

Western Plains Resources Ltd

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The Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

IRON ORE PROJECT FEASIBILITY STUDY UNDERWAY

The directors of Western Plains Resources Ltd (**WPG**) are pleased to advise that the feasibility study for the development of the Company's Peculiar Knob direct shipping iron ore project in South Australia has commenced. The study, with a budget of some \$1.6 million, is scheduled to be completed by the end of June 2007 with the grant of the mining lease expected later that year.

All of the key consulting groups have been engaged, and fieldwork has started. Disciplines to be covered in the study include resource and reserve estimates, mine scheduling and design, environmental studies and hydrology, metallurgy and ore characterisation testwork, engineering and infrastructure, and logistics.

The Peculiar Knob deposit is a high grade haematite orebody with very low levels of impurities. A \$1.0 million drilling program, forming part of the project's feasibility study, is scheduled to commence on 15 January 2007. The objectives of this 7,900 metre drilling program are to upgrade the status of the existing inferred mineral resource estimate of 14 million tonnes averaging 63.2% iron to the measured and indicated status, to explore for additional tonnage at depth, and to obtain core samples for metallurgical and geotechnical testing.

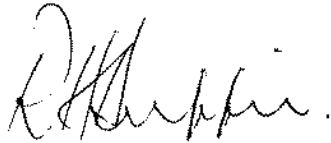
The Company has commenced discussions with rail freight and port operators and the regulatory authorities, and expects to advance these negotiations in the New Year. Discussions and negotiations with potential contract mining companies, crushing and screening operators, and trucking contractors will follow.

WPG will commence a drilling program at its nearby Hawks Nest iron ore project area after the Peculiar Knob drilling program has been completed. Hawks Nest contains the Buzzard haematite deposit with a total measured and indicated resource of 6.7 million tonnes at an average grade of 60% iron, together with a number of magnetite deposits, the largest of which is Kestrel with a total measured, indicated and inferred resource estimate of 220 million tonnes at an average grade of 36% iron.

The Company's review of previous drilling suggests that there is good potential at Hawks Nest to outline additional high grade deposits similar to Buzzard, and the focus of the forthcoming drilling program will be to explore for these types of deposits in the Kestrel, Kite, Eagle and other prospects. The budget for this program is some \$0.4 million, and is in addition to the Peculiar Knob feasibility study budget.

The Company's gold and copper exploration activities in New South Wales are continuing, and an aircore drilling program that tested several prospective magnetic targets has just finished at the Lake Cargelligo project area. Assays are expected to be available in January 2007. A RC percussion drilling program is scheduled to commence on the Trundle project late in December and this will be extended to testing several targets on the Euriowie project area early in the New Year.

Yours faithfully



Bob Duffin
Executive Chairman

Competent Person

The review of exploration activities and results contained in this report is based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of the Company 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 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.