

21st July 2010**HELIMAG SURVEY TO BE FLOWN OVER GOLD/COPPER TARGETS BY PROSPERITY****ASX: PSP****SHARE INFORMATION**

Issued Shares: 261.4m
Unlisted Options: 70.8m

Chairman & MD: M. Munshi
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ACEH

Ownership: earning 73%
Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%
Location: NT, Australia

Highlights:

- ✚ Prosperity has commenced a helicopter borne magnetic survey covering its Aceh tenements following recent encouraging drilling and sampling results.
- ✚ Six gold/copper porphyry intrusive centres identified and verified to date.
- ✚ Numerous additional geochemical anomalies also defined.
- ✚ Helimag survey will assist in better definition of drill targets at existing Prospects and potentially discover new unexposed porphyry intrusive target centres.
- ✚ Follow up drilling planned to commence in August 2010.

Aceh Gold/Copper Projects

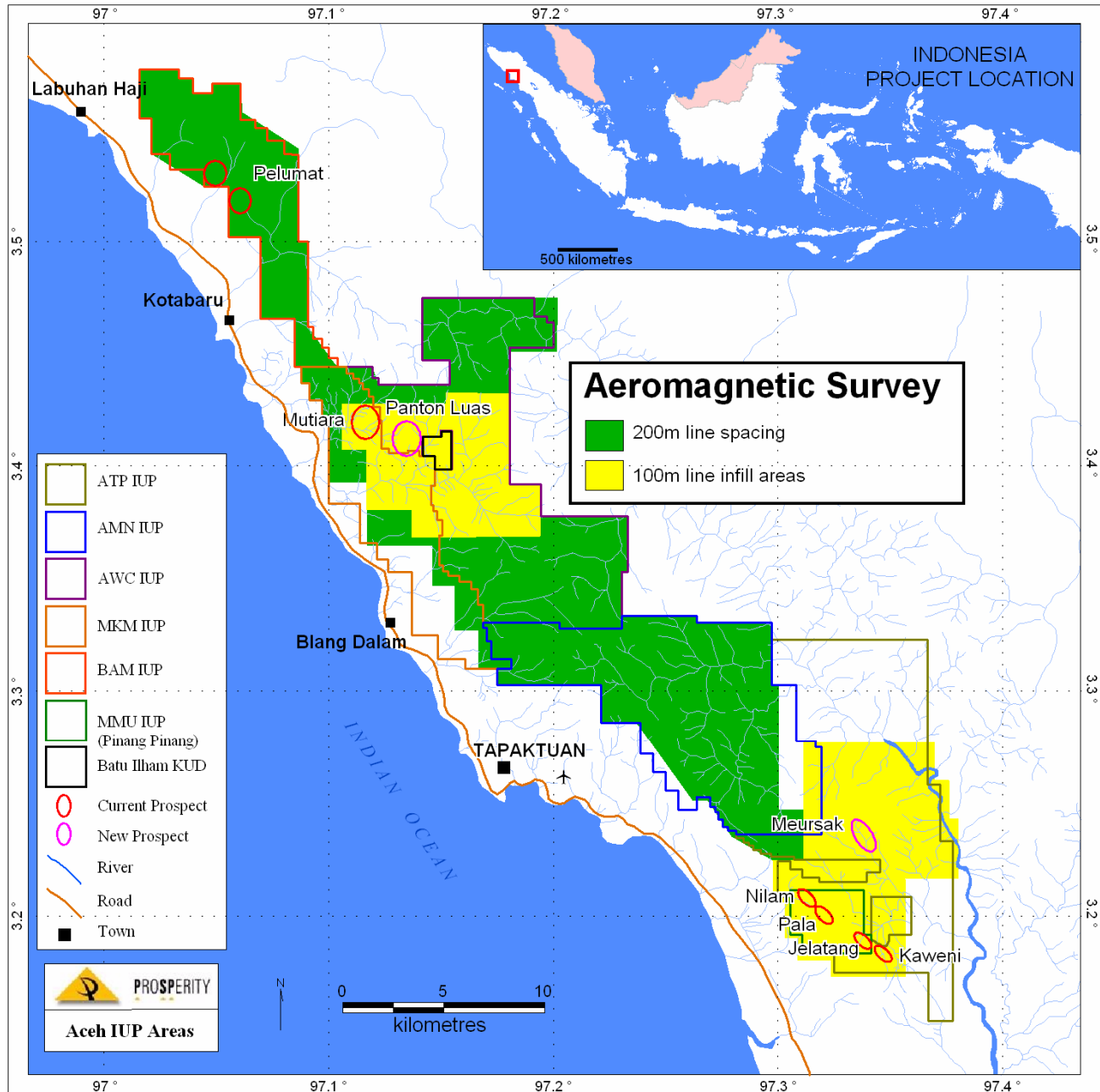
After successful accumulation of a sizeable regional tenement position and generation of encouraging reconnaissance exploration results from recent drilling/trenching/rock chip and soil sampling, Prosperity Resources Limited (ASX: PSP) is embarking on aggressive follow up exploration programs in Aceh in the 2010/11 financial year.

Prosperity is pleased to announce it has contracted GPX Surveys Pty. Ltd. to conduct a helicopter-borne aeromagnetic survey over its five exploration and one exploitation IUP license areas located in the Aceh Selatan Regency. Prosperity holds a total land package of 41,000 Ha (410km²). Exploration by Prosperity to date has identified six gold-copper mineralised porphyry centres in this region. Numerous other geochemical anomalies have been identified and require follow up exploration work.

Aceh Helimag Survey

Drilling at **Pala** and **Jelatang** and mapping at **Panton Luas** and **Mutiara Prospects** indicates disseminated and stockwork-hosted gold-copper mineralisation hosted within these recognised intrusive centres, is spatially and genetically associated with pervasive alteration of variable intensity. Locally strongly developed hydrothermal magnetite alteration and magnetite-rich replacement endoskarn alteration is also recognised. This relationship suggests the regional

magnetic survey should be a highly effective tool for better understanding the extent and character of known gold-copper mineralisation, and to identify new domains of shallowly buried magnetite alteration which associates closely with gold-copper mineralisation in the region.



Location Map: Prosperity's Aceh IUPs and aeromagnetic survey



Areas of the tenement package containing the most advanced prospects and/or largest surface anomalies will be flown at 100 metre flight line spacing. The remaining portions of the land package will be flown at 200 metre line spacing. The helicopter-borne survey has been designed to encompass the critical NW-SE structural corridor recognised as containing all the known mineralisation occurrences and geochemical anomalies delineated to date. Some sections of the IUPs lying outside this controlling corridor and regarded as having little prospectivity will not be flown.

A drilling program to follow up the results of the helimag program and previous exploration results is scheduled to commence in August 2010.

For further information please contact:

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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.