



14th September 2011

DRILLING TO COMMENCE AT KUINI PROSPECT IN ACEH

Highlights:

- Prosperity to commence diamond drilling program at gold copper Project in Aceh, Indonesia.
- Initial 1,500 metre diamond drilling program using deep capacity rig starting at Kuini Prospect.
- Drilling to follow up on target identified by hole PNGD017 which finished in mineralisation with the last 17 metres returning an intercept of 1.27g/t gold and 0.7% copper (released 8th July 2010).
- Prosperity controls a 410 km² land package with 60 kilometres of strike to the west of the Sumatra fault in the highly prospective underexplored region of southern Aceh.

Prosperity Resources Limited (ASX: PSP) is pleased to announce that it is to commence drilling a series of holes to test the full extent of the magnetic anomaly at its Kuini Prospect in Southern Aceh. Two drill holes completed in the Jelatang Prospect immediately along strike of Kuini, announced to the ASX on 8th July 2010, intersected significant gold and copper mineralisation in massive magnetite endoskarn at the end of the hole.

The Kuini Prospect is one of eight known porphyry intrusive and related skarn targets along 60 kilometres of strike length in Prosperity's 410 square kilometre Aceh Project.

Chairman Mr. Mo Munshi said "we are looking forward to drill testing the Kuini magnetic target which is adjacent to the Jelatang Prospect to the north west. The previous results from PNGD017 at the Jelatang Prospect are our best to date and the hole finished in mineralisation due to the limited capacity of the rig. This deeper capacity rig will allow us to fully test the target generated from the 3D magnetic modelling".

ASX: PSP

SHARE INFORMATION

Issued Shares: 344.50m
Unlisted Options: 19.95m

BOARD OF DIRECTORS

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

COMPANY SECRETARY

G. Taylor

PRINCIPAL CONTACT

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KEY PROJECTS

ACEH

Ownership: earning 73%
Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%
Location: NT, Australia

Kuini Drilling

Prosperity has completed mapping over the Kuini Prospect and rock-chip, trench and channel sampling at the adjacent Jelatang Prospect, in conjunction with a detailed regional helicopter borne magnetic survey over the wider region. From this work two holes were drilled at Jelatang into the north-western end of a significant airborne target where associated ground soil and trench Cu-Au anomalism occurred.

The two diamond drill holes were designed as an initial test of the extension of the largest and most coherent domain of surface geochemistry and ground magnetic and highlight the potential of the magnetic anomalism delineated. Both holes intersected long intervals of disseminated and quartz-sulphide stock work veinlet-hosted anomalous mineralisation, along with shorter intervals of higher grade replacement magnetite endoskarn mineralisation. Hole PNGD017 finished in mineralisation with the last 17 metres returning an intercept of 1.27g/t gold and 0.7% copper.

Results from the two completed Jelatang diamond core holes as released to ASX on 8th July 2010:

JELATANG PROSPECT				
Drill hole	From (m)	Interval (m)	Au g/t	Cu %
PNDG017	179	50	0.57	0.30
Including	212	17	1.27	0.70
PNDG019	113	56	0.18	0.16
Including	155	14	0.55	0.46

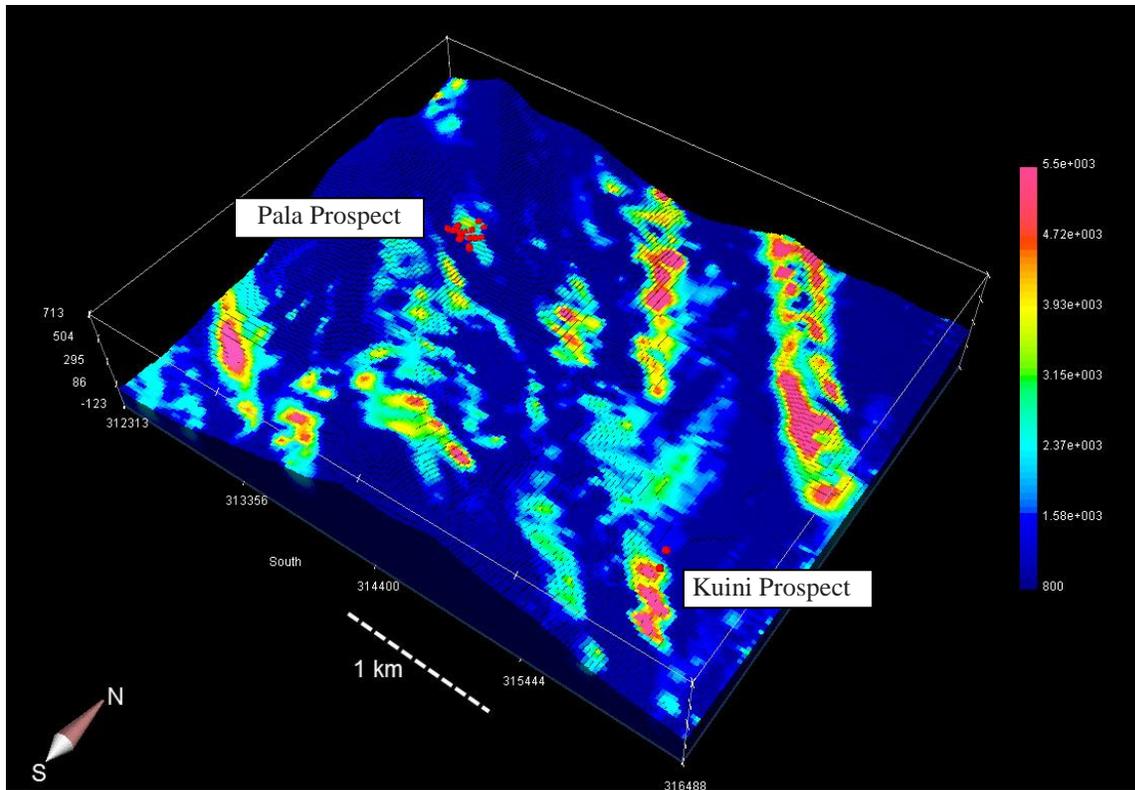
The helicopter borne magnetic data has been processed to produce a 3D inversion model of the magnetic susceptibility of the region and a detailed model of the Kuini Project area to assist in definition of the larger magnetite skarn zone target determined from the completed drilling at Jelatang. These models are shown in the figures below.



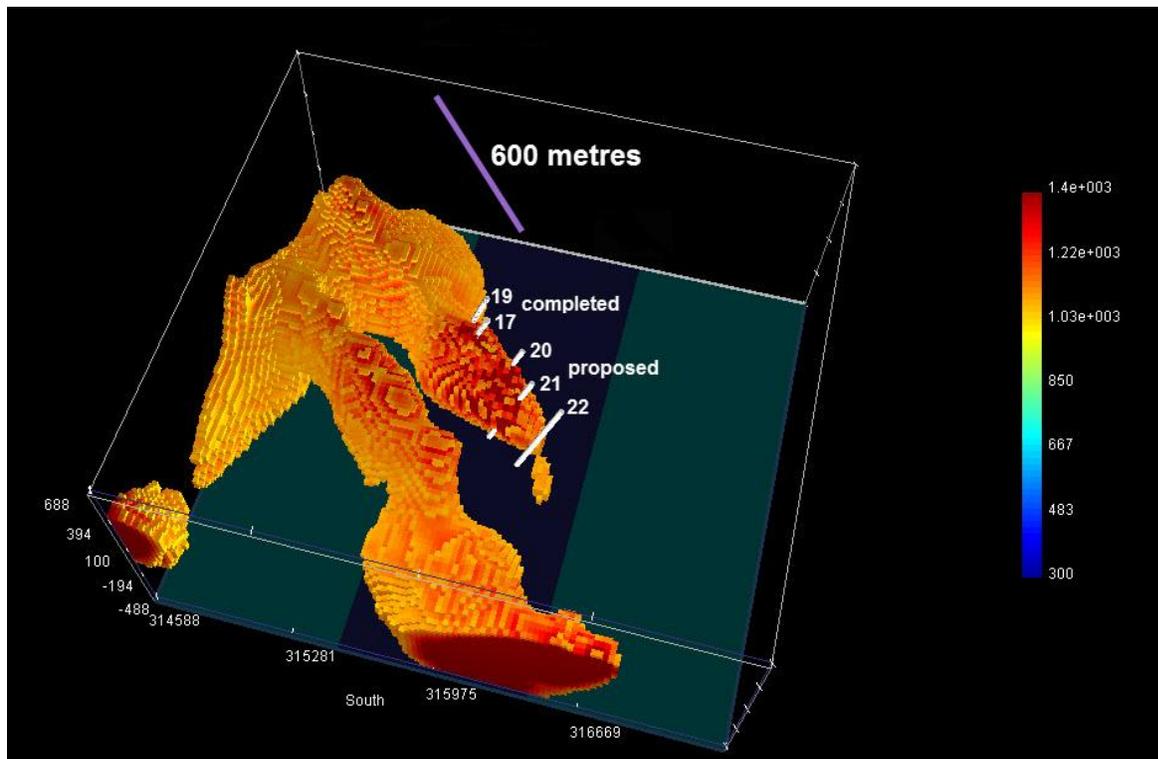
Massive chalcopyrite bearing magnetite-wollastonite skarn at 214.2 metres from hole PNGD017



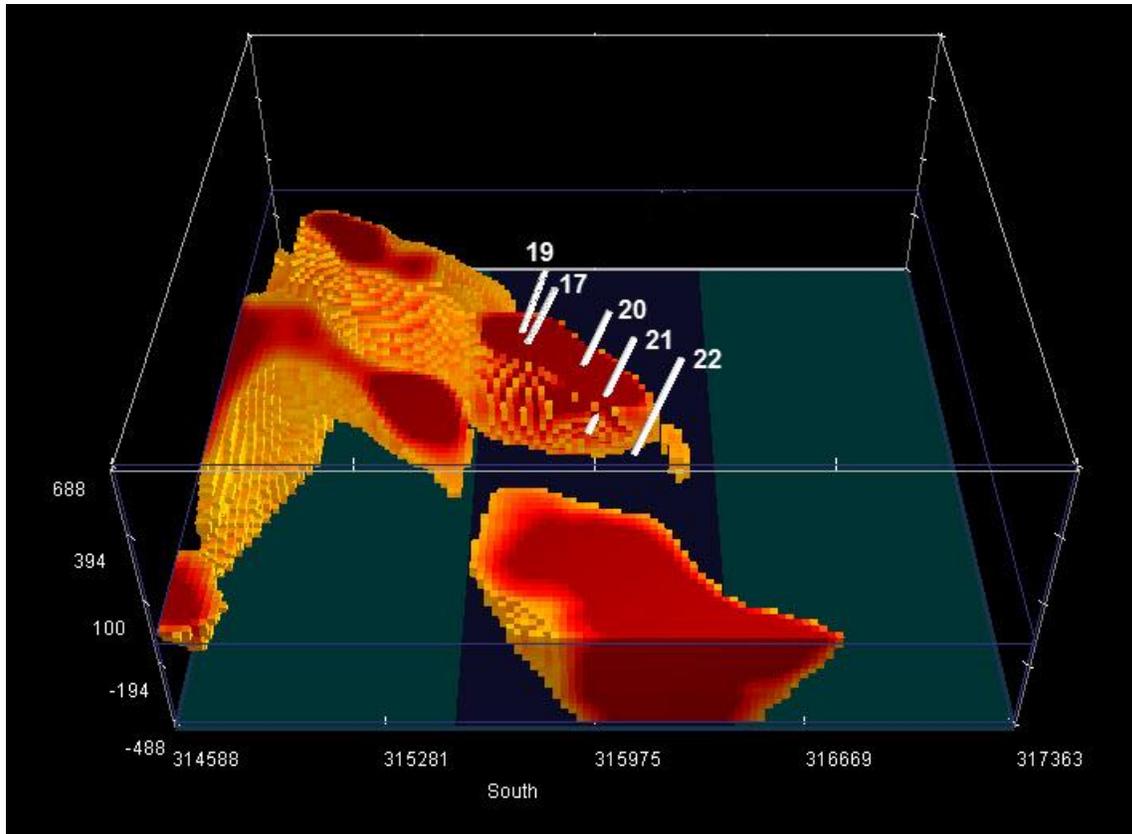
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Oblique view of magnetic inversion model showing completed drill holes at Pala and Jelatang (red dots) in relation to magnetic anomalies defined from helicopter borne survey.

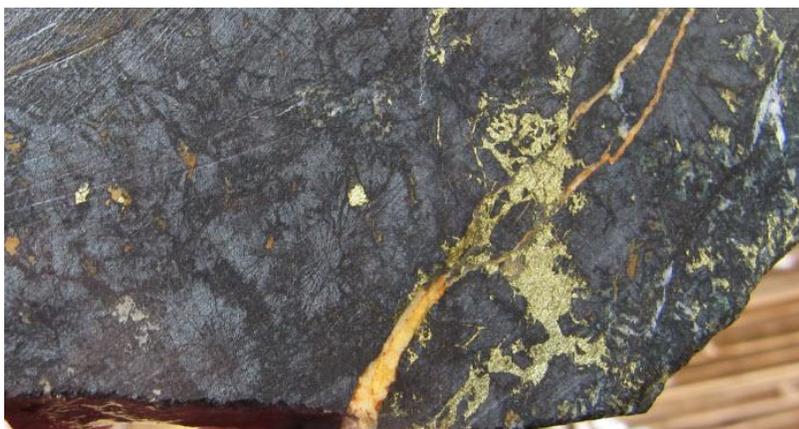


Processed block model of magnetic susceptibility modelled from helicopter borne magnetic data. Location of holes undertaken at Jelatang (17 & 19) and proposed at Kuini (20-22) shown as white lines passing through magnetic body. The length of the target body is approximately 600 metres.



A depth slice at approximately 100 metres below ground showing proposed drill hole paths into magnetic target. Hole 22 is designed to test the contact zone of the magnetic body and limestone units which have been mapped in the field. The image also shows a number of other potential target sites but the nature and cause of these magnetic bodies has not yet been resolved in the field.

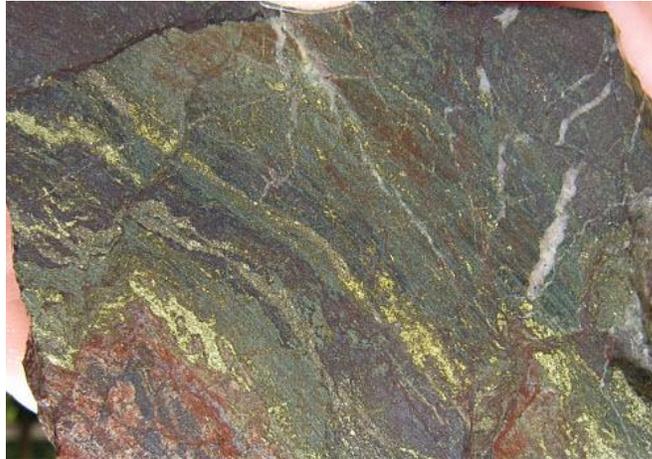
The mineralisation intersected in holes PNGD017 and PNGD019 is typical of mineralised replacement endoskarn within a vertically extensive microdiorite intrusive complex intersected by drilling at Pala to the north west and is considered to be the style of mineralisation that will be intersected in holes 20 and 21 in the core of the magnetic anomaly. Hole 22 is designed to intersect the contact zone between a sequence of mapped outcropping massive limestone and sediments and the magnetic skarn mineralisation. Examples of intersections of magnetite skarn and mineralised sediment from holes PNGD017 and PNGD019 are shown below.



Massive magnetite skarn with chalcopyrite at 214.35 metres from hole PNGD017



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Chalcopyrite-pyrite-chlorite-magnetite contact skarn at 158.3 metres from hole PNGD019

If significant mineralisation is intersected a second phase of drilling will be initiated to detail the extent of the mineralisation in the magnetic body and new regional mapping and sampling will be commenced over related magnetic targets to define their potential for mineralisation.

For further information please contact:

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Competent Person Statement

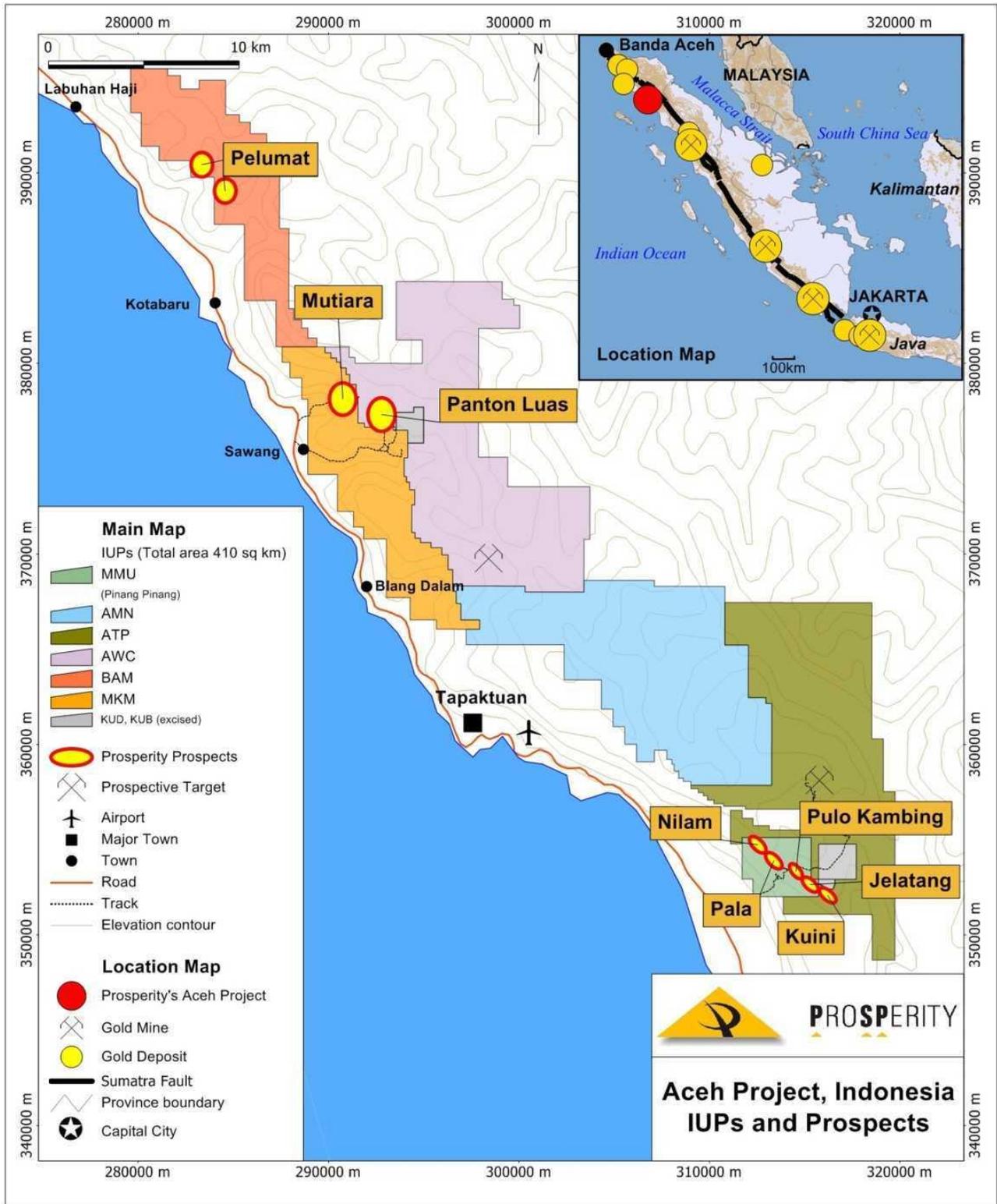
The exploration activities and results contained in this report have been reviewed by Dr. Neil F. Rutherford. Dr Rutherford is a Fellow of the Australian Institute of Geoscientists and is a full time employee of Rutherford Mineral Resource Consultants, mineral industry consultants. He has sufficient 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 Pinang Pinang Project area, Aceh, 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.



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Location Map: Prosperity's Aceh IUPs