

ASX and Media Release

Quarterly activities report September quarter 2011

HIGHLIGHTS

- ❖ WPG sold its iron ore assets in South Australia to OneSteel Limited in October 2011 for a cash consideration of approximately \$320 million.
- ❖ WPG's shareholders will receive a cash distribution of \$1.05 per share from the above sale on 2 November 2011. The distribution consists of a return of capital of \$0.42 per share and WPG's maiden dividend of \$0.63 cents per share, which is fully franked.
- ❖ The asset sale and the return of capital were approved by WPG's shareholders at a general meeting on 4 October 2011.
- ❖ WPG terminated the joint venture agreements with WISCO for the Hawks Nest project and included these tenements in the assets sold to OneSteel.
- ❖ WPG has not sold its Port Pirie land, leases with third parties, and its approvals to build a bulk commodities receipt, storage and load-out facility at Port Pirie, and the Company will be seeking to leverage off this strategic set of assets going forward.
- ❖ Testwork conducted at Evergreen Energy Inc's facility in Wyoming, USA, has shown that the calorific value of product coal produced from the Penrhyn coal deposit south west of Coober Pedy in South Australia can be upgraded from 4,000 kcal/kg to 5,000 kcal/kg on an as received basis, which is well within the range of coals being supplied to the South Asian export market. WPG released a maiden resource estimate totalling 352.4 million tonnes of coal for Penrhyn in July 2011.
- ❖ A small drilling program has been completed on the Lochiel North coal project to provide coal samples for clean coal upgrading testwork in Wyoming.

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SALE OF IRON ORE ASSETS TO ONESTEEL LIMITED

WPG sold its iron ore assets in South Australia to OneSteel Limited in October 2011 for approximately \$320 million. The bulk of the proceeds of the sale, net of capital gains tax of \$71 million which WPG expects to pay in April 2012, will be distributed to shareholders on 2 November 2011. The distribution of \$1.05 per WPG share consists of a return of capital of \$0.42 per share and the Company's maiden dividend of \$0.63 cents per share, which is fully franked. The asset sale and the return of capital were approved by WPG's shareholders at a general meeting on 4 October 2011

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

Not all project assets shown in Figure 1 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. The Peculiar Knob and Hawks Nest tenements are now owned by OneSteel.

Port Pirie

The Company's Development Application for the construction of the iron ore receipt, storage and load-out facilities was approved in July and settlement of the purchase of the land was completed in August 2011.

Construction activities had commenced at the time the sale of the Company's iron ore assets was agreed. As a result of the sale, site activities were suspended after rehabilitation, and the site is now on a care and maintenance basis.

WPG sees Port Pirie as a key strategic asset which the Company can leverage going forward. While the development consent was for an iron ore export facility, WPG believes the site is equally suited for a range of other bulk commodities. WPG sees potential to use Port Pirie for its coal projects, or to provide a key mine to market solution for other bulk commodity projects elsewhere in South Australia which, without access to a port, would be difficult to develop

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 Southern Coal Holdings Pty Ltd, the joint venture vehicle owned equally by WPG and Evergreen Energy.

Penrhyn Coal Project

WPG completed a program of systematic resource definition drilling on the central section of the Penrhyn coal deposit during the previous quarter. Detailed geological logging and down-hole geophysical probe measurements for gamma, neutron, calliper and near and far densities were completed for each of the 31 drill holes. A plan of the Penrhyn drilling program is shown in Figure 2, and an orthographic projection showing the main seams intersected is shown in Figure 3.

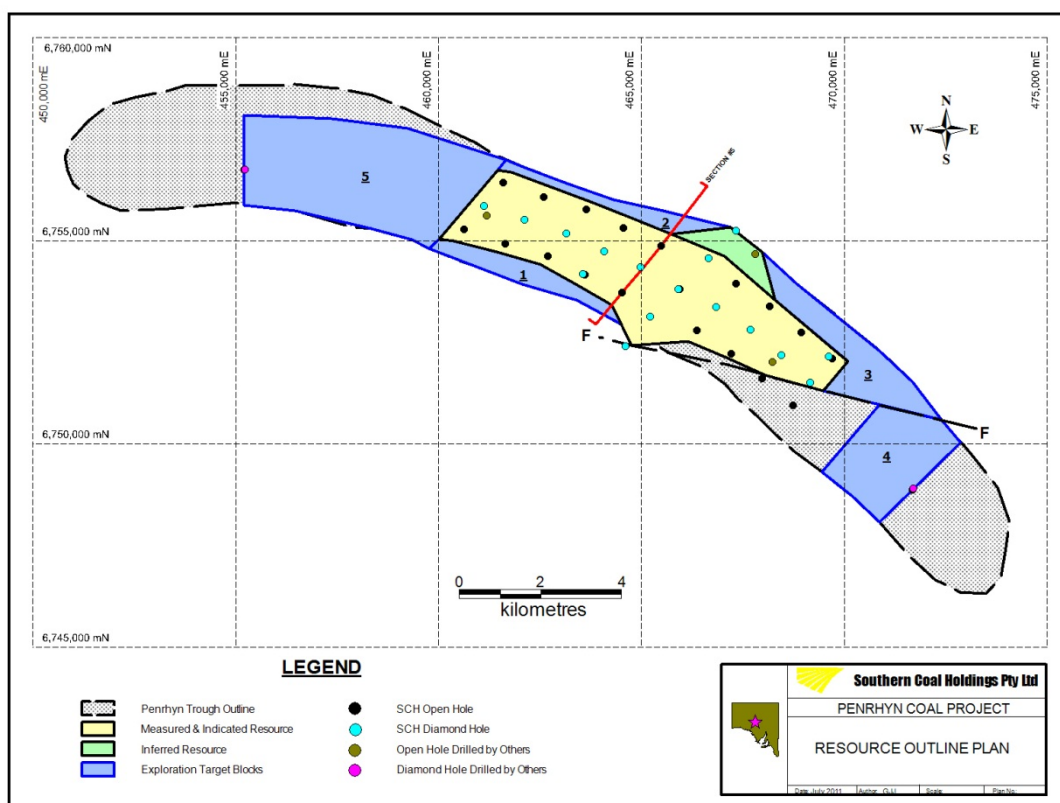


Figure 2
Drilling Program, Penrhyn

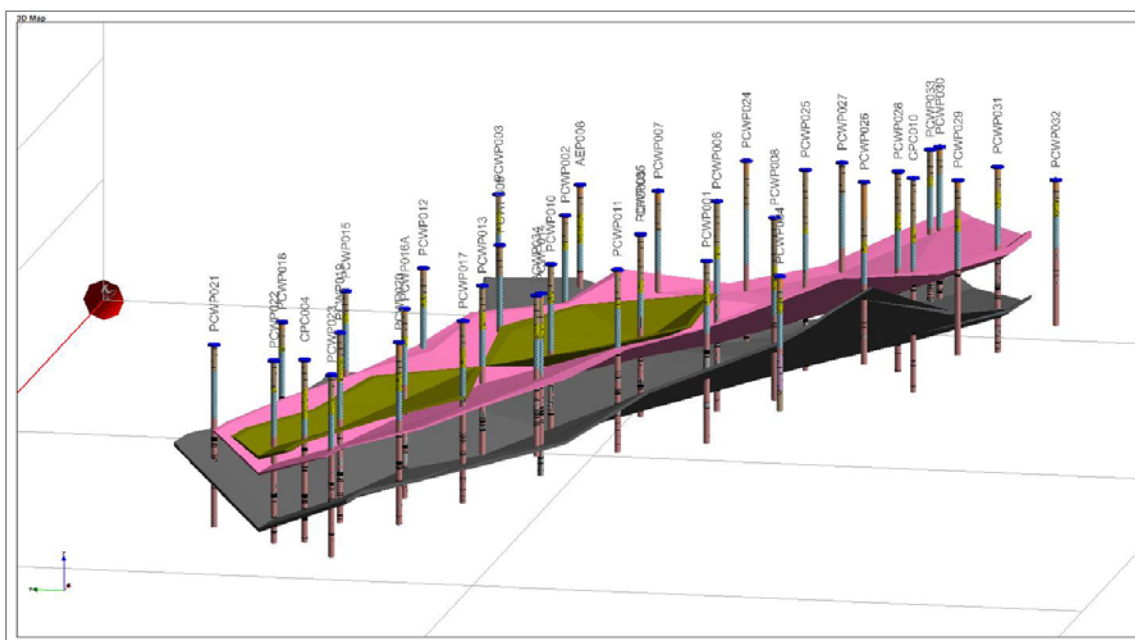


Figure 3
Projection showing Main Seams at Penrhyn

The resource estimate for Penrhyn was released in July 2011. A summary of the estimate is set out in the following table.

Resource Category	Tonnage (million tonnes)
Measured coal resource	185.4
Indicated coal resource	150.5
Inferred coal resource	16.5
Total coal resource	352.4

Core samples were analysed in Australia and also at Evergreen's facility in Wyoming, USA. This work suggests the calorific value of the product coal prepared using Evergreen's K-Process is expected to be approximately 5,000 kcal/kg on an as received basis. Ash, moisture, sodium and chlorine levels in the product coal were lower than in the feedstock. WPG expects that a product coal with specifications suitable for the South Asian market could be prepared.

Lochiel North Coal Project

One large diameter core hole drilled at the Lochiel North coal deposit was completed during the quarter. Coal samples have been dispatched to Evergreen's Wyoming facility in Wyoming.

Perfection Well Coal Project

The application for this new tenement, ELA 97/10, at Perfection Well, is still being processed PIRSA. No work was done during the quarter.

Pidinga Coal Project

ELs 4631 and EL 4671 cover a combined area of 501 square kilometres within which known lignite deposits occur along the eastern margin of the Eucla Basin. No work was done during the quarter.

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.