

14th February 2011**PROSPERITY COMMENCES DRILLING AT PANTON LUAS IN ACEH****Highlights:**

- Diamond drilling program commenced at gold/copper Project in Aceh, Indonesia.
- An initial 1,500 metre diamond drilling program using two rigs commenced at Panton Luas Prospect.
- Widespread gold mineralisation over a strike length of in excess of 500 metres open to the southeast defined at Panton Luas to date.
- Previously released* trenching at Panton Luas recorded results including:
 - Trench P3: 15 metres @ 6.71g/t gold
 - Trench P37: 6 metres @ 2.7g/t gold and
 - Trench P37: 15 metres @ 3.10g/t gold
- Panton Luas is only one of 8 porphyry copper centres identified to date from previous drilling, geophysics and geochem sampling.

Prosperity Resources Limited (ASX: PSP) is pleased to announce that the first ever drilling program has commenced at the exciting Panton Luas Prospect in its Aceh Project in Indonesia.

Prosperity controls a 410km² contiguous tenement position along a 60 km structural corridor to the west of the Sumatra Fault highly prospective for gold/copper mineralisation. The helicopter borne magnetic survey completed last year has identified several potential porphyry centres and high grade skarn occurrences.

The initial program of shallow drilling (200-250 metres deep) at Panton Luas will be completed using two shallow capacity Drillcorp diamond drill rigs. **An ongoing drilling program is anticipated on the basis of successful results** from this initial program on these and a number of additional targets defined by Prosperity to date.

Chairman Mr. Mo Munshi said "This first drilling program at Panton Luas is aimed at confirming the widespread gold mineralisation returned from exploration to date. Panton Luas has the potential to host a large tonnage disseminated gold deposit and represents only one of many gold and porphyry gold/copper targets defined in the Aceh Project to date."

ASX: PSP**SHARE INFORMATION**

Issued Shares: 309.3m
Unlisted Options: 56.5m

BOARD OF DIRECTORS

Chairman & MD: M. Munshi
Non-Exec: J. Arbuckle
Non-Exec: S. Hempel
Non-Exec: M. Habriansyah

COMPANY SECRETARY

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KEY PROJECTS**ACEH**

Ownership: earning 73%
Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%
Location: NT, Australia

Panton Luas Drilling Program

The current drilling program is designed to test what appears to be an intrusive contact zone containing abundant vein hosted hydrothermal magnetite and associated alteration within microdiorite intruded by a series of feldspar porphyry dykes coincident with highly anomalous Au mineralisation. Both lithologies are locally intensely altered to silica-chlorite-pyrite and silica-clay-pyrite. This first series of holes will test to approximately 150 metres vertical depth beneath the best developed surface geochemical zone and hydrothermal magnetite alteration with the objective of determining the geological, structural and alteration characteristics controlling the distribution and grade of recognised mineralisation.

Based on the outcomes of this first phase of the program, deeper drilling is planned to test the potential and source of the alteration and mineralisation at 500 to 600 metres depth. Scope also exists for mineralisation laterally to that being tested and this will be followed up by additional shallow drilling based on outcomes of this initial drilling. The ultimate objective is to define a mineralised Au-Cu porphyry system in the Panton Luas and related adjacent Mutiara and Pelumat project areas.

Panton Luas Prospect Background

Two different styles of mineralisation are apparent at Panton Luas. A gold-rich, copper-poor style with a strike length of more than 500 metres coinciding with the northwest-trending Panton Luas ridge. This is open to the southeast but truncated by a late- or post-mineral intrusive of undetermined dimensions towards the northwest. Zones of mineralisation also occur across a width of 400 metres at lower elevations in streams and creeks on both sides of the main ridge perpendicular to the ridge following the broad trend of mineralised structures and lithological contacts.



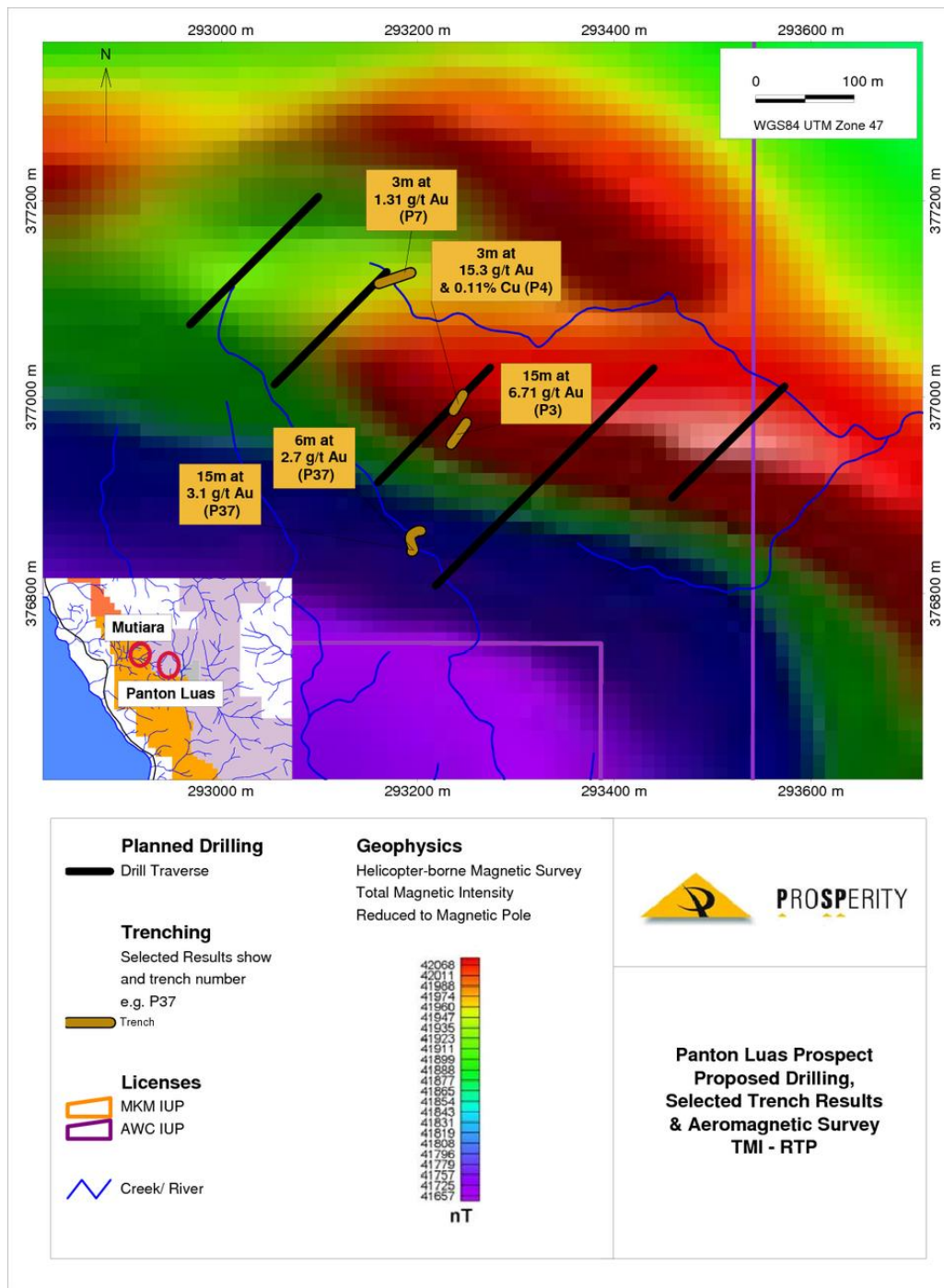
First Rig at Panton Luas

The tenor of the trench and channel results returned to date and widespread distribution of mineralised grab sample results from a large number of active and abandoned mine workings suggest there is excellent potential to define a large tonnage disseminated gold resource at Panton Luas.

* Panton Luas results released to ASX on 25th August 2010



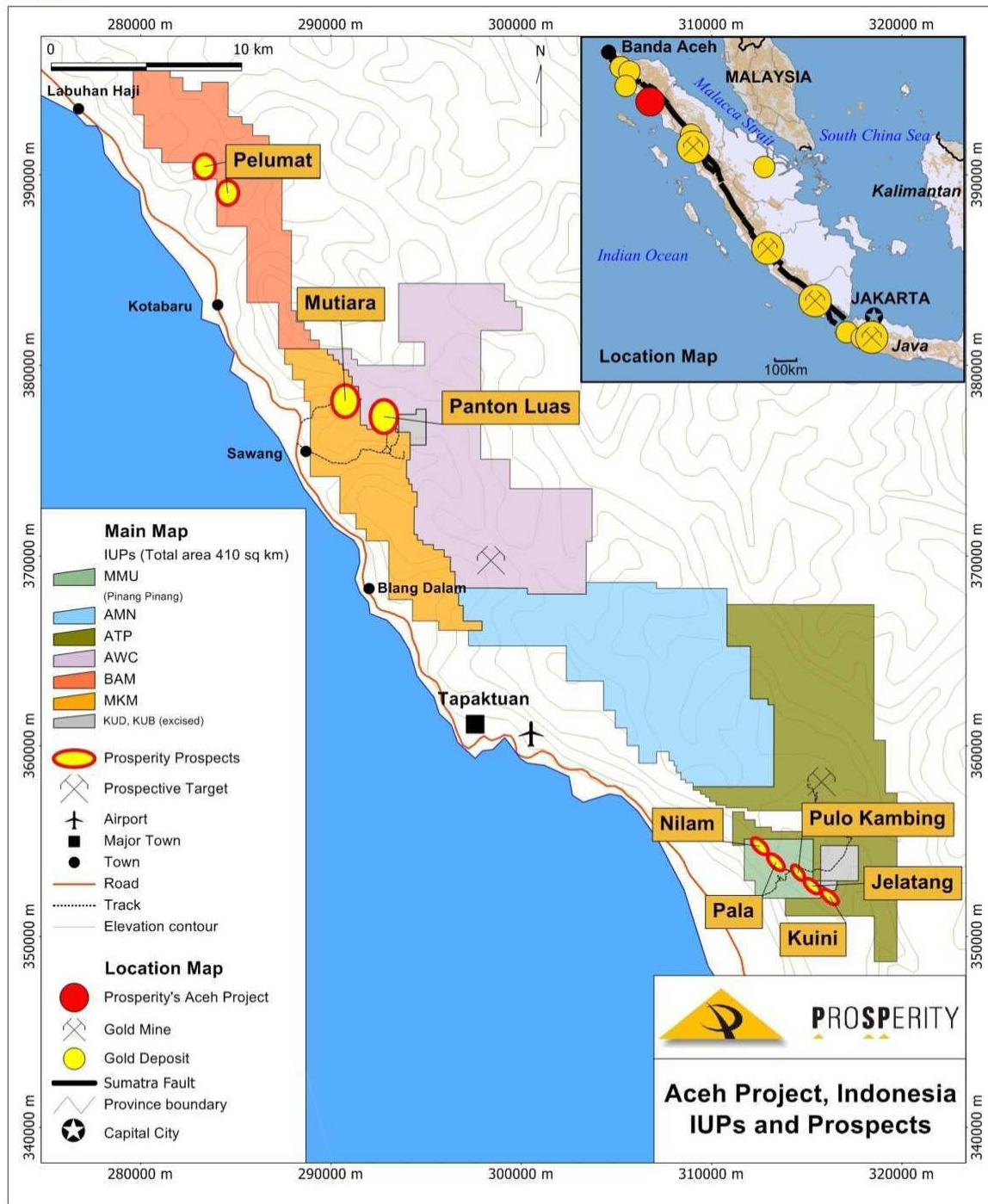
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Pantan Luas Drilling Traverse Lines



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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.