

ASX and Media Release

Quarterly activities report March quarter 2011

HIGHLIGHTS

- ❖ The SA Development Assessment Commission formally considered WPG's Development Application (DA) for the Port Pirie facilities at its meeting on 28 April. WPG expects a positive recommendation will be made to the Minister shortly.
- ❖ The Commonwealth is expected to release its review of the environmental aspects of the Peculiar Knob project under the *Environmental Protection and Biodiversity Conservation Act* (EPBC) by 2 June 2011.
- ❖ The Mining and Rehabilitation Plan (MARP) that was lodged on 16 November 2010 has been reviewed by the SA regulators and WPG expects approval of the MARP will be finalised by early July 2011.
- ❖ Contracts have now been awarded for the Peculiar Knob mining services; crushing, screening and rail loading; rail haulage; the construction of the accommodation village; construction of the shiploader; and for the design phase of the design and construct contract for the Port Pirie facilities.
- ❖ Testing of two new borefields at Penrhyn and the Village has been completed and these, when licensed, will be used to supplement the Stafford borefield, which is further away from the project area than the two new borefields.
- ❖ The Penrhyn coal project drilling program is progressing well, and will be completed before the end of May. Results to date meet expectations.
- ❖ WPG and Evergreen Energy Inc (NYSE Arca:EEE) have signed an MoU agreement for WPG to use Evergreen's K-Process clean coal upgrading technology in Australia and the parties are now in advanced negotiations to agree the formal joint venture documentation.

29 April 2011



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CORPORATE

Deutsche Bank facility – Peculiar Knob project development

WPG has sought, and Deutsche Bank AG, Sydney Branch, has agreed to an extension of the commitment letter between them for the financing of the Peculiar Knob DSO iron ore project. The extended period now expires on 31 May 2011, by which date the parties anticipate that the key financing transaction documents will have been executed. The banking agreements are now at an advanced draft stage.

Joint Venture with Evergreen Energy Inc

WPG announced on 3 February 2011 that it has signed an MOU agreement with Evergreen Energy Inc. (NYSE Arca: EEE), a green energy technology solutions company, to jointly develop and commercialise Evergreen's K-Fuel® coal upgrading technology throughout Australia.

Evergreen's core businesses is its K-Fuel clean coal process, which upgrades low value sub-bituminous coals and lignite to higher rank thermal coal quality. K-Fuel is a new generation of energy processes that can significantly reduce air emissions and other pollutants from coal-burning power plants.

The K-Fuel approach increases the heating value of low-rank fuels while decreasing the environmental impact of coal energy production. This is accomplished by refining coal before it is burned to increase energy densities and combustion efficiencies and reduce greenhouse gas emissions.

Under the MOU agreement (which will be converted into a binding joint venture (JV) agreement prior to 30 September 2011), WPG will contribute its coal assets in South Australia to the JV, and Evergreen will contribute its technology. The 50/50 JV will have the right to the first 10 mtpa of upgraded coal produced anywhere in Australia using the K-Fuel process, and after that the first right to participate in new coal upgrading projects that Evergreen undertakes in Australia on terms to be negotiated in good faith at the time.

Since the MOU agreement was signed, the parties have agreed to increase the JV's right from 10 to 15 mtpa.

WPG and Evergreen are now in advanced negotiations to agree the formal joint venture documentation.

SOUTH AUSTRALIAN PROJECT ASSETS

The locations of WPG's South Australian project assets are shown in Figure 1. This map shows the Company's granted tenements and also those under application.

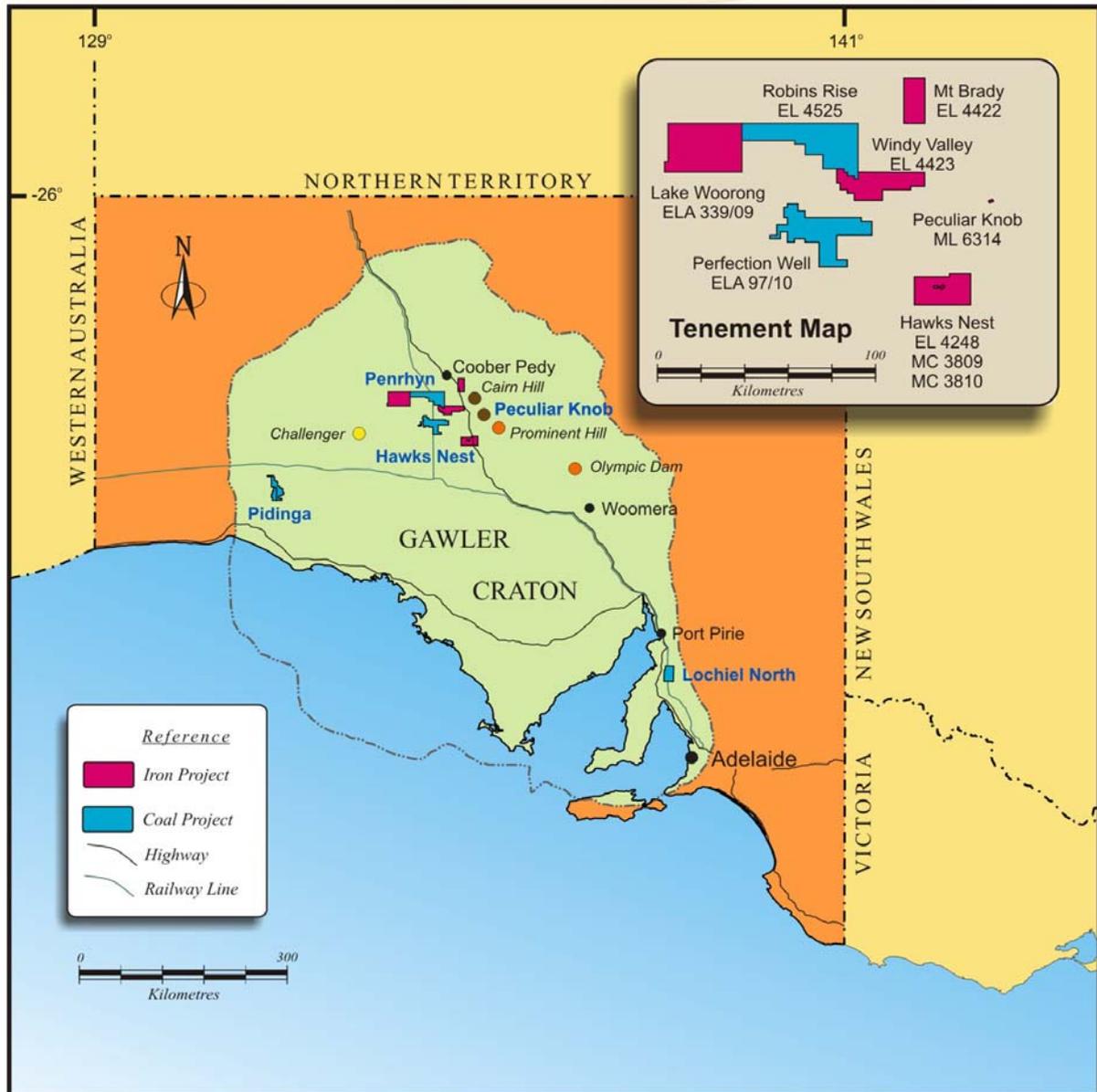


Figure 1
Location of WPG's Project Assets in South Australia

SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's direct shipping (**DSO**) iron ore projects in South Australia lie on the Peculiar Knob mineral lease, ML 6314 and on the Buzzard mineral claim MC 3810 at Hawks Nest. MC 3810 is covered by a Retention Lease application. WPG holds its interests in these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

The locations of these tenements and the infrastructure required to enable the development of Peculiar Knob are shown in Figure 2. The locations of WPG's other tenement assets in the Coober Pedy region are also shown.

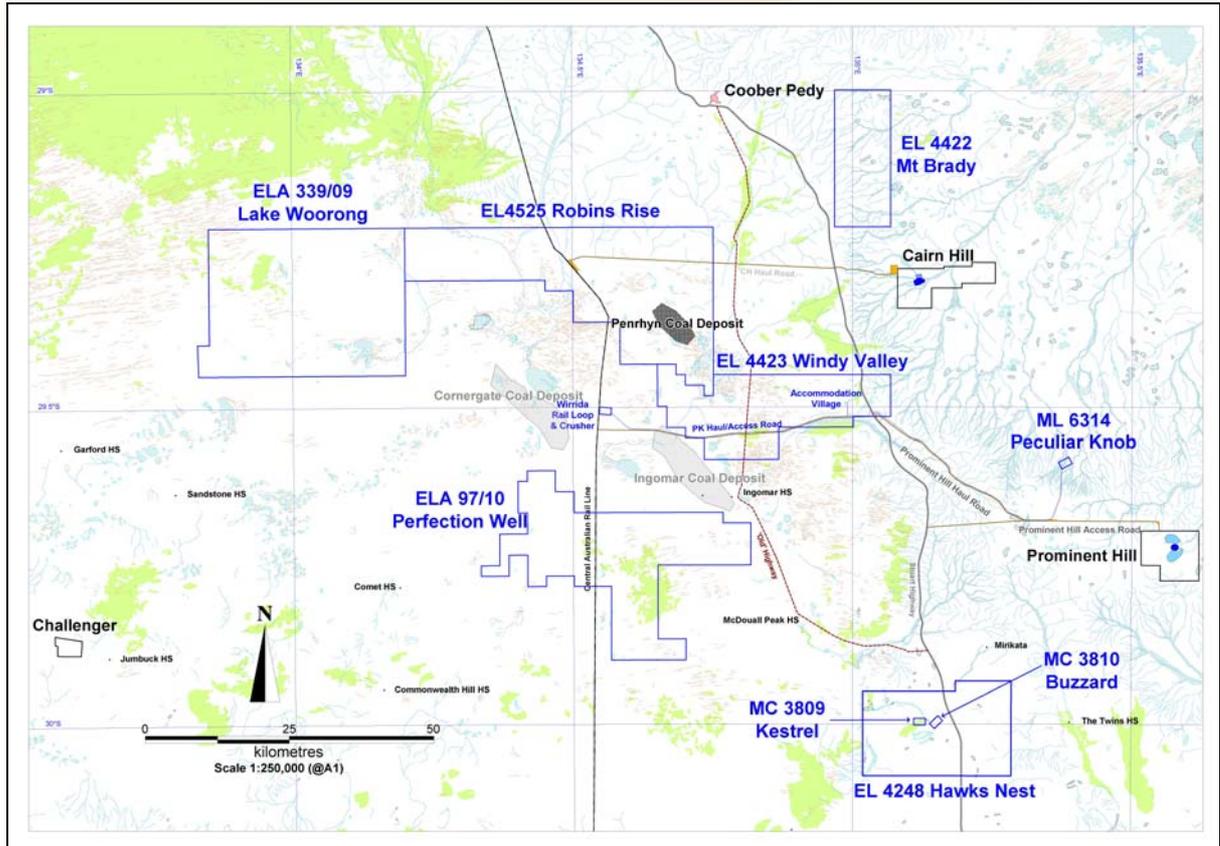


Figure 2
Peculiar Knob Tenement Locations and Proposed Infrastructure

Not all project assets shown in Figure 2 are owned by WPG. The Prominent Hill copper/gold mine and its infrastructure are owned by OZ Minerals Ltd, the Cairn Hill magnetite/copper mine and its infrastructure are owned by a joint venture between IMX Resources Ltd and Sichuan Taifeng, the Challenger gold mine is owned by Kingsgate Consolidated Ltd, and the Ingomar and Corner Gate coal projects form part of the Lake Philipson project that is owned by SA Coal Corporation, a subsidiary of White Energy Company Ltd.

All other tenements in this drawing are owned by WPG. In addition to those shown, WPG holds seven MPLs and 20 EMLs along the haul road route from the Peculiar Knob mine to the Wirrida railway siding, and has applied for additional MPLs along pipeline routes from the Stafford borefield at Hawks Nest and the Penrhyn borefield.

Permitting

Peculiar Knob is almost fully permitted and virtually ready for development.

The status of key permits and approvals is as follows:

- Mining lease – granted;
- Native title mining agreement – executed;
- Department of Defence: mining access agreement for mine development, haul road, accommodation village, rail loader and crusher – executed;

- Access and compensation agreements with pastoralists – signed;
- Approvals to build infrastructure on third party exploration licences – signed;
- Stafford borefield – licensed by SA Department for Water and access has been approved by Defence;
- Penrhyn borefield - access has been approved by Defence;
- Extractive mineral leases for haul road construction material and miscellaneous purposes licences for haul road, accommodation village, rail loader and crusher site – granted.

Regulatory approvals

Port Pirie Development Application

Following a series of constructive meetings with all stakeholders and the provision of a range of studies and reports by WPG, various agencies and consultancies, the South Australian Development Assessment Commission (DAC) formally considered WPG's DA for the Port Pirie facilities at its meeting on 28 April 2011.

WPG made a comprehensive presentation to the DAC at this meeting.

WPG understands that the DAC will move shortly to make a positive recommendation on the DA to the Minister for Urban Development and Planning.

EPBC referral

The Commonwealth Department of Sustainability, Environment, Water, Population and Communities has advised its intention to release its review of the environmental aspects (particularly those related to native species) of the Peculiar Knob project by 2 June 2011.

WPG has been working with the Nature Foundation of SA Inc to develop an environmental offset program that will satisfy the Commonwealth's EPBC requirements while at the same time satisfying the requirements of the SA Department of Environment and Natural Resources and the Native Vegetation Council of SA. It is likely that this will be achieved through a program of research at the Nature Foundation's Witchelina conservation reserve, aimed specifically at developing a better understanding of the thick-billed grasswren (*amytornis textilis modestus*).

MARP

WPG understands that PIRSA, the SA mining regulator, has been provided with adequate information to complete its assessment of the MARP as soon as any conditions of approval imposed by the Commonwealth's EPBC review and the DAC as part of the Port Pirie DA approval are known.

There are still some minor third party approvals that remain outstanding. WPG believes these will be to hand soon.

Contracts awarded

WPG awarded the following key contracts for project development during the period under review:

- Construction of the accommodation village;
- The mining contract;
- The crushing, screening and train loading contracts; and
- The rail haulage contract.

These contracts are in addition to the design phase of the design and construct contract for the Port Pirie facilities, and the shiploader construction contract that were awarded and announced in the previous quarter.

Advanced drafts of all of the other construction and service provider contracts have been prepared and will be finalised once all commercial terms have been agreed.

Exploratory water drilling

Exploratory water drilling was completed at two sites during the March quarter. At Penrhyn one production bore and six monitoring bores were constructed. At a site close to the proposed Peculiar Knob accommodation village two production bores and six monitoring bores were completed.

Comprehensive pump testing and water quality sampling has been carried out under the supervision of the Company's hydrological consultants. Results of the test work have confirmed the borefields have the capacity to satisfy the water requirements of the Peculiar Knob and Buzzard DSO iron ore projects on a long term sustainable basis with no significant detrimental effects on the aquifer or impacts on any other users. Comprehensive reports detailing the results of the test work for each site have been prepared and will be submitted to the SA Department of Water to support water extraction licence applications

The Penrhyn and Village borefields are closer the areas where water will be needed than is the Stafford borefield at Hawks Nest, which is fully licensed. There is scope therefore to save costs by utilising the new borefields.

Iron ore sales

WPG has entered into MOU agreements with potential customers for the sale of iron ore. Binding offtake contracts will be finalised during the forthcoming quarters.

Development timetable

WPG announced on 21 February 2011 that PIRSA had advised that all approvals necessary for WPG to commence construction activities on the mine and all of its associated infrastructure should become available between the first week in May and the first week in July 2011.

WPG understands this timetable remains PIRSA's expectation. WPG anticipates the approvals will be to hand towards the latter part of this period.

SOUTH AUSTRALIAN MAGNETITE PROJECT

The Company's magnetite project in South Australia lies on the Hawks Nest exploration licence EL 4248 and the Kestrel mineral claim MC 3809, both of which are subject to the WISCO joint venture. MC 3809 is covered by a Retention Lease application.

These tenements were assigned by Southern Iron Pty Ltd to another of the Company's wholly owned subsidiaries, Central Iron Pty Ltd, during the quarter. The purpose of this transfer is to remove these assets from the security being offered to support the Peculiar Knob debt facility.

No technical work was conducted on this project during the quarter and its technical status remains as summarised in the Company's June 2009 quarterly report.

Commonwealth Review of the Woomera Prohibited Area

The Commonwealth Government's Review of WPA released its Interim Report on 5 November 2010.

WPG understands that the Final Report was lodged with the Commonwealth in late December 2010. The Final Report is now being considered by the Government. It has not yet been released.

WPG is convinced that mining and Defence activities can coexist within the WPA.

NORTHERN GAWLER CRATON EXPLORATION PROJECT

Mt Brady Windy Valley

The program of detailed ground magnetic and gravity surveying at the Mt Brady prospect that was curtailed during the previous quarter due to heavy rain and local flooding has been completed. Full results have now been received and processed and confirm the presence of a strong semi-circular magnetic anomaly with a coincident residual gravity high. WPG will plan and commence a program of trial aircore drilling designed to provide bedrock geochemical samples and geological data over the most prospective zones of the geophysical anomalies during the June quarter. Results from this work will be used to site deeper drilling to test these promising targets. Previous exploration at Mt Brady has shown the prospect has good potential for the discovery of copper, iron and rare earth element (REE) mineralisation.

No exploration was conducted on the Windy Valley exploration tenement during the quarter.

SOUTH AUSTRALIAN ENERGY COAL PROJECTS

WPG's South Australian energy coal projects consist of its Penrhyn coal deposit, its tenements either granted or under application at Perfection Well, Pidinga and Lochiel North. These assets are held by the Company's 100% owned subsidiary, Southern Coal Holdings Pty Ltd.

The locations of these tenements are shown in Figure 1.

Penrhyn Coal Project

A systematic program of resource definition drilling comprising 18 open holes and 12 diamond drill holes on the Penrhyn coal deposit was commenced and had made good progress by the end of the quarter. The program is designed to extend the definition of the coal seams intersected in the traverse of diamond core holes completed by WPG in 2010. The objective of the drilling which covers an area of 20 square kilometres is to verify the exploration target of 200 million tonnes and in so doing enable JORC compliant resources to be estimated. This exploration target is based on the drill hole and coal quality data currently available and is conceptual in nature. To date there has been insufficient exploration to define a coal resource, and it is uncertain at this stage if the current drilling program will result in the definition of a coal resource.

To date all eighteen open holes for a total of 2,670 metres and one diamond hole of 120.1 metres have been completed. Down hole geophysical logging has been carried out in all completed holes and the results have been used in combination with the geological logging to correlate coal seams and carbonaceous clay horizons between holes.

A plan of the Penrhyn drilling is shown in Figure 3.

Results of the drilling program to date have shown the presence of four distinct coal bearing horizons as follows:

J Seam

The uppermost seam comprises two interpreted coal bands ranging in thickness from 0.95 metres to 6.0 metres on the southern traverse and from 0.65 metres to 6.9 metres on the northern traverse. This seam appears to have been partially eroded prior to the deposition of the overlying Jurassic Algebuckina Sandstone in the central sector of the southern traverse and in the north western sector of the northern traverse. The thickest coal bands occur in the north east and are open in that direction.

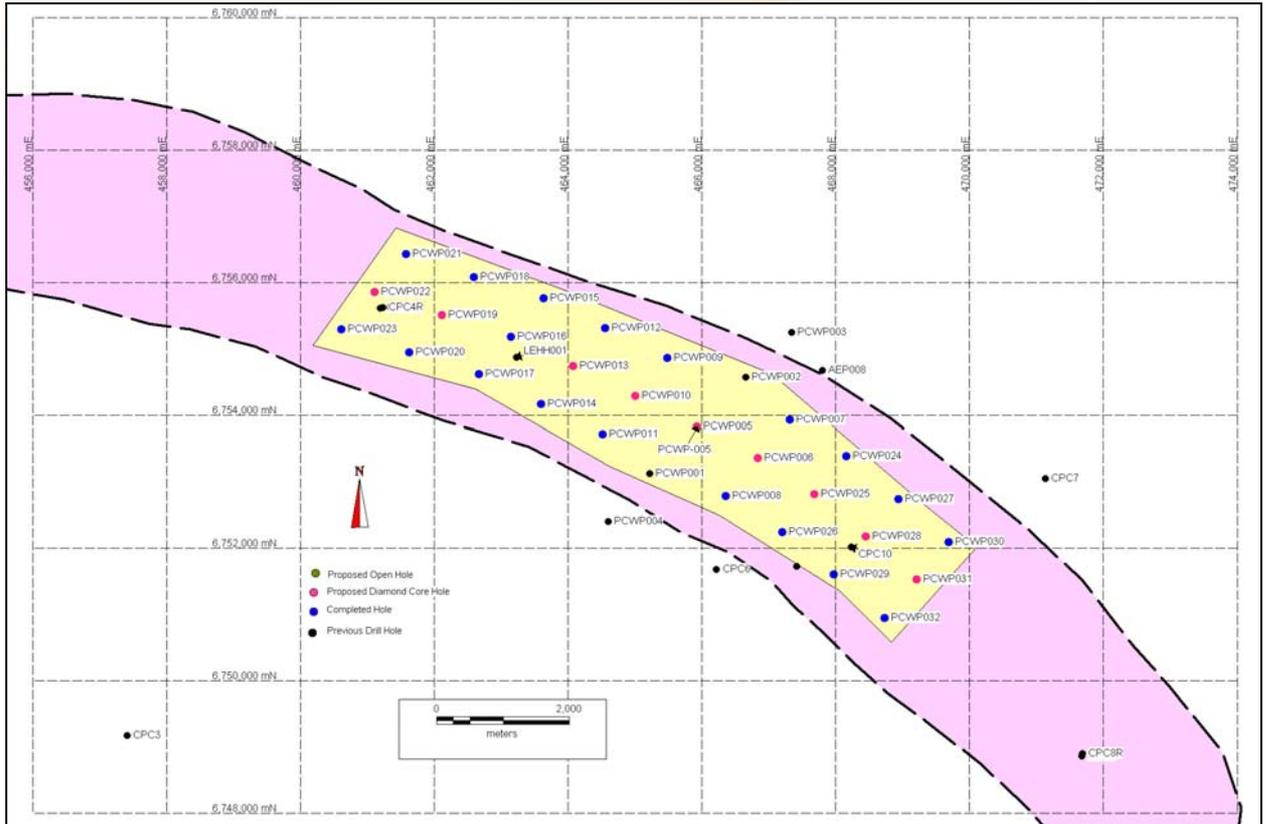


Figure 3
Penrhyn Drilling Program

G Seam

This seam is continuous across the zone drilled apart from an area in the south east and comprises a carbonaceous clay horizon with several interpreted coal bands that range in thickness from 0.4 metres to 4.0 metres. In places the G Seam merges with the underlying N Seam.

N Seam

The N seam is best developed on the southern traverse. The discontinuous configuration of this seam is most likely due to a more active deposition period during the development of the Penrhyn basin that resulted in cross-bedding, a feature observed in drill core from the diamond holes drilled by WPG in 2010.

R Seam

The R Seam is a consistent coal seam that occurs over the entire area as indicated by intersections in all of the open holes and in the cored hole PCWP-001 drilled by WPG in 2010. The seam ranges in thickness from 0.6 to 3.9 metres.

An isometric projection of the R seam along the Penrhyn basin is shown in Figure 4. The vertical scale in this drawing is exaggerated relative to the horizontal scale.

The coal is of Tertiary age and occurs within the Clinton Coal Measures, an unconsolidated, carbonaceous, sandy and clayey formation at depths that range between 30 and 150 metres. The coal seams are generally flat lying however dips of up to 6 degrees have been reported from one of the deposits. The coal is generally of low rank, high in moisture, sodium and sulphur and relatively low in ash. In places where the coal is best developed the upper seam is up to 6.8 metres thick and is underlain by several thinner seams. The deposit has been estimated to have an inferred coal resource of 270 million tonnes.

Initial exploration planned by WPG is a modest large diameter diamond core drilling program that has been designed to provide samples for testing in the Evergreen test facility in Wyoming USA. An Exploration Work Authority (EWA) for the drilling has been approved by PIRSA. Tenders are currently being sought from drilling contractors who have suitable equipment to complete this work.

Competent Person

The review of exploration activities and results contained in this report are based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of Western Plains Resources Limited and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further Information

For further information please contact WPG's Executive Chairman Bob Duffin, on (02) 9247 3232 or 0412 234 684.