

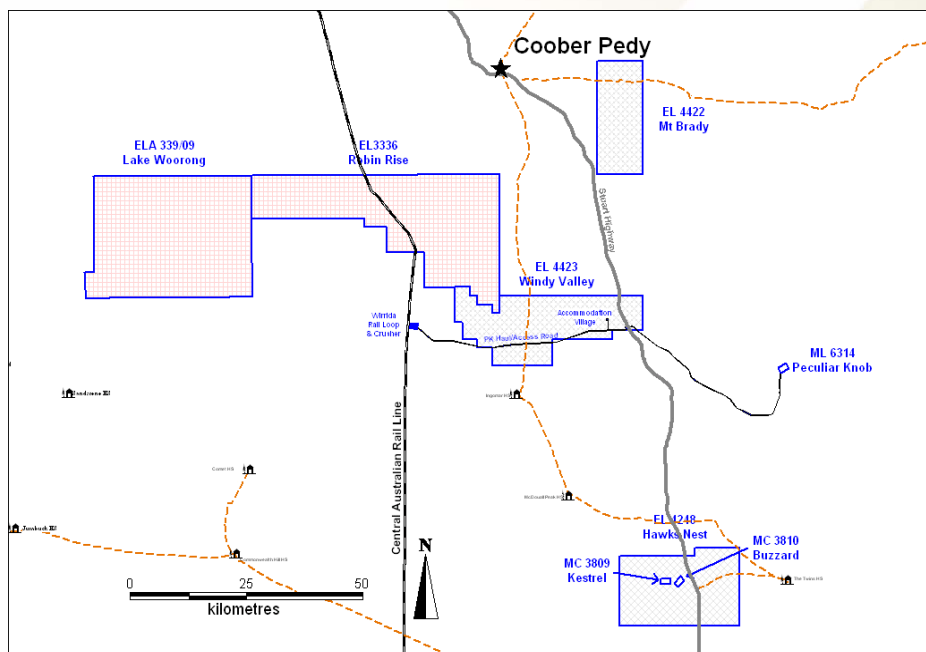
# ASX and Media Release

## Market update – Penrhyn coal drilling program

Western Plains Resources Limited (ASX:WPG) is pleased to advise that drilling commenced at the Penrhyn coal project area some 40 kilometres south west of Coober Pedy in South Australia on 12 March.

WPG holds an option to purchase the Penrhyn coal deposit from Stellar Resources Limited. WPG's option covers EL 3336 (Robin Rise) in which the Penrhyn deposit lies and the neighbouring ELA 339/09 (Lake Woorong) to the west.

The location of the two tenements is shown in Figure 1. This drawing also shows the locations of WPG's flagship Peculiar Knob DSO iron ore deposit, the Buzzard and Kestrel iron ore deposits at Hawks Nest, WPG's other tenements at Windy Valley and Mt Brady, and the proposed haul road, accommodation village and rail loader at Wirrida. Penrhyn is 20 kilometres from the rail loader.



**Figure 1**

**Location of Penrhyn Coal Project in EL 3336**

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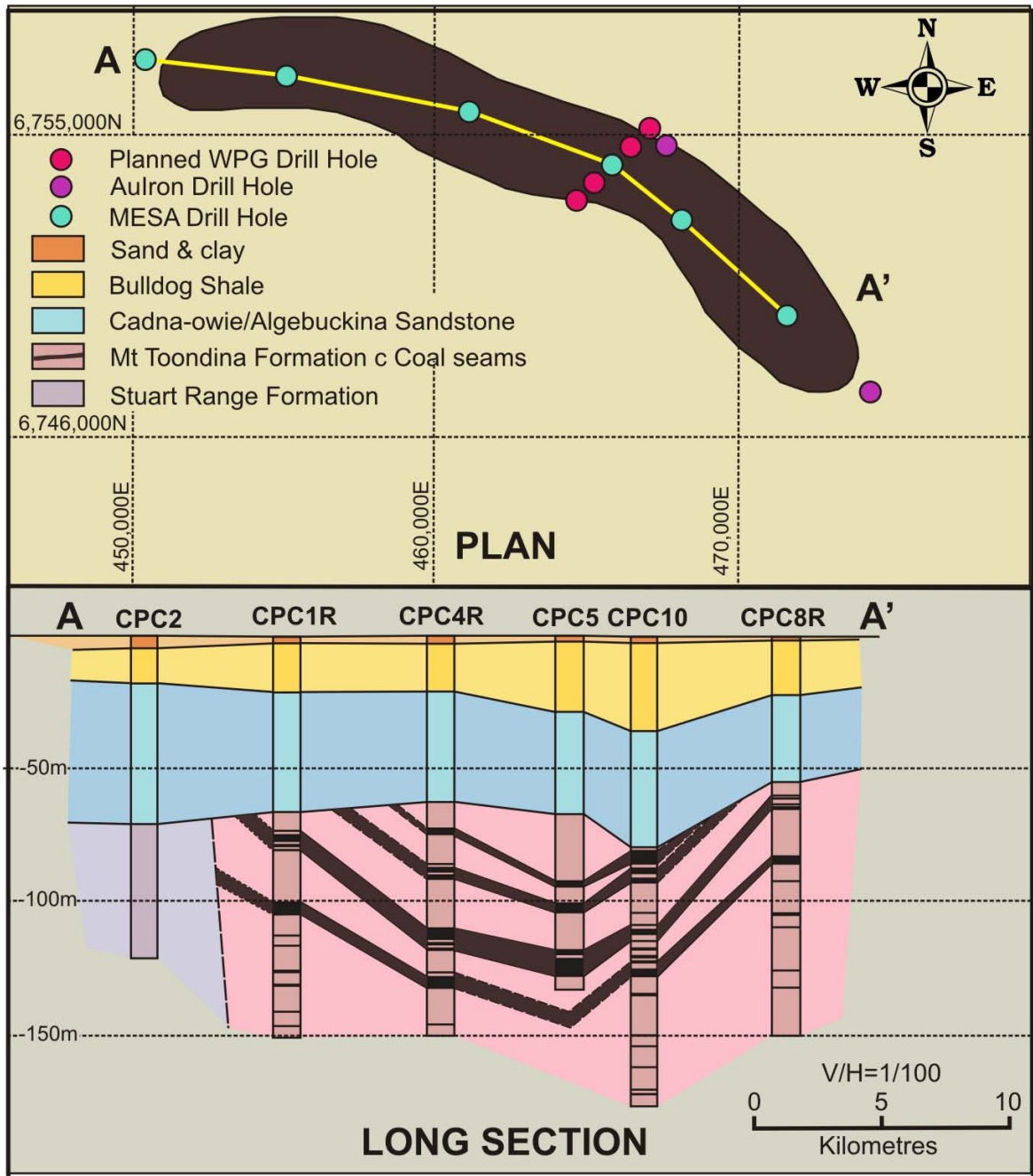
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The Penrhyn deposit has been tested by limited drilling only in the past. It was discovered in 1995 as part of the South Australian Exploration Initiative and was subsequently explored by the SASE joint venture. The deposit lies within the Arckaringa Basin and the quality of the sub-bituminous coal is reported to be generally similar to other Arckaringa Basin coals, such as Lake Phillipson. The Penrhyn trough is 25 kilometres long by 5 kilometres wide and drilling by PIRSA (formerly known as MESA) has shown that the deposit contains up to four major and several minor coal seams that in places make up a cumulative thickness of up to 15.5 metres.



**Figure 2**  
**Penrhyn Coal Project Showing Existing and Proposed Holes**

The relatively flat lying coal seams lie at depths ranging between 70 and 130 metres beneath a 60 metre thick sequence of Eromanga Basin sediments and surficial cover. The exploration target at Penrhyn is in the range from 250 to 350 million tonnes of coal. This exploration target is based on the currently available drill hole and coal quality data and is conceptual in nature. There has been insufficient exploration to define a coal resource, and it is uncertain if further exploration will result in the determination of a coal resource.

The extent of previous drilling and the locations of the holes now being drilled at Penrhyn are shown in Figure 2. Past holes have focussed on defining the coal basin along its length, but there have been no holes drilled to test its continuity across the basin which is the objective of the current program.

EL 3336 that contains Penrhyn is not thought to be in a high investment risk part of the Woomera Prohibited Area, though confirmation of this awaits the release of the Commonwealth's whole of government review of exploration and mining inside the WPA. WPG does not know when this will be released.

WPG sees Penrhyn as potentially an ideal feedstock for one of the emerging clean coal technologies that will increase the specific energy ("calorific value") and reduce the moisture content of the run of mine coal. This could lead to a new export coal industry. There are other potential applications, including coal for a mine mouth power station to add value to iron ore from the Hawks Nest magnetite deposits through the production and marketing of a merchant pig iron.

### **Competent Person**

*The review of exploration activities and results for the Penrhyn coal deposit contained in this report are based on information compiled by Mr Tom Bradbury, a Member of the Australasian Institute of Mining and Metallurgy. He is a senior geologist with Geos Mining, and a consultant to the Company. He has sufficient experience which is relevant to the style 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). Tom Bradbury has consented in writing to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.*

### **Further Information**

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