



ASX and Media Release

Magnetite JV with WISCO at Hawks Nest – market update

Western Plains Resources Limited (ASX:WPG) is pleased to advise that it and Wugang Australian Resources Pty Ltd (**WISCO**) have agreed to a further three month extension to the period in which all of the conditions precedent must be satisfied in order for the joint venture between them to proceed. The joint venture will conduct a feasibility study and if this is positive develop the Hawks Nest magnetite project located within the Woomera Prohibited Area (**WPA**) south of Coober Pedy in South Australia. The extended period now expires on 26 April 2010.

The remaining significant condition precedent still not satisfied is the consent of the Treasurer of the Commonwealth of Australia pursuant to the Foreign Acquisition and Takeovers Act 1975 (Cth). WISCO has prepared but will not lodge its application to the Foreign Investment Review Board in support of this consent until the Department of Defence first approves it.

In discussions with WPG last week WISCO stressed that its sole purpose in wishing to enter this joint venture is its commercial need to secure iron ore supplies to support its planned expansion from 30 mtpa to 50 mtpa of crude steel.

Separately, Defence has agreed to extend its approval for WPG to access and enter the Hawks Nest project area for exploration purposes until 28 February 2010. This suggests that the Commonwealth's whole of government review of the terms under which exploration and mining activities can be conducted in future inside the WPA will be completed early in Q1 2010.

WPG's flagship Peculiar Knob DSO iron ore project is not in a high investment risk part of the WPA and does not form part of the WISCO joint venture. Its development has already been approved by Defence. WPG's strategy of having Peculiar Knob fully permitted and funded (subject to port access) during H1 2010 is on track.

4 January 2010

Further Information

For further information please contact WPG's Executive Chairman Bob Duffin on (02) 9247 3232 or 0412 234 684, or Heath Roberts, Executive Director and General Counsel on (02) 9247 7359 or 0419 473 925.

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