



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: June 12th 2012

## **NEW AGREEMENT NEGOTIATED LARA SERGIPE POTASH PROJECT**

Emerging phosphate and potash exploration and development company Agua Resources Limited (ASX: **AGR**) (“Agua” or “Company”) refers to its announcement dated 23 January 2012 in relation to the signing of a Letter of Intent (“LOI” or “Agreement”) with Lara Exploration Ltd (“Lara”) to acquire up to a 100% interest in Lara’s Potash Projects (“LPP”) located adjacent and adjoining to Agua’s Atlantic Potash Project in north east Brazil.

Under the terms of the new Agreement, Agua has re-negotiated an extension to the minimum work commitment such that the 12 month period is now effective from the date of the renewal of certain exploration licences that comprise the Sergipe Potash Project.

Should the exploration licenses not be renewed within 24 months, Agua has the option to terminate the Agreement. At this stage, it is uncertain when the exploration licenses will be renewed and as such Agua does not envisage any works on the Lara properties until the second half of calendar 2013.

This extension is consistent with the Company’s strategy and associated timeframes to ensure all of its resources are focused on its phosphate projects including Rio Grande.

The Company remains on track to deliver its maiden JORC compliant Mineral Resource Statement from the Três Estradas phosphate project in southern Brazil before the end of June 2012.

**– ENDS –**

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**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 capitalise on the growing demand for phosphorus 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.