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31 May, 2011

MEDIA RELEASE

Potash Potential Confirmed as Maiden Drill Programme in Western Australia Intersects Substantial Mineralisation

Highlights

- Potash West completes maiden drill program over Dandaragan Trough.
- Wide intersections of potash mineralisation confirmed - 62m @ 3.09% K₂O from 10m in PWA0002*.
- Grades of up to 5.07% K₂O in glauconitic sandstone and shale, from 70-72m in PWA0007*.
- Seven holes drilled for 534m.
- Metallurgical studies to commence immediately.

*Note – full details of assayed intercepts are shown in Table 1

Potash West NL (**ASX: PWN**) (“Potash West” or “the Company”) is pleased to announce it has obtained promising results from the recently completed aircore drilling programme on its E70/3100 licence, which is located on the western margin of the prospective Dandaragan Trough and 100km north of Perth.

Following the Company’s highly successful \$6 million IPO, and recent debut on the ASX, the maiden drilling programme involved a total of 7 widely spaced holes for 534m along road verge traverses, (Figure 1). Holes were located to provide stratigraphic information on the prospective Coolyena Group sediments which host potash mineralisation in glauconite rich sediments, known as greensands, elsewhere on the Company’s tenure.

Potash West is exploring the Dandaragan Trough to evaluate the commercial potential of the greensand deposits. These have been examined as a source of potassium several times over a period of nearly 50 years but not pursued due to low Potash prices. Current prices and technological advances make re-examining the area attractive.

The drilling represents the first stage in the investigation of the Cretaceous stratigraphy of the Dandaragan Trough where Potash West controls over 2,100km² of tenements. Lithologies of the Coolyena Group, which host various glauconite rich units, are poorly exposed in E70/3100. The aim of the programme was to test the prospective stratigraphy over wide areas of the tenement and to collect samples for the initial phases of metallurgical testwork.

Holes were located to provide maximum information over the almost 50km length of E70/3100 and did not specifically target interpreted areas of favourable geology. In this context the widths and grade of the intersections are encouraging particularly compared with published results. Analyses of samples from drillhole DGH2, drilled by the Geological Survey of WA near Dandaragan in the 1960s, reported 2.3% K₂O over a thickness of 21m of weathered Poison Hill Greensand, below which 12m of the fresh formation averaged 5.4% K₂O. DGH2 is located some 10km northeast of the northern boundary E70/3100.(Fig 1).

All seven drill holes penetrated significant thicknesses of Coolyena Group sediments. The lithologies consist of fine to medium grained sandstones, siltstones and claystones containing varying amounts of glauconite visible in drill chips. Composited 2m intervals with K₂O assays above a cut off grade of 2% are shown in Table 1.

Hole	Depth (m)	East (m)	North (m)	Surface Level (m)	Interval (m)	From (m)	To (m)	K ₂ O%
PWA0001	68	387966	6560365	118	34	34	68	2.90
PWA0002	72	394013	6560209	141	62	10	72	3.09
PWA0003	68	378123	6577610	214	10	10	20	2.61
PWA0005	78	385961	6578253	162	40	38	78	2.66
PWA0006	94	367702	6594711	259	46	42	88	2.37
PWA0007	78	369898	6594940	262	34	44	78	4.21

Table 1: Intercepts above a cut off grade of 2% K₂O

Note

1. Drilling by aircore method
2. Some samples collected below water table
3. All holes drilled vertical.
4. Stratigraphy is flat dipping – downhole intersection widths approximate the true width of the mineralisation
5. Samples are collected through a rig rotary splitter over 2m intervals and geologically logged.
6. Total sample preparation, assays by lithium borate fusion XRF
7. Composite intervals have been determined with regard to geological description using a lower cut off grade of 2% K₂O
8. Drill holes have been located by hand held GPS methods using the MGA94 Zone 50.



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It is expected that potash contents will vary depending on factors such as lithology, depth, elevation and the degree of weathering. The Company has commenced a targeting exercise using high resolution satellite imagery to identify potential high grade, shallow potassium mineralisation. This will provide a guide to future drilling, in the second half of 2011. Metallurgical testwork has commenced.

Managing Director, Patrick McManus said "This is a great start to our programme to understand the extent of the glauconite mineralisation in the Dandaragan Trough. Substantial thicknesses close to the surface bode well for future mining activities."

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Competent Person's Statement:

The information in this report is based on information compiled by Lindsay Cahill, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Cahill has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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". Mr Cahill is a consultant to the mining industry. This report is issued with Mr Cahill's consent as to the form and context in which the exploration results appear.

About Potash West

Potash West (ASX:PWN) is an exploration company focused on developing potassium-rich glauconite deposits in West Australia's Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover potash from the mineral. A successful commercial outcome will allow the Company to become a major contributor to the potash market at a time of heightened demand.

The Company listed on the ASX on 11 May 2011 following a successful and oversubscribed IPO raising \$6m. The Company has a major land holding over one of the world's largest known glauconite deposits, with exploration licenses and applications covering an area of 2,107km². Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 15km in width.

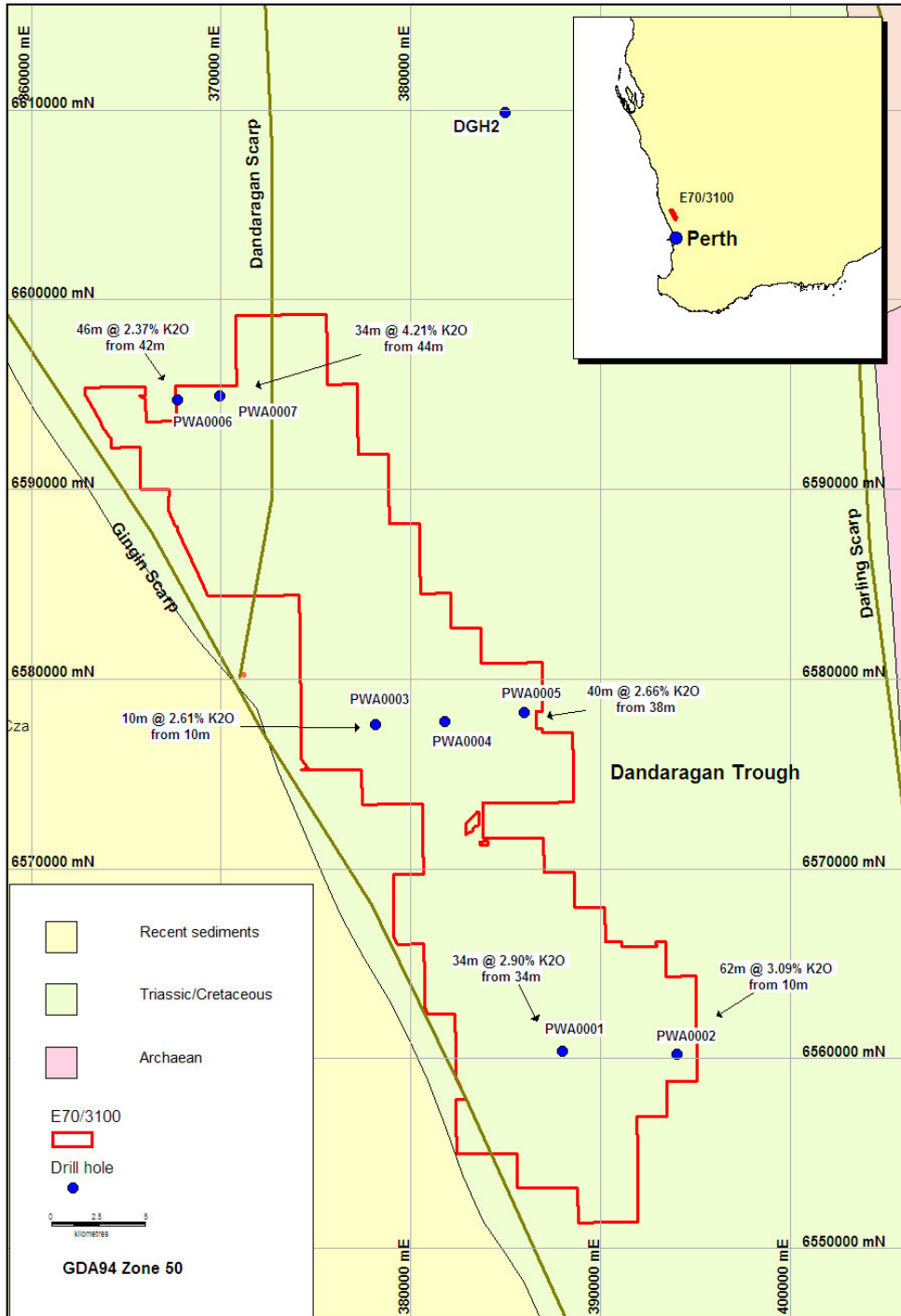


Figure 1: Drill hole location and geological plan