

ASX and Media Release

Quarterly activities report September quarter 2008

HIGHLIGHTS

- ❖ The Commonwealth Department of Defence has approved the Company's modified infrastructure development plans for the Peculiar Knob mine and the formal site access agreement is in preparation.
- ❖ The South Australian Minister for Transport, Energy and Infrastructure has announced that the Spencer Gulf PortLink consortium has been awarded the right to undertake further studies for the development of a bulk export facility at Port Bonython near Whyalla.
- ❖ The Company completed a 3,947 drilling program to test for new direct shipping haematite iron ore (**DSO**) deposits at Hawks Nest. No assays are available yet.

CORPORATE

Project Funding

Western Plains (**WPG**) is negotiating with a number of companies from China, Korea and other Asian countries for the provision of project funding and offtake agreements for our DSO projects, and farm-in arrangements for our magnetite project.

The uncertainties that have surrounded Defence's attitudes towards the development of the Peculiar Knob mine and infrastructure and the South Australian Government's commitment to the development of Port Bonython have been an impediment to the conclusion of funding and offtake agreements. Now that these uncertainties have largely evaporated, the Company expects the pace at which the negotiations progress will be escalated.

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SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's iron ore projects in South Australia lie on the Peculiar Knob mineral lease, ML 6314 which was granted for a 14 year period on 25 June, and the Hawks Nest exploration tenement, EL 3196 within which two mineral claims, MCs 3809 (Kestrel) and 3810 (Buzzard), lie. ML 6314 at Peculiar Knob replaces the former RL 103. Retention lease applications covering MCs 3809 and 3810 were lodged on 1 July. WPG holds its interests in these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

Defence has never had any issues with the development of the Peculiar Knob mine itself but it has had concerns about the proposed locations of the haul road, camp site and the crushing and train loading site on the Central Australian railway. Following further detailed discussions and negotiations, WPG has agreed to change the footprint of these infrastructure items and Defence has now agreed to these changed plans.

The new infrastructure site plans that have been agreed with Defence are shown in Figure 1.

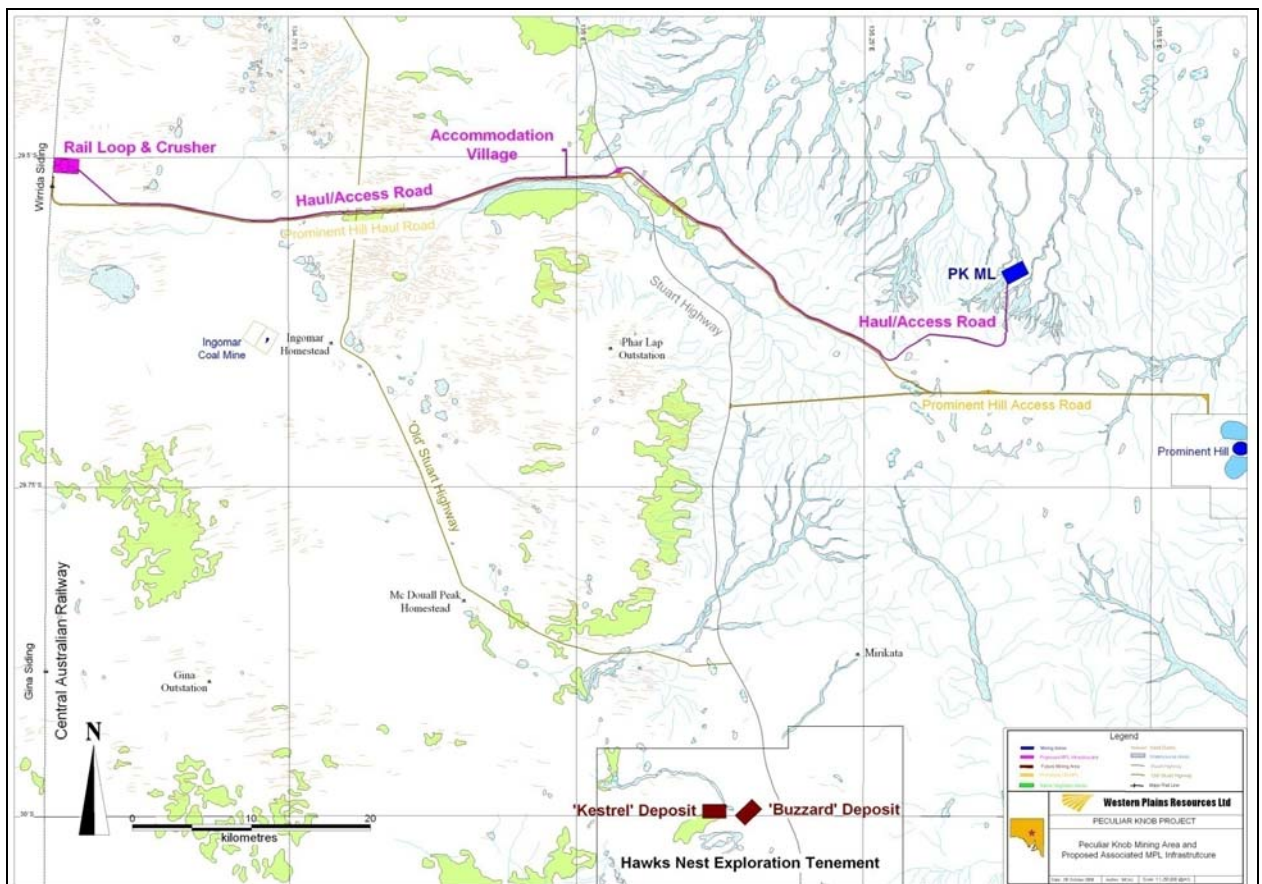


Figure 1
Proposed Infrastructure for the Peculiar Knob Mine

Peculiar Knob

The proposed haul road route has is being surveyed and the Aboriginal clearance has been completed.

No other fieldwork was completed during the quarter. Mineral resource and ore reserve estimates remain as disclosed on 24 September 2007. In summary, the total resource estimate is 19.0 million tonnes at an average grade of 63.7% Fe and the total reserve estimate is 15.4 million tonnes at an average grade of 62.7% Fe.

The Peculiar Knob MARP can now be finalised, as the locations of the infrastructure and the MPLs on which it will be built have now been settled.

Access and compensation agreements with affected pastoral lease holders and exploration licence holders are being finalised.

Buzzard

No fieldwork was completed during the quarter. Mineral resource estimates and ore reserve estimates remain as disclosed on 23 April and 23 July 2008 respectively. In summary, the total resource estimate is 14.1 million tonnes at an average grade of 62.0% Fe and the total reserve estimate is 12.8 million tonnes at an average grade of 60.3% Fe.

Tui

Two diamond drill holes for a total of 409.9 metres were completed at the Tui deposit during the quarter. The holes were designed to provide detailed geological and geotechnical information from the high grade haematite section of the deposit. Large diameter core that was recovered will also be used for metallurgical test work on both the massive haematite and the lower grade hematite BIF.

Summary details for the holes are as follows:

HNWPR-103 :	0 – 42.0m	Overburden cover sequence
	42.0 – 125.7m	Massive haematite-haematite BIF breccia
	127.5 – 146.0m	Dolerite dyke
	146.0 – 171.2	Haematite BIF
	171.2 – 181.8m EOH	Dolerite dyke
HNWPR-104 :	0 – 49.0m	Overburden cover sequence
	49.0 – 121.7m	Massive haematite
	121.7 – 153.0m	Haematite BIF
	153.0 – 225.0m	Massive haematite-haematite BIF breccia
	225.0 – 228.1m EOH	Haematite BIF

Assay results will be available following the cutting of the core and completion of metallurgical testing.

Mineral resource estimates remain as disclosed on 23 July 2008. In summary, the total resource estimate is 4.3 million tonnes at an average grade of 60.2% Fe.

Mine planning for the development of the Tui DSO deposits has not yet commenced and no ore reserve estimates have been prepared.

Total Resource and Reserve Estimates for the DSO Project

The combined total mineral resource estimate for the Company's three DSO deposits, Peculiar Knob, Buzzard and Tui, remain as disclosed on 23 July 2008. In summary, it is 37.4 million tonnes at an average grade of 62.6% Fe.

There has been no change to the total ore reserve estimate that was released on 23 July 2008. It is a total of 28.2 million tonnes at an average grade of 61.7% Fe. This estimate is for the Peculiar Knob and Buzzard deposits only.

Permitting, Logistics, Infrastructure and Other Approvals

Miscellaneous Purposes Licences and Other Permits

New MPL applications for the proposed haul road, crushing plant site and accommodation village will be prepared to reflect the changed road alignment and campsite.

Compensation agreements with pastoral lease holders are in preparation.

Negotiations with exploration licence holders for the construction of infrastructure are underway.

A new underpass that allows the haul road to cross the Stuart Highway will need to be designed now that the haul road route has changed. This will be reviewed by the Department for Transport, Energy and Infrastructure.

Department of Defence

Defence has agreed to the new infrastructure plan for the Peculiar Knob project as shown in Figure 1 and the formal access agreement is now being finalised. On completion of documentation for that project, the Company will commence further negotiations with Defence for the Hawks Nest area. Hawks Nest is more sensitive to Defence than the Peculiar Knob area and negotiations are likely to take longer to finalise than was the case for Peculiar Knob.

Water

Water extraction licences were lodged with the Department of Water, Land and Biodiversity Conservation on 22 May 2008.

Port Bonython

The South Australian Infrastructure Minister announced on 24 October that the Spencer Gulf PortLink Consortium had been selected to undertake a feasibility study for the development and operation of an export facility at Port Bonython. The key members of the consortium include Flinders Ports, Macquarie Bank, ARTC and BIS Industrial Services. Flinders Ports operates all seven public ports in South Australia.

According to the Minister's press release, the consortium has four months to demonstrate that it can successfully develop and operate the facility without any monetary contribution from the State Government, and address and manage all the social and environmental issues, which are of particular concern to the Whyalla community. If the study proves that such the facility is viable, the consortium will then apply for all of the necessary approvals to develop the project. The Minister expects that the port will be operational in about three years.

An artist's impression of the proposed new export port facility and other developments planned for Port Bonython is shown in Figure 2.



Figure 2
Iron Ore Export Facility at Port Bonython

Source: Department for Transport, Energy and Infrastructure

Port Darwin

The Company and the Darwin Port Corporation have executed an MOU for short term access to the iron ore loader at Darwin. The impending sale of the owners of the Tarcoola to Darwin railway line, Asia Pacific Transport, which has been on foot since early 2008, is making the finalisation of an integrated rail and port access agreement difficult.

Port Adelaide

The Company is actively investigating opportunities for exporting iron ore from the Port of Adelaide as a short term measure.

Regional Exploration

Ten new drill targets for DSO haematite mineralisation were tested with 19 RC percussion holes for a total 3,497 metres during the quarter. These targets were defined from a regional study based on the results of a detailed low level aeromagnetic survey completed by WPG earlier in the year together with an interpretation of the regional geology and re-processing of gravity survey data.

At Buzzard South East, 4 holes (HNWPR-83 to HNWPR-86) for 754 metres were completed to test for extensions of the massive haematite and haematite BIF intersected in previous WPG holes HNWPR-58 (6 metres averaging 62.2% Fe) and HNWPR-59 (12 metres averaging 60.9% Fe, 16 metres averaging 62.2% Fe). Preliminary results indicate wide intersections of haematite BIF were intersected in all four holes. Assay results are expected during the December quarter.

Five holes for 948 metres (HNWPR-87 to HNWPR-91) were drilled to test prominent residual gravity anomalies in the area to the west of the Buzzard DSO haematite deposit. These holes all also intersected broad intervals of consistently mineralised hematite BIF. The location of the close-in drill holes at Buzzard SE and Buzzard West is shown in Figure 3.

Two holes for 386 metres (HNWPR-92 & HNWPR-93) were drilled on the previously untested Condor North gravity anomaly that lies astride a major north west trending fault structure. The younger cover sequence is slightly deeper in this area however continuous intersections of 109.5metres and 107.5metres of haematite BIF were recorded from these two holes.

The other eight drill holes tested six new targets situated generally to the south and west of the known Hawks Nest magnetite deposits. Of these the only significant result was an 82m hematite BIF intersection recorded from hole HNWPR-95A drilled on the Kea anomaly. The remaining holes all intersected mostly intrusive rocks associated with the Gairdner dyke swarm with only narrow BIF intervals.

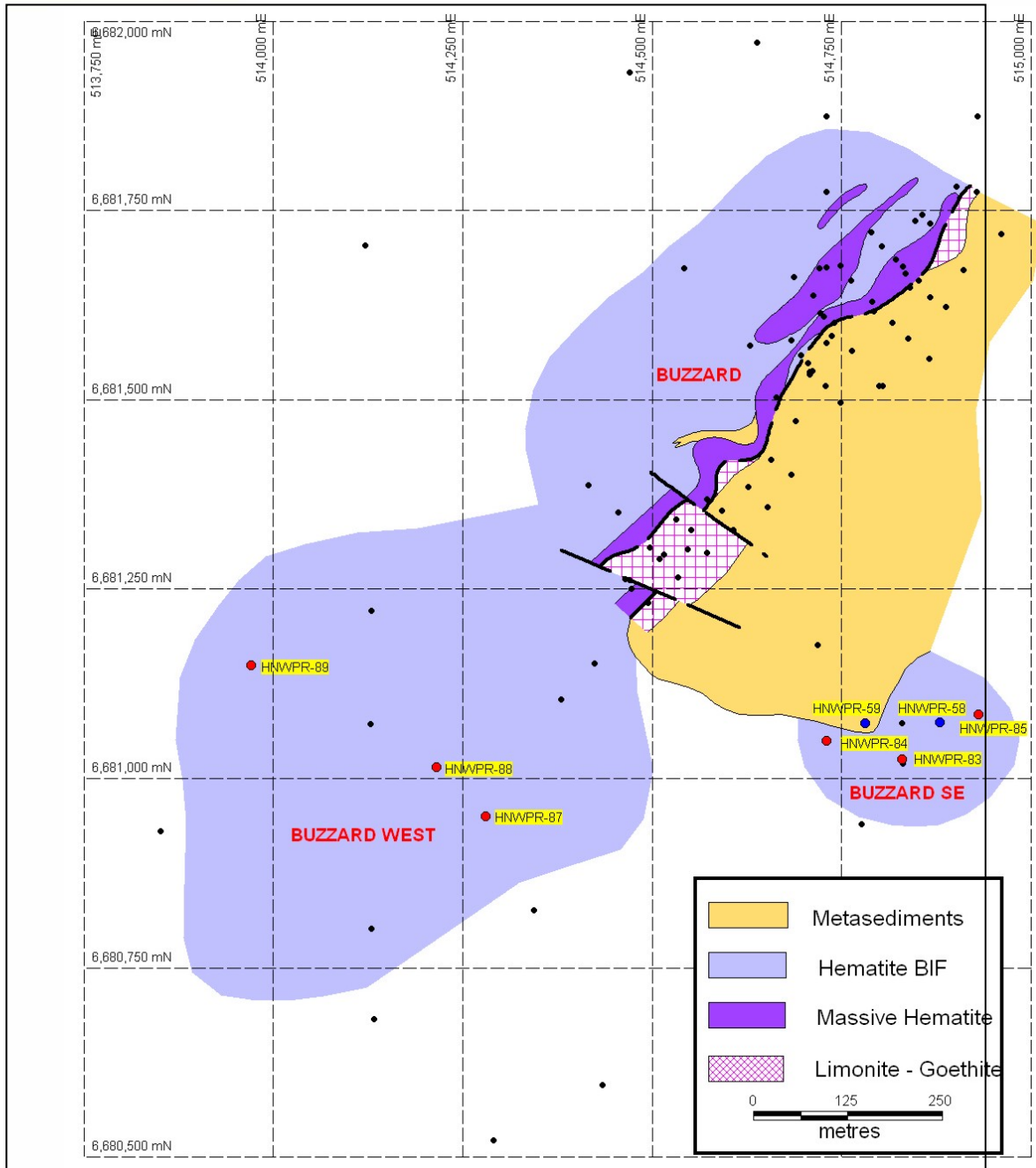


Figure 3
Buzzard SE and Buzzard West showing the location of recent drilling

SOUTH AUSTRALIAN MAGNETITE PROJECT

No fieldwork was completed during the quarter.

As previously disclosed, the total identified mineral resource estimate is 569 million tonnes at an average grade of 35% Fe.



COPPER/GOLD EXPLORATION PROJECTS

Trundle NSW

EL 4512 – WPG 100%

During the past six months Cybele has completed an exploration program that consisted of surface soil sampling, geological mapping, and reconnaissance diamond drilling at the Mordialloc and Bloomfield copper-gold prospects.

Five diamond drill holes, totalling 2,605 metres, were completed during the program. Calibre can earn a 70% interest in the Trundle tenement from WPG, by completing exploration expenditures totalling \$3 million over a three year period with a minimum work commitment of \$600,000 in the first year. Cybele can earn an additional 20% interest in the project by completing a Feasibility Study.

Three holes were drilled at the Mordialloc prospect and two holes at the Bloomfield prospect to test zones of high magnetic intensity coincident with pH and partial leach copper-gold in-soil anomalies in areas that lack outcrop. The three holes at Mordialloc intersected an extensive multiphase porphyry intrusive centre within andesitic volcanic country rocks. Visual examination of drill core suggests that widespread patchy potassic alteration and later structurally controlled sericite-chlorite-carbonate (SCC) alteration have affected the Mordialloc intrusive centre. Disseminated and veinlet-hosted chalcopyrite is associated with this alteration. The local presence of aplite-quartz vein dykelets and rare disseminated bornite suggests the holes at Mordialloc may be close to more intensely mineralised porphyry plug(s) similar to those at the nearby North Parkes gold-copper mine.

The two holes at Bloomfield intersected andesite lavas and volcaniclastic rocks cut by early diorite intrusions and minor dykes of late monzonite porphyry. Extensive late SCC alteration and less widespread early biotite+/-magnetite and albitic alteration at Bloomfield are associated with several generations of pyrite+/-chalcopyrite+/-magnetite-bearing veins. Visual inspection the drill holes at Bloomfield suggests that the alteration and veining are similar in character to that in the peripheral parts of other mineralised porphyry-related hydrothermal systems in the Macquarie Arc of central NSW. Partial drill assay results are tabulated below with complete results being released when they have been received and compiled.

Hole	Zone	Total Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t Au)
CTD002	Bloomfield	586	-55	270				Assays Pending	
CTD003	Bloomfield	494	-55	270				Assays Pending	
CTD004	Mordialloc	449	-55	320	14	32	18	0.35	0.29
				<i>Including</i>	28	30	2	1.40	1.15
					74	96	22	0.15	0.17
CTD005	Mordialloc	551	-54	316	32	42	10	0.14	0.24
					150	160	10	0.13	0.17
					184	200	16	0.15	0.13
					312	324	12	0.14	0.12
					400	551		Assays Pending	
CTD006	Mordialloc	524	-55	137	478	514	36	0.15	0.13

Cybele applied for an additional exploration licence over an area adjoining the Trundle tenement during the quarter. This tenement will also form part of the Trundle joint venture.

Peak Hill East NSW ELs 6342 & 6675 – WPG 100%

An application for renewal of EL 6342 was lodged with the NSW DPI during the quarter. No field work was carried out.

Lake Cargelligo NSW EL 6367 – WPG 100%

No work was done on this tenement during the quarter.

Euriowie NSW EL 5771 – WPG 60%

The annual report to the NSW DPI was compiled and submitted during the quarter. Negotiations with an interested joint venture partner are at an advanced stage.

Competent Persons

The review of exploration activities and results and the mineral resource estimates for the Peculiar Knob, Buzzard and Tui deposits 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.

The mineral resource estimate for the Hawks Nest magnetite 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.

The ore reserve estimates for the Peculiar Knob and Buzzard DSO deposits contained in this report are based on information compiled by Mr John Wyche, a Member of the Australasian Institute of Mining and Metallurgy. He is an employee 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.

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.