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20 December 2011

Geophysical and Borehole Arrangement

On December 16, 2011 Potash Minerals Limited's exploration vehicle, K2O Utah LLC ("K2O") entered into an information exchange and borehole transfer agreement with Stone Energy Corporation ("Stone"). This agreement provides for the sharing of non public geophysical records in the K2O project area. The agreement also allows Stone to acquire any of K2O's first four state boreholes and any of the first four federal boreholes upon assumption by Stone of the closure costs and subject to governmental approval of this transfer.

This arrangement is mutually beneficial as Stone is exploring for oil and gas in the same area that K2O is drilling for potash and there are complementary interests in this site which the parties wish to capitalize upon.

The information to be shared extends from the surface through Cycle 19 which is below the K2O potash salt beds of interest. The information is to be used by the respective parties on a confidential basis and prohibits public disclosure.

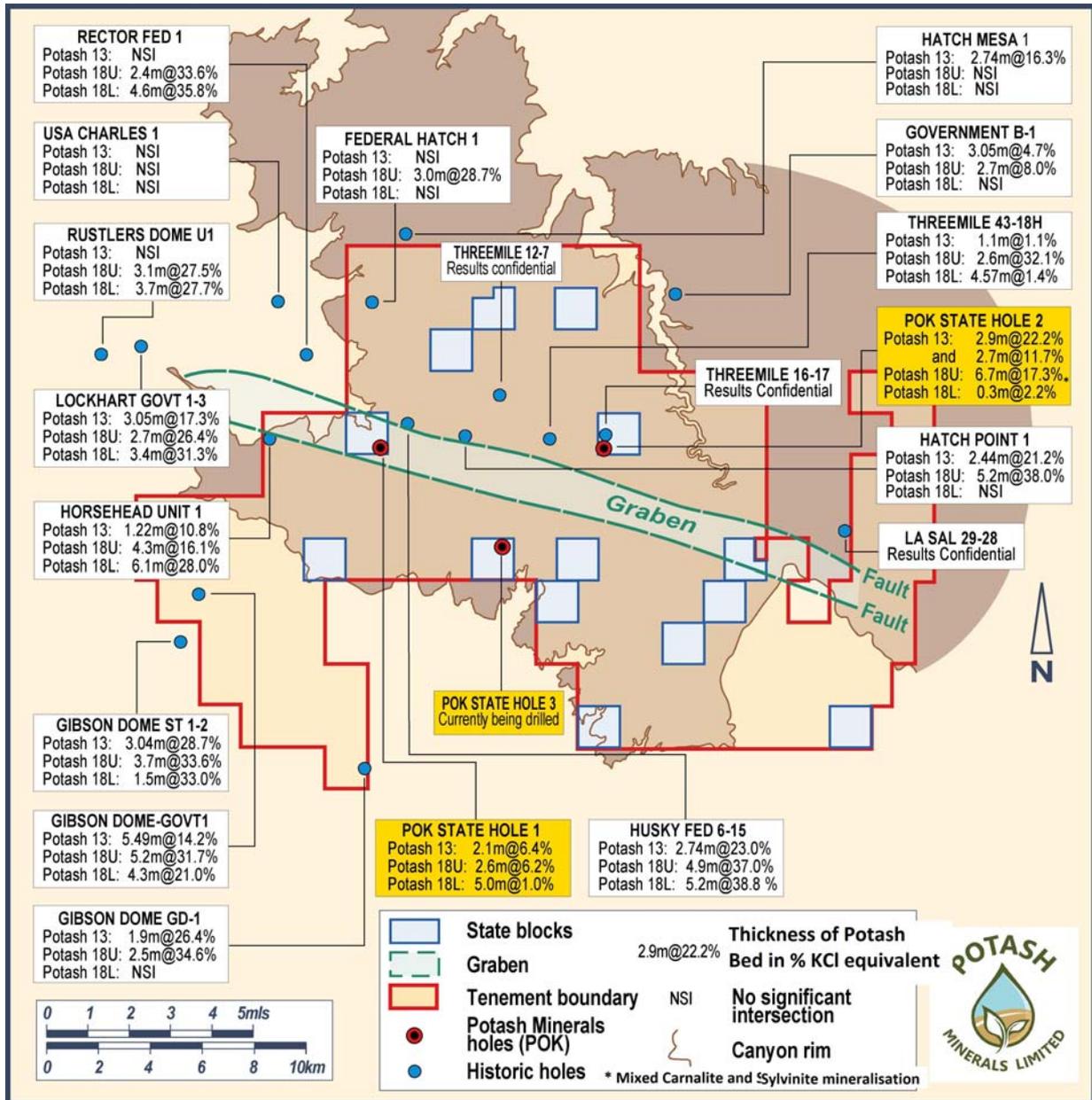
With respect to Stone, the Confidential Information may include but is not to be limited to well logs associated with the following physical locations:

- 1) La Sal 29-28 (API 43-037-50002);
- 2) Threemile 16-17 (API 43-037-50003); and
- 3) Threemile 12-7 (API 43-037-50001).

Please refer to the map below for well locations.

Under this agreement, Stone has three years to acquire K2O's boreholes or until well closure occurs.

The geological information from Stone is being analysed by Agapito associates to assist K2O in selecting drilling exploration targets and later may serve as supplemental data to establish a JORC resource for K2O Utah.



For and on behalf of Potash Minerals Limited


Ben Binninger
 Director

Potash Minerals Limited

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About the Paradox Basin Potash Project

Potash Minerals Limited (formerly Transit) has earned 90% of the Paradox Basin Potash Project ("the Project") which covers applications for 365 km² of highly prospective potash permits in the Paradox Basin in south eastern Utah. The company's focus is on sylvinitic, a high grade form of potash ore that is cheaper and more effective to process to a saleable form than any other form of potash ore.

The Paradox Basin Potash Project is located close to key agricultural regions of the United States and as such is well situated to supply fertiliser manufacturers and agricultural cooperatives in the western United States. The Project also has substantial export potential given its excellent proximity to key US rail infrastructure leading to West Coast ports.

The Paradox Basin Potash Project comprises potash (KCl) mineralization in two beds of interest, Potash 13 and Potash 18, which occurs in two sub-beds. Potash 18 Upper is ubiquitous across the property, while Potash 18 Lower occurs locally to the southwest. An Exploration Target estimated by independent consultants Agapito Associates, Inc. for Potash Beds 13 and 18 of 3.4 to 5.2 billion tonnes of sylvinitic at an average grade of 23% to 34% KCl has been delineated within the Project. Potash 18, which is the principal bed of interest, was estimated to be 3.0 to 4.6 billion tonnes sylvinitic at an average grade of 24 to 35% KCl. The Exploration Target estimate was updated on July 8, 2011 to reflect changes in the Project boundary and newly acquired geologic information.

The Exploration Target assumes a grade cut-off of 16% KCl and a thickness cut-off of 2.0 m, below which mineralization is excluded from the estimate.

*The Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Additionally, the Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

The information set out above that relates to exploration target and exploration results is based on information prepared by Dr Michael P. Hardy, who is a Senior Consultant with Agapito Associates, Inc. Mr. Hardy is a Registered Member of The Society of Mining, Metallurgy, and Exploration (SME), a Recognised Overseas Professional Organisation and is employed by Agapito Associates Inc who is a consultant to the Company. Mr Hardy 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. Mr Hardy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears"