



Western Plains Resources Ltd

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Company Announcements Office
ASX Limited
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Level 6, 20 Bridge Street
SYDNEY NSW 2000

Cash Preservation Program

Western Plains Resources (ASX: WPG) introduced a cash preservation program late in calendar 2008 and has extended this program in the first and second quarters of this year.

Key elements of the program implemented this year are as follows:

- Directors (executive and non-executive) agreed to reduce their fixed compensation by 20%, for the most part effective from 1 January 2009;
- The two executive directors subject to the “golden handcuff” arrangements set out on page 14 of WPG’s 2008 Annual Report have agreed to release the Company from its obligations under these agreements (these “key man” arrangements were put in place in relation to a transaction that did not proceed to completion);
- Total staffing numbers have been reduced;
- Management personnel have undertaken certain field activities which would normally be outsourced to contractors and consultants;
- Non-essential activities have been deferred; and
- A further minimum 10% reduction in remuneration was implemented for directors and most staff, effective from 1 April 2009.

The reductions in remuneration packages set out above are permanent, not just deferrals.

These measures are expected to reduce the Company’s cash consumption by more than \$1 million over a full year.

In addition, WPG’s application for support under the Commonwealth’s Export Market Development Grant scheme has been successful, with some \$40,000 received in April and there is a reasonable expectation that further amounts will be received later this year.

The Company’s executive compensation packages for the year commencing 1 July 2009 will be determined by the Board and its Remuneration Committee after taking advice from remuneration consultants.

Yours faithfully
Western Plains Resources Ltd

Heath Roberts
Executive Director / Company Secretary