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DRILLING COMMENCES ON SECOND STATE HOLE FOR POTASH PROJECT

The Board of Transit Holdings Limited ("Transit" or the "Company") is pleased to announce that the drill rig is now in place at the second state drilling site (State Hole #2) on the Company's Paradox Basin Utah Project and drilling has commenced. The second hole was spudded on 23 October 2011 USA Time.

Transit's second hole (State Hole #2) is being drilled approximately five miles to the east as planned in the mineralised area north of the east-west fault. The location of this hole is designed to confirm the results from previous oil well drilling, as well as to determine the extent of potash mineralisation in Bed 18 and Bed 13 to the east.

The drilling will collect core samples of the potash horizons and is likely to confirm the presence of potash which has previously been detected by gamma logging of petroleum wells. All drilling information will then be used for the estimation of the project's maiden JORC compliant resource.

For and on behalf of Transit Holdings Ltd

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

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About the Project

Transit has earned 90% of the Paradox Basin Potash Project ("the Project") which covers applications for 365 km² 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 key agricultural regions of the United States and as such is well situated to supply fertiliser manufacturers and agricultural cooperatives in the 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, the latter which occurs in two sub-beds. Potash 18 Upper is ubiquitous across the property, while Potash 18 Lower occurs locally to the southwest. An Exploration Target* estimated by independent consultants Agapito Associates Inc. for Potash Beds 13 and 18 of 3.4 to 5.2 billion tonnes of sylvinite at an average grade of 23% to 34% KCl has been delineated within the Project. Potash 18, which is the principal bed of interest, was estimated to be 3.0 to 4.6 billion tonnes sylvinite at an average grade of 24 to 35% KCl.

The Exploration Target assumes a grade cutoff of 16% KCl and a thickness cutoff of 2.0 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 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. 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. All drilling information will then be used for the estimation of the project's maiden JORC compliant resource. 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 target and 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. Mr Hardy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears"

*The potential quantity and grade of potash reported as exploration potential 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.