ag ppm)	As (ppm)	Bi (ppm)	Cu (ppm)	Fe (%)	Mo (ppm)
Pelumat South	R02135	BAM	284213	388664	206	109	0	490	8010	3490	369000	13.2	11
Pelumat south	R04170	BAM	284253	388745	222	21.2	20.9	243	2080	297	28400	21.8	42
Pelumat south	R03043	BAM	285048	387319	115	8.19	8.02	4.1	7	23	4510	24.5	16
Pelumat South	R04544	BAM	284893	387476	137	6.4	6.44	18.4	19	141	18100	2.67	311
Pelumat south	R03041	BAM	285079	387315	112	3.03	0	6.9	29	52	4870	21.9	10
Pelumat	R04082	BAM	284085	388841	150	2.64	2.55	79.9	38	120	93600	22.3	486
Pelumat south	R03023	BAM	285202	387166	77	1.58	1.69	14.1	10	11	840	2.1	586
Pelumat south	R03042	BAM	285078	387312	114	1.56	1.53	16.9	15	14	13300	7.17	14
Pelumat	R04307	BAM	283744	389403	127	1.41	1.41	111	14	479	156000	>10	5
Pelumat South	R03861	BAM	284001	388908	155	1.36	1.29	43.3	28	35	61400	17.1	323
Pelumat south	R03040	BAM	285151	387213	96	1.33	0	3.4	8	9	1490	6.48	13
Pelumat South	R04546	BAM	284818	387515	145	1.32	1.31	27.3	1110	3880	12200	23.6	989
Pelumat	R04310	BAM	283706	389211	92	1.28	1.27	26.3	334	0	34700	38.6	4
Pelumat South	R02138	BAM	284217	388907	200	1.04	0.8	56.8	413	1060	92100	26.6	191
Pelumat South	R04545	BAM	284836	387517	136	1.02	0	17.8	1180	803	65600	8.15	265
Pelumat South	R02977	BAM	284107	388993	136	0.769	0.905	6.7	8	53	9430	6.48	7
Pelumat south	R03036	BAM	285944	386458	43	0.622	0	5	3	0	6380	2.91	0
Pelumat	R04306	BAM	283742	389400	120	0.567	0	81.3	11	69	3440	>10	70
Pelumat south	R03025	BAM	285123	387173	85	0.371	0.374	6	7750	0	2130	31.7	74
Pelumat south	R04195	BAM	283790	389073	81	0.359	0.024	0.3	4	0	187	7.27	0
Pelumat south	R03012	BAM	283781	389407	106	0.325	0	59.7	17	0	140000	24.8	21
Pelumat South	R03851	BAM	284170	388737	147	0.251	0.229	3.1	14	0	8420	4.59	271
Pelumat South	R02963	BAM	284001	388908	111	0.219	0.238	65.2	33	41	136000	24.6	264
Pelumat South	R03923	BAM	283638	389308	79	0.201	0.207	36.1	10	0	68600	16.7	4
Pelumat South	R02978	BAM	284110	388993	136	0.187	0.218	2.2	12	10	4550	4.78	3
Pelumat south	R03663	BAM	283830	389233	109	0.186	0.189	0.4	8	0	706	5.39	5
Pelumat South	R04540	BAM	284820	387528	141	0.171	0.174	0.7	30	21	1230	1.27	9
Pelumat south	R03069	BAM	285649	386809	52	0.142	0	0.3	4	0	40	18	3
Pelumat South	R02948	BAM	284135	389053	217	0.139	0	0.9	18	6	200	4.89	5
Pelumat south	R03008	BAM	284145	389067	185	0.133	0.139	0.8	27	0	150	3.74	2
Pelumat south	R03024	BAM	285185	387149	74	0.119	0	6.1	1250	0	2150	7.63	38
Pelumat South	R02975	BAM	284109	389000	130	0.115	0.113	0.4	8	0	565	5.81	0
Pelumat	R04308	BAM	283784	389386	120	0.109	0	0.4	10	0	1960	6.62	1
Pelumat south	R03071	BAM	285655	386809	54	0.106	0	0.3	9	0	494	2.08	0
Pelumat south	R03072	BAM	285640	386814	58	0.097	0	0.2	38	0	726	13.3	4
Pelumat South	R02961	BAM	284011	388991	99	0.095	0	0.7	4	0	339	5.74	0
Pelumat	R04065	BAM	283136	390268	121	0.094	0	118	8	728	6410	4.25	12
Pelumat South	R02973	BAM	284083	388997	124	0.087	0	0.4	11	19	1110	4.98	2

Table 2: Pelumat soil samples sorted on gold values. Forty highest gold bearing samples shown with associated elements.

Pelumat Prospect BAM JV Aceh, Indonesia - Soil Samples WGS84 Zone 47 North											
Prospect	SampleID	Tenement	Easting_	Northing_	Altitude	Au (g/t)	Ag (ppm)	Bi (ppm)	Cu (ppm)	Fe (%)	Mo (ppm)
Pelumat	S001110	BAM	284350	389200	238	1.59	0.7	0	319	6.14	11
Pelumat South	S001347	BAM	284895	387488	141	1.08	1.5	27	6310	4.65	18
Pelumat South	S001364	BAM	284959	387403	133	0.951	1.3	6	2790	6.24	19
Pelumat	S001145	BAM	284152	388894	176	0.789	0	0	606	8.32	4
Pelumat	S001201	BAM	284352	388498	256	0.295	1.2	5	461	7.8	1
Pelumat	S001126	BAM	283855	388991	78	0.274	0.2	0	591	>10	2
Pelumat	S001146	BAM	284203	388898	202	0.181	0.1	0	478	9.49	10
Pelumat	S001178	BAM	284351	388595	237	0.172	0	0	1830	6.95	63
Pelumat	S001177	BAM	284399	388592	251	0.126	0	0	685	5.65	4
Pelumat	S001164	BAM	283797	388693	106	0.12	1	0	67	7.21	1
Pelumat	S001131	BAM	284104	388991	139	0.099	0.1	0	730	5.76	1
Pelumat	S001174	BAM	284300	388692	236	0.099	0	0	486	6.31	14
Pelumat South	S001344	BAM	285048	387489	165	0.099	0.1	129	2260	24.7	19
Pelumat South	S001363	BAM	284919	387407	129	0.083	0.6	0	606	8.81	33
Pelumat	S001134	BAM	284254	388994	207	0.081	0.1	0	493	9.63	18
Pelumat South	S001348	BAM	284805	387501	152	0.08	0	0	144	6.99	4
Pelumat South	S001425	BAM	285691	386911	125	0.079	0	0	109	6.01	4
Pelumat	S001153	BAM	284297	388795	238	0.077	0.3	0	2100	7.83	12
Pelumat South	S001376	BAM	286058	386310	44	0.077	0.3	0	911	7.53	0
Pelumat	S000910	BAM	284949	388013	184	0.074	0	2	42	6.31	1
Pelumat South	S001426	BAM	285750	386922	144	0.073	0.2	0	678	7.92	0
Pelumat South	S001365	BAM	285007	387402	135	0.072	0.2	0	307	7.52	2
Pelumat	S000877	BAM	284384	389335	276	0.067	0	0	199	8.15	3
Pelumat	S001138	BAM	283802	388896	98	0.067	0.1	0	73	7.74	3
Pelumat South	S001431	BAM	285855	387008	170	0.066	0	0	27	5.93	1
Pelumat	S001113	BAM	284351	389097	235	0.064	0	0	366	5.63	3
Pelumat	S001117	BAM	284152	389097	183	0.062	0.3	0	285	5.27	0
Pelumat	S000881	BAM	284459	389191	263	0.061	0	0	123	7.4	2
Pelumat	S001128	BAM	283952	388992	102	0.059	0	0	406	>10	1
Pelumat South	S001337	BAM	284951	387600	195	0.059	0	0	1010	8.91	0
Pelumat	S000885	BAM	284425	388843	336	0.058	0.1	0	117	8.17	2
Pelumat South	S001429	BAM	285906	386933	143	0.056	0	9	488	9.37	6
Pelumat	S000906	BAM	284842	388690	185	0.051	0.1	0	48	6.26	4
Pelumat	S001133	BAM	284202	388983	178	0.051	0.1	0	389	4.53	5
Pelumat South	S001346	BAM	284950	387487	134	0.05	0.2	0	511	7.08	1
Pelumat South	S001362	BAM	284858	387411	116	0.05	0.1	0	862	6.79	3
Pelumat	S000879	BAM	284531	389347	268	0.049	0.1	0	179	5.93	5
Pelumat	S001154	BAM	284252	388792	219	0.049	0	0	905	8.5	1
Pelumat	S001115	BAM	284255	389096	250	0.048	0	0	233	6.63	3
Pelumat	S001106	BAM	284152	389206	207	0.047	0	0	446	>10	0

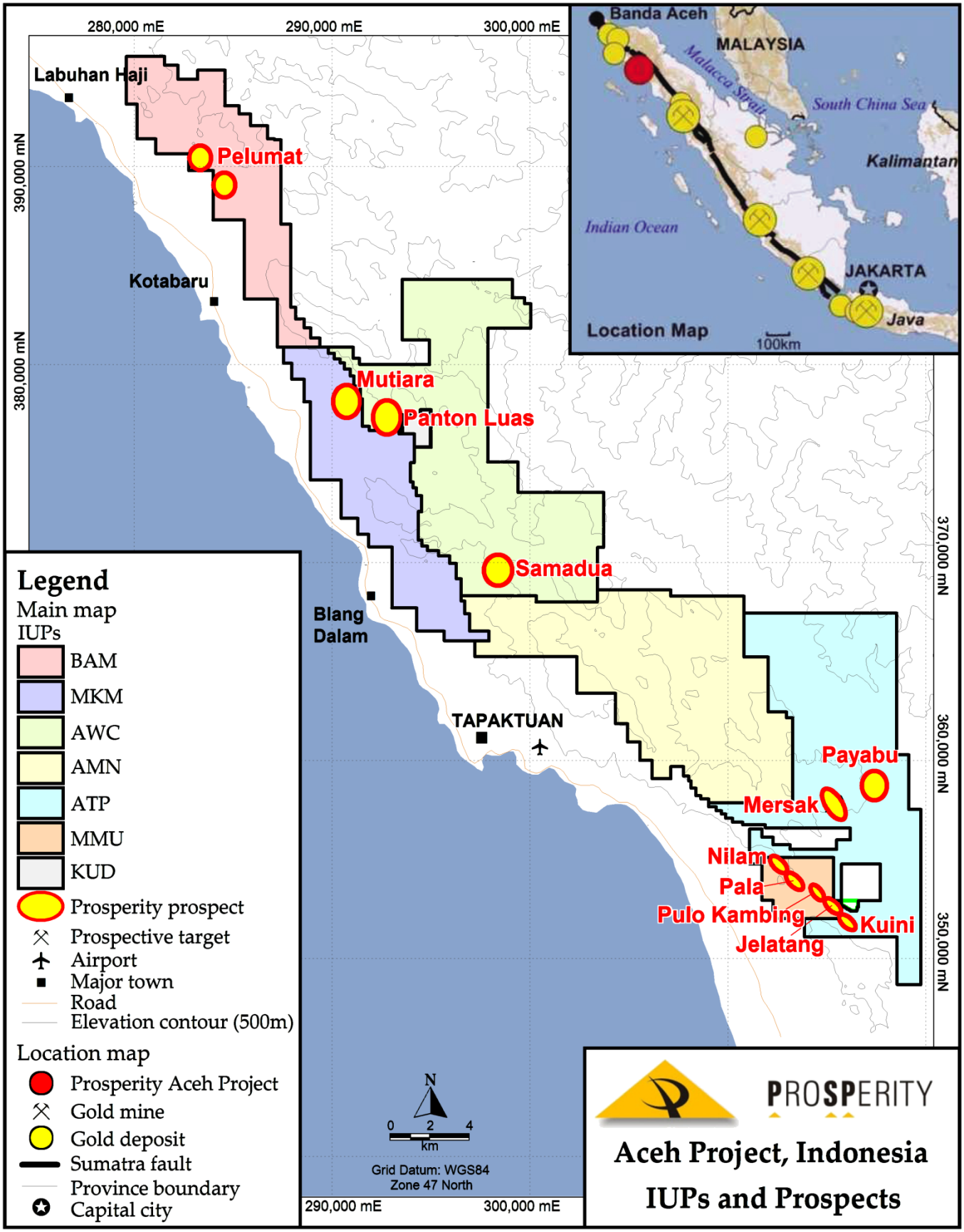

Figure 11: Location of Prosperity Licences (IUPs) and joint venture areas with assessed project target zones.

Grid Coordinates on all figures WGS84 Zone 47 North

Analyses were undertaken by Intertek, Jakarta using 50g fire assay for Au (Method FA50, Aqua regia finish); low base metals by ICP-OES (Method IC01); high base metals (>1%, Method GA50).

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Competent Person Statement

The exploration activities and results contained in this report have been reviewed by Dr. Neil F. Rutherford. Dr Rutherford is a Fellow of the Australian Institute of Geoscientists and is a full time employee of Rutherford Mineral Resource Consultants, mineral industry consultants. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

This review and comments by Dr Rutherford incorporated in the release text are based upon field inspection of the Aceh Project areas during 2010 and 2011 along with input from his associates who have worked on the property. All of the significant information reported herein was available to Dr Rutherford and was reviewed for this release. Dr. Neil Rutherford has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.