

ASX and Media Release

Quarterly activities report September quarter 2007

Western Plains Resources Ltd (ASX:WPG) completed a bankable feasibility study for the Peculiar Knob direct shipping iron ore project in South Australia during the quarter. As announced on 24 September, the study indicates that the proposed development is both technically feasible and economically viable. The Company raised \$7.5 million in new equity and restructured its board and management, as part of its transition from explorer to producer, during the quarter. A 5,000 metre drilling program is about to commence at Hawks Nest, and desk studies are progressing on the Hawks Nest magnetite deposits.

HIGHLIGHTS

- ❖ The bankable feasibility study (**BFS**) for the Peculiar Knob direct shipping iron ore (**DSO**) project was completed during the quarter. A summary of the results of the study was released on 24 September. The study shows development of the project on a stand alone basis is technically feasible and economically viable. The Peculiar Knob mining lease application is progressing through the regulatory process and is expected to be granted in February 2008.
- ❖ Applications for mineral claims at the Buzzard and Kestrel deposits at Hawks Nest have been approved. Mineral claims are an intermediate step towards the grant of a mining lease.
- ❖ During the quarter 5,813,593 new shares were placed with Focus Investments Limited, a Hong Kong company, to raise \$7.5 million. These shares have subsequently been assigned to Xin Sheng International Private Limited, a Singapore company that is related to Focus.
- ❖ A 5,000 metre drilling program will commence shortly that is designed to expand the current DSO mineral resource estimate at Buzzard, and to test additional DSO targets at Buzzard East, Buzzard South and Kite South at Hawks Nest.

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CORPORATE

Placement

WPG raised a total of \$7.5 million in two tranches by placing a total of 5,813,593 ordinary shares to Focus Investments Limited, a Hong Kong company during the quarter, as part of the Peculiar Knob project financing and offtake agreement announced on 4 July. These shares have subsequently been assigned to Xin Sheng International Private Limited, a Singapore company that is related to Focus.

Board and Management Appointments

The Company announced on 24 August that it had appointed three new non executive directors and three new senior executives to help facilitate its transition from explorer to producer. The new directors are Messrs Len Dean, Lim See Yong and Dennis Mutton. The new executives are Messrs Martin Jacobsen, Chief Operating Officer, Greg Harding, Chief Financial Officer, and Myles Fang, Business Development Manager, China.

SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's iron ore projects in South Australia lie on the Peculiar Knob tenement, RL 103, for which the draft mining lease application was lodged in May and the final application in August, and the Hawks Nest tenement, EL 3196 within which two mineral claims, MCs 3809 (Kestrel) and 3810 (Buzzard), were granted on 7 August. WPG holds its interests in these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

Peculiar Knob Feasibility Study

The Company commenced the BFS in December 2006 and completed it in September 2007. The BFS envisages that Peculiar Knob will be developed on a stand alone basis and that WPG will:

- Construct a 132 man camp at Peculiar Knob, with associated facilities
- Build a 3 mtpa crushing and screening plant at site
- Develop, using contractors, an open pit mining operation that extracts some 2.7 mtpa of ore to produce 0.95 mtpa lump and 1.75 mtpa fines
- Construct an 85 km haul road to the Wirrida siding on the Central Australian railway line on which haulage of ore will be carried out by contractors
- Construct a rail siding and associated rail loading facilities at Wirrida capable of loading a train carrying some 7,200 t of product
- Send some 8 trains of ore per week to the Port of Whyalla, a distance of 585 km

- Construct a rail loop, tip pocket, storage shed and barge loading facility at Whyalla
- Utilise existing transshipment facilities at Whyalla to load Capesize vessels moored 7 nautical miles offshore in Spencer Gulf for dispatch to overseas customers.

A detailed summary of the results of the BFS were released on 24 September. The key outcomes of the BFS are summarised below.

Mineral Resource Estimate

The identified mineral resource estimate for Peculiar Knob is set out in Table 1.

Table 1
Mineral Resource Estimate – Peculiar Knob

| Category | Million Tonnes | Fe % | P % | SiO ₂ % | Al ₂ O ₃ % | LOI % |
|--------------------|----------------|------|------|--------------------|----------------------------------|-------|
| Measured resource | 13.4 | 63.7 | 0.01 | 7.4 | 0.3 | 0.5 |
| Indicated resource | 4.1 | 63.4 | 0.02 | 8.2 | 0.2 | 0.4 |
| Inferred resource | 1.5 | 64.5 | 0.02 | 6.0 | 0.3 | 0.3 |
| Total resource | 19.0 | 63.7 | 0.02 | 7.5 | 0.3 | 0.5 |

The resource estimate set out above incorporates data from 94 drill holes totalling 10,762 metres. A wireframe model was prepared based on geological data and a block model was prepared using inverse distance squared grade interpolation. The cut-off grade adopted for the resource estimate was 55% Fe and grade-tonnage curves have been prepared using different cut-off grades.

Open Pit Mine Design and Ore Reserve Estimate

Whittle pit optimisation studies were used to prepare a set of open pit shells. The optimised pit shell was then converted to a practical pit design incorporating ramps and berms. Detailed mine schedules and estimated contract mining costs have also been prepared.

The Peculiar Knob ore reserve estimates are set out in Table 2.

Table 2
Ore Reserve Estimate – Peculiar Knob

| Category | Million Tonnes | Fe % | P % | SiO ₂ % | Al ₂ O ₃ % | LOI % |
|----------------------|----------------|------|------|--------------------|----------------------------------|-------|
| Proved ore reserve | 13.1 | 62.7 | 0.01 | 7.1 | 0.3 | 0.5 |
| Probable ore reserve | 2.3 | 63.0 | 0.01 | 7.0 | 0.2 | 0.5 |
| Total ore reserve | 15.4 | 62.7 | 0.01 | 7.1 | 0.2 | 0.5 |

The life of the mine is 6 years. The life of mine average waste:ore stripping ratio is 3.6:1.

A perspective drawing showing the ultimate pit design is shown in Figure 1. The waste dump will be constructed to the north of the pit.

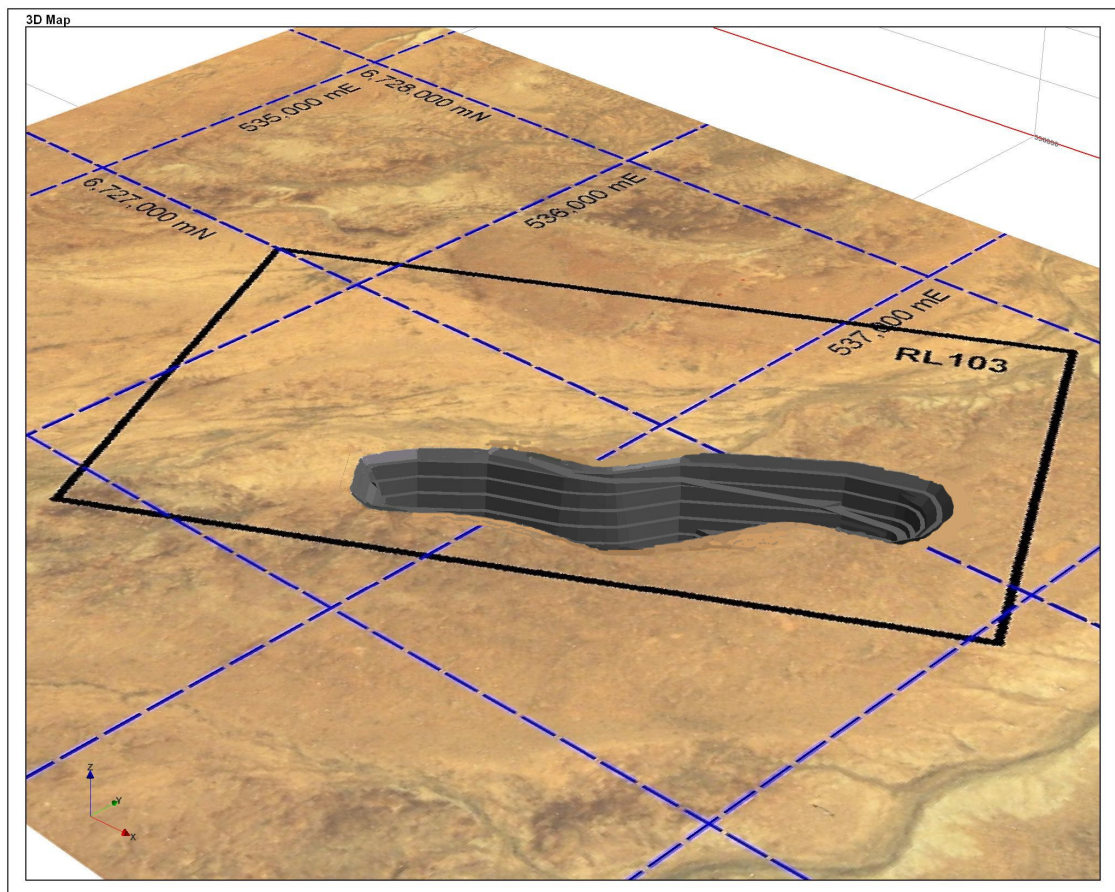


Figure 1
Peculiar Knob Pit Design

Capital Cost Estimate

The capital cost estimates for the development of the project are summarised in Table 3.

Table 3
Capital Cost Estimates

| Location | Capital Cost (A\$ m) | Comments |
|---------------|-------------------------|---|
| Peculiar Knob | 29.0 | Camp, plant, services, haul road to Wirrida including highway underpass |
| Wirrida | 10.3 | Siding and rail loader |
| Whyalla | 67.0 | Rail loop, tip pocket, shed and barge loader |
| Totals | 106.3 | |

Operating Cost Estimate

The real life of mine average operating cost estimates for the project are summarised in Table 4.

Table 4
Operating Cost Estimates

| Location | Operating Cost (A\$/t product) | Comments |
|-----------------------------|-----------------------------------|--|
| Site costs | 17.90 | Contract mining, site management, services and overheads |
| Logistics – mine to Whyalla | 24.90 | Truck, rail haulage and loading |
| Whyalla | 8.60 | Barge loading, transhipment, pilotage and port services |
| Royalties | 3.19 | State, third party and native title |
| Totals | 54.59 | |

Development Timetable

WPG expects the Peculiar Knob mining lease to be granted in February 2008 and the project's MARP to be approved two months later. In the absence of unforeseen delays, the Company:

- Expects offtake and financing agreements to be in place before 31 December 2007
- Anticipates placing orders for long lead time items during the December quarter of this year
- Will begin site work at Peculiar Knob shortly after the MARP is approved
- Intends to begin mining activities in the March quarter of 2008
- Expects crushing and screening of ore to commence in the December quarter 2008 in order to commence exports in the March quarter 2009 after stockpiles are built up.

Subsequent to the completion of the BFS it has become apparent that two train sets can carry a total of 3 mtpa of ore and the scale of the proposed development will be increased from 2.7 mtpa to 3 mtpa for no additional capital cost.

Geotechnical Drilling at Whyalla

WPG completed a geotechnical drilling program at the Port of Whyalla during the quarter. This drilling program was designed test ground conditions at the site of the proposed storage shed and associated infrastructure on the north eastern tip of Whyalla Harbour. No unusual ground conditions were encountered.

Native Title

During the quarter the Company finalised a native title mining agreement with the Antakirinja Matu-Yankunytjatjara native title claim group and other key parties.

Peculiar Knob Development - Status of Agreements

WPG is in detailed commercial discussions with a number of parties including mining contractors, trucking and rail haulage operators, the Whyalla transshipment barge operator, and the owner of the Port of Whyalla. The Company expects to negotiate binding agreements with the key service providers during the December quarter.

Hawks Nest DSO

Haematite deposits have been drilled in the past at the Buzzard prospect at Hawks Nest. A typical cross section through the Buzzard deposit is shown in Figure 2.

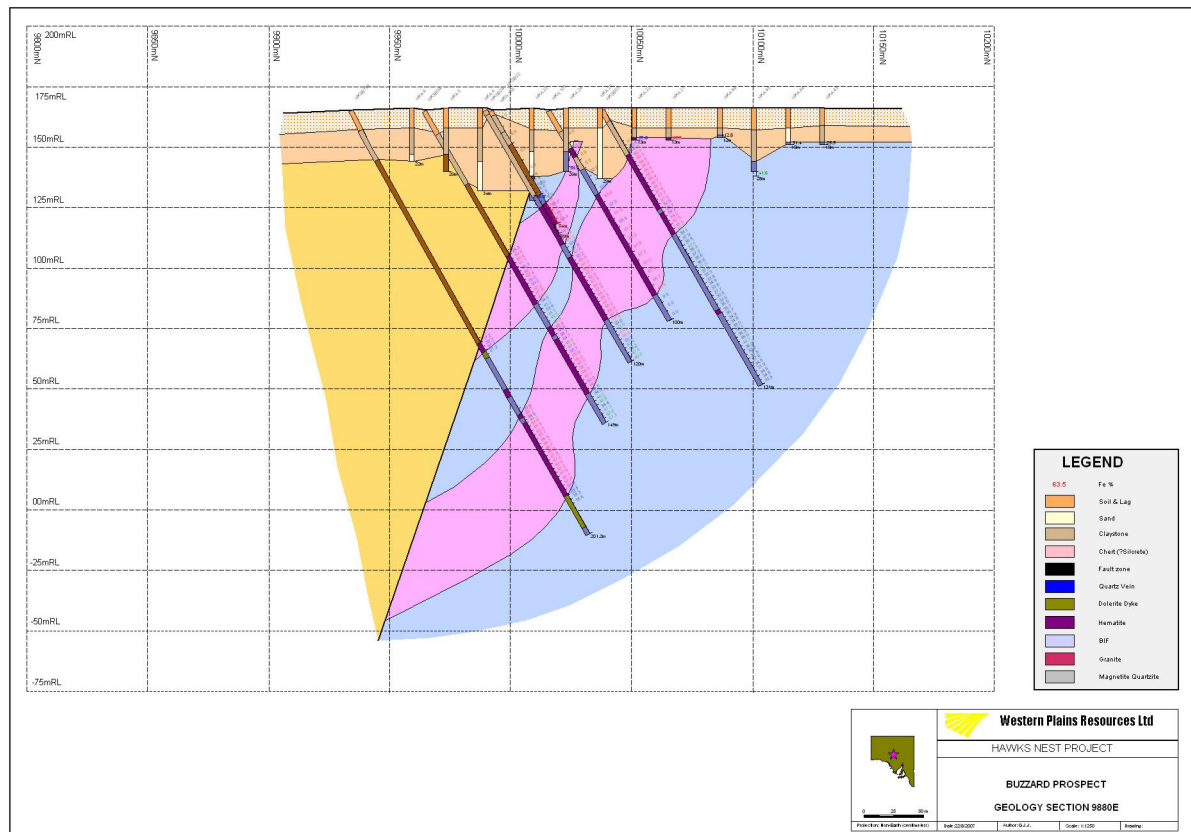


Figure 2
Buzzard Cross Section

The identified mineral resource estimate for Buzzard is set out in Table 5. As with Peculiar Knob, this estimate is based on a 55% Fe cut-off grade.

Table 5
Mineral Resource Estimate – Buzzard

| Category | Million Tonnes | Fe % | P % | SiO ₂ % | Al ₂ O ₃ % | LOI % |
|--------------------|----------------|------|------|--------------------|----------------------------------|-------|
| Measured resource | 2.1 | 61.7 | 0.03 | 9.3 | 1.1 | 0.8 |
| Indicated resource | 4.5 | 59.8 | 0.05 | 11.1 | 1.4 | 1.1 |
| Inferred resource | 2.5 | 59.2 | 0.06 | 9.7 | 2.6 | 2.0 |
| Total resource | 9.1 | 60.1 | 0.05 | 10.3 | 1.7 | 1.3 |

WPG expects to commence a 5,000 metre drilling program in the Hawks Nest tenement shortly. The objectives of the drilling program are to expand the current DSO mineral resource estimate at Buzzard, and to test additional exploration targets. Three targets for follow-up investigation have been identified - Buzzard East, Kite South and at Buzzard South (where a previous hole HKN-108 was reported as having intersected 16 metres of hematite ore).

A contract has been let for a detailed low level airborne magnetic and radiometric survey that will cover most of the Hawks Nest tenement. This survey is scheduled to be carried out during the December quarter. This survey will assist in identifying further drilling targets, both for DSO and magnetite deposits.

Possible Integration of Peculiar Knob and Hawks Nest DSO Operations

The Peculiar Knob BFS was prepared on the assumption that Peculiar Knob would be developed on a stand alone basis. The Company is currently studying opportunities for developing an integrated DSO mining operation. Figure 3 shows the location of Peculiar Knob and Hawks Nest. As set out in the BFS, on a stand alone basis the plant and camp would be built at the Peculiar Knob mine site and the haul road would be constructed to the Wirrida siding. An integrated operation could see the camp located closer to Hawks Nest with the haul road constructed to the Gina siding, where the plant would be built.

Development of an integrated operation would be more efficient from a capital expenditure perspective and would allow for a longer project life. It would also facilitate the ability to blend ores from different deposits to meet different market requirements. WPG expects to settle on an optimised development strategy during the December quarter.

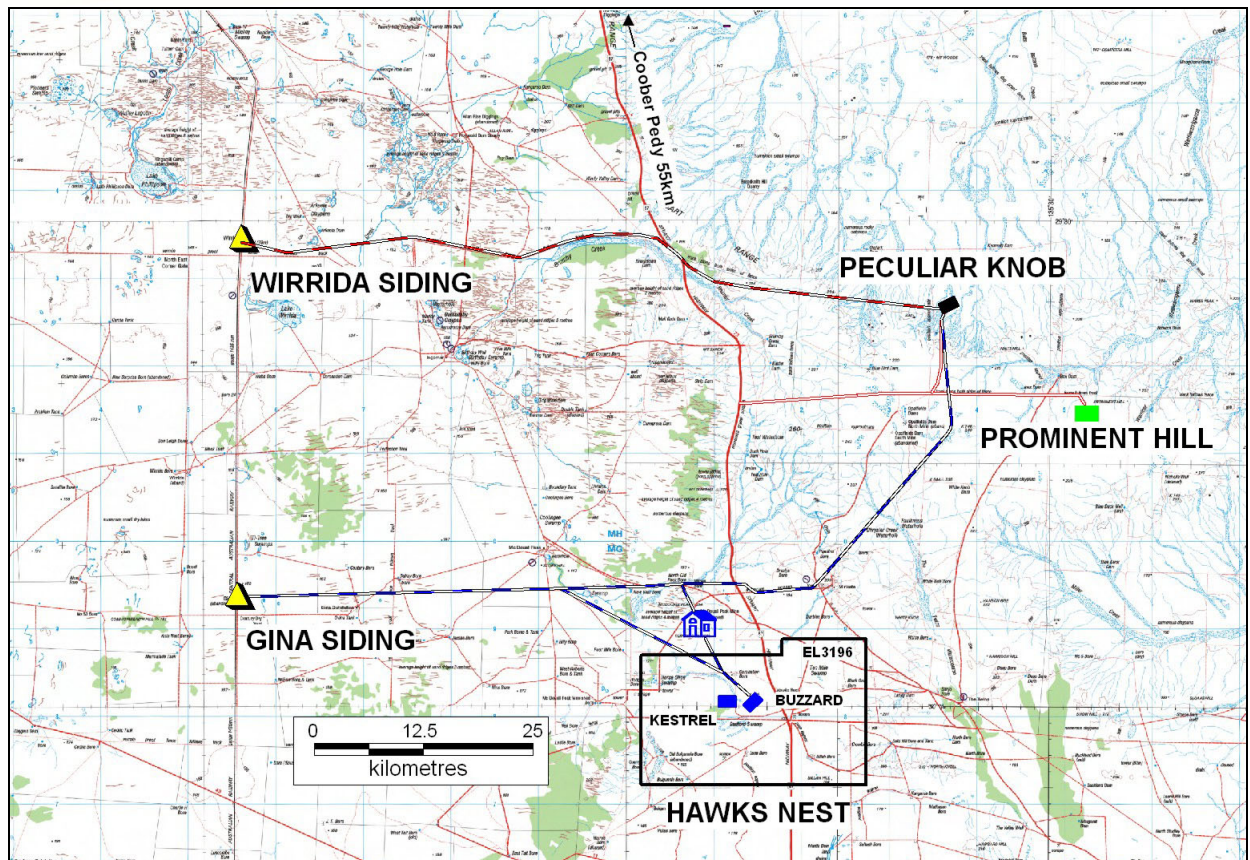


Figure 3
Peculiar Knob and Hawks Nest Tenements

SOUTH AUSTRALIAN MAGNETITE PROJECT

Hawks Nest

Reviews of existing data from the Hawks Nest magnetite deposits are in progress. An information memorandum designed to present a summary of the status of the project and its potential, and an outline of the investment opportunity it presents, is in preparation.

Mineral resource estimates for the Hawks Nest magnetite deposits, as previously reported, are shown in Table 6.

Table 6
Mineral Resource Estimates – Magnetite Deposits

| Deposit | Category | Million Tonnes | Fe % | P % | SiO ₂ % | Al ₂ O ₃ % | LOI % |
|---|--------------------|----------------|------|------|--------------------|----------------------------------|-------|
| Kestrel | Measured resource | 100 | 37 | 0.06 | 37 | 0.83 | 0.58 |
| | Indicated resource | 60 | 36 | 0.06 | 38 | 1.00 | 0.79 |
| | Inferred resource | 60 | 36 | 0.06 | 39 | 1.05 | 0.78 |
| | Total resource | 220 | 36 | 0.06 | 38 | 0.94 | 0.69 |
| Goshawk | Inferred resource | 148 | 35 | - | - | - | - |
| Harrier | Inferred resource | 54 | 35 | - | - | - | - |
| Eagle | Inferred resource | 92 | 31 | - | - | - | - |
| Kite | Inferred resource | 30 | 51 | - | - | - | - |
| Falcon | Inferred resource | 25 | 32 | - | - | - | - |
| Total measured, indicated and inferred resource | | 569 | 35 | - | - | - | - |

The Hawks Nest magnetite deposits have been tested in the past to determine physical characteristics and response to Davis Tube Testing (**DTT**) at a grind size of 100% passing 75µm.

The DTT results shown in Table 7 indicate a high mass recovery to concentrate of 40-45% by weight and a low impurity concentrate of >65% Fe. Slightly finer grinding is expected to further increase the concentrate iron grade.

Table 7
Hawks Nest Magnetite Metallurgical Characteristics

| Deposit | Hole ID | Intercept Downhole (m) | DTR %w/w | DTC %Fe | DTC %P |
|---------|---------|------------------------|----------|---------|--------|
| Kestrel | HKN065 | 54 | 45.4 | 65.2 | 0.004 |
| Kestrel | HKN077 | 60 | 44.9 | 65.3 | 0.007 |
| Goshawk | HKN081 | 62 | 48.6 | 65.3 | 0.009 |
| Harrier | HKN088 | 72 | 47.2 | 66.2 | 0.005 |
| Eagle | HKN100 | 92 | 41.2 | 67.5 | 0.010 |
| Kite | HKN092 | 68 | 55.2 | 69.6 | 0.014 |
| Falcon | HKN091 | 68 | 35.8 | 67.1 | 0.005 |

The tests conducted to date suggest that a good quality magnetite concentrate with low impurities and favourable properties could be produced at a moderate grind size using conventional beneficiation processes.

WPG has remodelled the Kestrel magnetite deposit at Hawks Nest and the wire frame model prepared using a 30% Fe cut off grade is shown in Figure 4. Oxide mineralisation is shown in green and primary magnetite is shown in purple in this drawing.

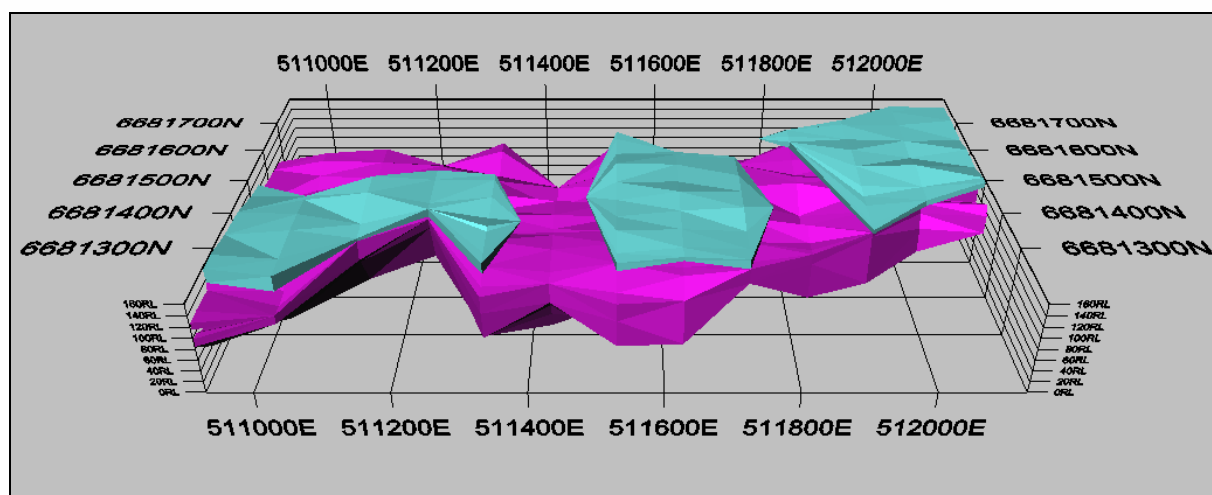


Figure 4
Kestrel Magnetite Deposit

COPPER/GOLD EXPLORATION PROJECTS

No work was carried out on these projects during the quarter.

WPG now regards these projects as non core assets and is actively pursuing opportunities to divest them in a way which relieves the Company of expenditure commitment liabilities while at the same time retaining an exposure to the upside potential if discoveries are made.

Competent Persons

The review of exploration activities and results and the mineral resource estimates for the Peculiar Knob deposit 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 Geonx 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.

The ore reserve estimate for the Peculiar Knob deposit contained in this report is based on information compiled by Mr John Wyche, a Member of the Australasian Institute of Mining and Metallurgy. He is a director of Australian Mine Design and Development Pty Ltd. 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). John Wyche 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.

The mineral resource estimate for the Buzzard deposit contained in this report is based on information compiled by Mr Arnold van der Heyden, a Member of the Australasian Institute of Mining and Metallurgy. He is an employee of Hellman & Schofield Pty Ltd. 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). Arnold van der Heyden 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) 9251 1044 or 0412 234 684, or Heath Roberts, Executive Director and Company Secretary on (02) 9247 7359 or 0419 473 925.