



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 6th March 2012

ATLANTIC POTASH PROJECT BRAZIL

DRILLING UPDATE

DRILLING AT ATLANTIC POTASH PROJECT APPROACHING TARGET

Potash and phosphate exploration and development company Aguia Resources Limited (ASX: AGR) (“Aguia” or “Company”) is pleased to provide the following update on drilling at the Atlantic Potash Project located in the Sergipe Basin in NE Brazil.

The Atlantic Potash project is located approximately adjacent to Brazil’s only operating potash mine, Vale’s Taquari-Vassouras underground sylvinitic mine.

Drilling of the second hole, PAC-02 is progressing well and is currently at a depth of 1,250 metres. The hole is targeting the Ibura member that hosts an important potash bearing evaporite sequence within the Sergipe Basin in north eastern Brazil.

The second hole in the current drilling program, PAC-02 is located four kilometres to the east-north-east of a thick (79m) potash intersection previously announced by Rio Verde Minerals (TSX:RVD) on 16th November 2011. In drill hole SED-001-11, Rio Verde reported a significant potash intersection comprised of two sylvinitic-bearing zones with a combined thickness of 16.73 metres @ 25.01% KCl with grades up to 54.02% and one carnallite-bearing zone with a thickness of 61 metres with assays pending.

Drilling has gone to plan with good correlation of marker horizons evident from other historical Petrobras holes within the region. Open hole drilling with several staged changes in hole size and subsequent casing of the hole to a depth of 800 metres has been completed. Open hole drilling has continued from the bottom of the casing and continued to a depth of 1,200 metres at which time diamond coring commenced. It is anticipated that coring will continue through the target zone for a further proposed 300 metres to a total depth of approximately 1,500 metres.

The initial four hole drilling program will focus on the discovery and delineation of a Mineral Resource that can be reported in accordance with the JORC Code.

“The drilling of PAC-02 on the potash project is progressing well and we look forward to providing further updates to investors as results become available” commented Managing Director Simon Taylor.



Figure 1: Location of the Atlantic Potash Project

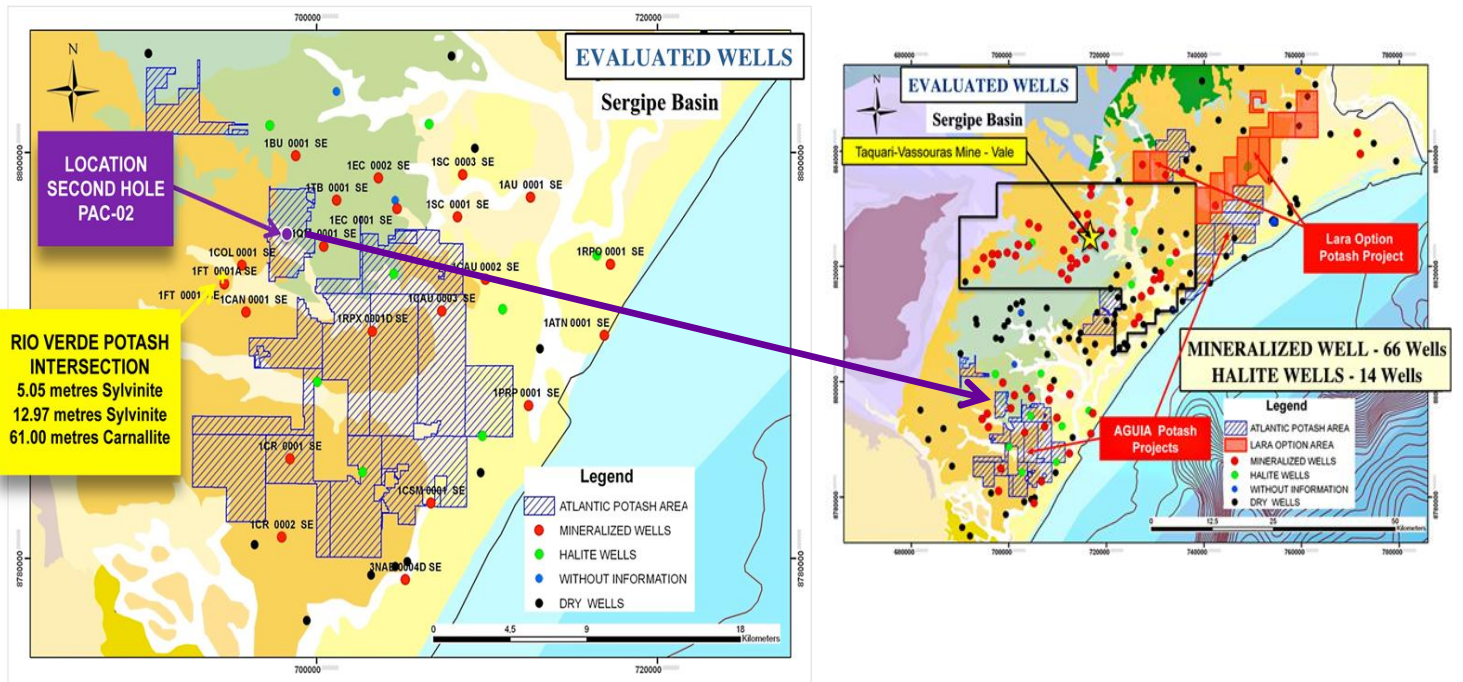


Figure 2: Atlantic Potash Project, location of drill hole PAC-02



Photo: Drill hole PAC-02

Enquires: **Simon Taylor – Managing Director**
Telephone: +61 2 9210 1332

About Agua

Agua is focused on the exploration and development of phosphate and potash projects in Brazil. Brazil is Latin America's biggest economy and is heavily reliant on imports of up to 50 per cent of its phosphate and 90 per cent of its potash needs. Agua is well positioned to capitalize on the growing demand for phosphorous and potash based fertilisers in the expanding agriculture sector in Brazil and controls three large projects, located close to existing infrastructure. The Company is committed to its existing projects whilst continuing to pursue other opportunities within the fertiliser sector.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Fernando Tallarico, who is a member of the Association of Professional Geoscientists of Ontario. Dr Tallarico is a full-time employee of Agua Resources Limited. Dr Tallarico 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' ("JORC Code"). Dr Tallarico consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.