



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 3 MAY 2011

AGUIA COMPLETES \$15 MILLION SHARE PLACEMENT

- **Funds used for exploration of Atlantic Potash Project in Brazil**
- **Project is located adjacent to Brazil's only operating potash mine**
- **Brazil currently imports over 90% of potash requirements**

Potash and phosphate exploration and development company Agua Resources Limited (ASX: AGR) is pleased to announce that it has received applications to place 18.3 million new ordinary shares to sophisticated and professional investors at 82 cents per share to raise a total of \$15 million before costs.

The funds will be used to undertake an extensive exploration program at the Atlantic Potash Project in Brazil and to further test Agua's Brazilian phosphate projects.

As reported to shareholders on 25 January 2011, AGR has entered into an agreement to acquire Potasio Atlantico Ltda (**PALTDA**), a private Brazilian company which has a primary focus on potash exploration and development in the Sergipe Basin, North Eastern Brazil. The acquisition and placement are subject to AGR shareholder approval. The Company expects to send a Notice of Meeting to shareholders shortly with a meeting to be convened during June 2011.

PALTDA has a total of 2,100km² of concessions in the region which currently hosts Brazil's only producing potash mine, Vale's Taquari-Vassouras underground mine. PALTDA's Atlantic Potash Project is in close proximity to existing power, water and transport infrastructure. The project is supported by data from 300 historical drill holes that reported multiple potash occurrences within the Sergipe Basin, and 32,000 km of 2D seismic data that has been examined and further highlights the potential for the region to host significant potash deposits.

Agua's Managing Director Mr. Simon Taylor said: "This placement satisfies an important condition in AGR completing the acquisition of PALTDA, and the strong demand we have received from investors is solid endorsement of the project's potential.

"Our immediate priority is to commence a drilling program at the Atlantic Potash Project, and preparation of drill sites is underway. We have already identified a number of target areas that we will first explore and we will update shareholders when drilling commences.

The placement attracted investors from Australia, Asia and North America with Taylor Collison Limited acting as Lead Manager for Australia.

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