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MEDIA RELEASE

POTASH WEST INTERSECTS PLUS 20 METRES OF GLAUCONITE RICH GREENSANDS IN SEVERAL LOCATIONS IN DANDARAGAN TROUGH

Highlights:

- 41 drill holes for 3,235m completed in November - December 2011
- Drilling confirms geological targeting strategy aimed at identifying near surface mineralisation
- Fresh greensand logged from surface to 60m
- 22m at 4.12% K₂O intersected in glauconite rich greensands

Potash West NL (ASX: **PWN**) (“**Potash West**” or “**the Company**”) is pleased to announce assay results and updates from ongoing aircore drilling on its tenure in the Dandaragan Trough Potash Project in Western Australia’s Mid-West Region.. A total of 41 widely spaced holes for 3,235m were completed in November and December 2011, with assay results received from the 18 holes drilled in November. Drilling is ongoing with the current program expected to be complete by the end of February. Location of holes is shown on Figure 1 attached.

Potash West is evaluating glauconite mineralisation in the Dandaragan Trough with the aim of proving up the commercial potential of the deposits and refining the processes most likely to be utilised in viably extracting potash and potash products from glauconite.

The current drilling commences the investigation of the Cretaceous stratigraphy of the Dandaragan Trough where Potash West controls tenements covering an area of over 2,900km². Sediments of the Coolyena Group, which host various glauconite rich units, are poorly exposed within the tenements. The aim of the current programme is to provide data on potassium grades, depth of weathering and information on stratigraphic relationships over a wide area of the trough.

The majority of drill holes in the current program penetrated significant thicknesses of Coolyena Group sediments consisting of fine to medium grained glauconitic sandstone, siltstone and claystone. Holes are located along minor roads within the tenements at locations of maximum elevation above sea level in order to maximise penetration of the Poison Hill Formation - the uppermost greensand unit of the Coolyena Group. Optimal locations are not always possible due the constraints of the road verge program and local topography.

Encouraging results were encountered in PWAC014 along the southern boundary of E70/3635, with an intersection of 20m @ 3.24% K₂O recorded from 16m below surface in the Poison Hill

Greensand. Located downslope from a laterite ridge, this result provides confirmation of the geological model targeting active erosional surfaces, which expose near surface mineralisation. Adjacent slopes will be pattern drilled pending the conclusion of landholder access agreements and other statutory requirements.

The best assay interval, 22m @ 4.12% K₂O from 74m below surface, was encountered in PWAC025. Although the intersection is deep it points to the potential for higher grades in selected areas of the sequence.

Whilst laboratory assays are pending, portable XRF results and visual logging indicate that the two holes drilled in E70/3418 along the Coorow-Greenhead Rd (PWAC029 and PWAC030) have intersected near fresh greensand from 4m below surface. Furthermore, the intersections are notable in that they appear to contain between 60m and 70m of the target Poison Hill Formation. Both holes are located along the edges of a topographic high. The Company is in the process of negotiating access to properties on both sides of the road and will make application to undertake grid drilling of the area.

A zone of phosphate enrichment characterises the top and bottom of the Molecap Formation in some areas of the Dandaragan Trough. The highest phosphate grade encountered in the recent drilling is a 2m intersection (52m downhole) in PWAC020, containing 3.16% P₂O₅ and 2.84% K₂O at the top of the unit.

Composited intersections in greensand above 3% K₂O from drill holes PWAC008 to PWAC025 are tabulated below.

Hole	East GDA m	North GDA m	RL m	Depth m	From m	To m	Interval m	K ₂ O %	P ₂ O ₅ %
PWAC011	404234	6564355	179	70	46	70	24	3.69	0.05
PWAC014	393636	6550654	224	99	16	36	20	3.24	0.10
PWAC015	392541	6550701	247	90	50	74	24	3.37	0.11
PWAC017	397872	6539355	210	99	78	88	10	3.09	0.15
PWAC019	400556	6536822	213	85	64	74	10	3.49	1.57
PWAC021	399449	6536333	161	99	82	90	8	3.10	0.21
PWAC022	407503	6534924	193	81	32	38	6	3.37	0.04
PWAC023	407103	6535671	208	84	46	54	8	3.68	1.06
PWAC025	407154	6524820	196	99	74	96	22	4.12	0.07

Note:

1. Hole collars located by handheld GPS
2. Drilling is by the aircore method
3. Samples collected over 2m intervals via rig mounted rotary splitter
4. Samples visually logged by geologist
5. Only assays through greensand are tabulated
6. Assays by Genalysis, Perth, XRF method FB1, phosphate majors package
7. Lower cut-off grade for reporting is 3% K₂O



Managing Director, Patrick McManus, said: "These results indicate that our geological model is holding true and that the best target areas for glauconite are on the slopes of hills, where there is less laterite formation.

"From this work, and the assays to date, we have initially identified 2 areas, which meet our criteria and where we will return for further drilling. This will allow identification and resource drilling to commence in April 2012."

Assays for the remaining holes in the current program are expected to be available by the end of March.

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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. The project is well situated in relation to infrastructure, with close access to rail, power and gas. 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 has a major land holding over one of the world's largest known glauconite deposits, with exploration licenses and applications covering an area of 2,905km². Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 15km in width.

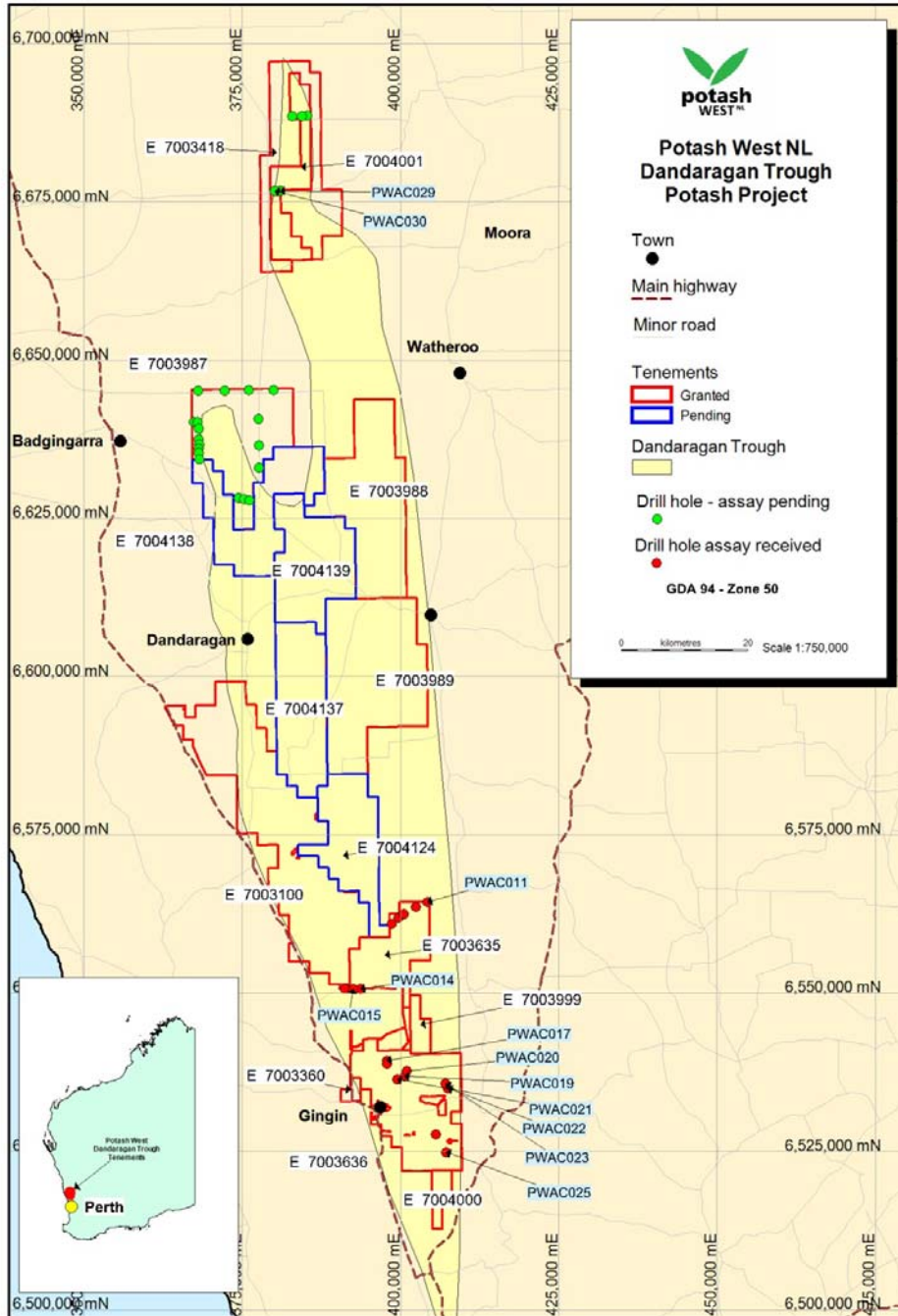


Figure 1; Exploration Tenements showing drill holes