



ASX and Media Release

Update: Access to the Port of Whyalla for export of iron ore

Western Plains Resources Ltd (ASX: WPG) has been advised by OneSteel Limited (OneSteel) that WPG may not now be allowed to use the transshipment barges at the Port of Whyalla for export of its direct shipping iron ore (DSO) from the Peculiar Knob and Hawks Nest projects in South Australia.

WPG has been negotiating with OneSteel for access to the Port of Whyalla since 17 January 2007. WPG believed that the negotiations were nearing completion and that they would lead, by 31 December 2007, to a satisfactory outcome for both parties.

WPG was advised by OneSteel on 17 December that it had decided not to proceed to formalise the previous proposal put to WPG for the use of excess capacity on the transshipment barges. OneSteel further advised that, absent an agreement in relation to the use by WPG of the barges, it was unlikely that OneSteel would agree to WPG's proposed capital works at Whyalla. WPG had proposed to build, at its own cost, a rail loop, tip pocket, ore storage shed and barge loader, costing some \$54 million, as part of the development of the \$108 million Peculiar Knob project. On 19 December OneSteel advised that it may be prepared to offer some form of port access rights to WPG but that a proposal was unlikely to be forthcoming for some time.

WPG has and will continue to work on alternative port opportunities. These include Port Pirie, Darwin and the proposed Port Bonython development.

WPG still believes that Whyalla is the best option. WPG remains prepared to negotiate a port access agreement with OneSteel, under normal commercial terms, including ring fencing the existing barge fleet for OneSteel's own use. WPG believes it can obtain suitable alternative barging facilities on short notice, and would be prepared to make its own barge assets available to OneSteel on a back-up basis. WPG would be prepared to make its proposed Whyalla development, including the barge fleet, available to third party users on agreed terms.

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.

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