



Western Plains Resources Ltd

ABN 51 109 426 502

Half-Year Financial Report

31 DECEMBER 2008

CORPORATE DIRECTORY

Western Plains Resources Ltd

ABN 51 109 426 502

DIRECTORS

Robert H Duffin
Heath L Roberts
Gary J Jones
Len A Dean
Lim See Yong
Robert L Richardson

SECRETARY

Heath L Roberts

REGISTERED AND ADMINISTRATION OFFICE

Level 9, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
PO Box N239, Grosvenor Place
NSW 1220 Australia
Telephone: +61 2 9251 1044
Facsimile: +61 2 9247 3434
E-mail: info@westernplainsresources.com.au
Website: www.westernplainsresources.com.au

SHARE REGISTRY

Registries Limited
Level 7, 207 Kent Street, Sydney, NSW, 2000
PO Box R67, Royal Exchange
Sydney, NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664

AUDITORS

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

BANKERS

Westpac Banking Corporation

STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited
ASX Code: WPG

CONTENTS

Directors' Report	1
Income Statement	3
Balance Sheet	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Directors' Declaration	10
Auditor's Independence Declaration	11
Independent Review Report	12

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2008.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Robert H Duffin, BSc (Hons), MSc (Hons), Grad Dip Mgt, FAusIMM, CP (Executive Chairman)

Heath L Roberts, Dip. Law (SAB), Grad Dip Leg. P (UTS) (Executive Director)

Gary J Jones, BSc, MAusIMM, MASEG (Director, Technical)

Leonard A Dean, B Sc. (Metallurgy), (Non-Executive Director)

Lim See Yong, BBA (Singapore), (Non-Executive Director)

Bob Richardson, BSc, BE (Hons), MAusIMM, MASEG (Non-Executive Director)

Dennis Mutton, (Non Executive Director) resigned 23 December 2008

REVIEW AND RESULTS OF OPERATIONS

The net result of operations after applicable income tax expense for the half-year was a loss of \$2,947,404 (2007 - \$2,463,000).

The principal continuing activity of the Company is exploration, evaluation and development of the Company's iron ore projects located in South Australia.

During the half-year the Company advanced permitting for development of its flagship Peculiar Knob project, securing the grant of a 14 year (mineral) mining lease and completing negotiations for access to the Woomera Prohibited Area with the Department of Defence such that a formal agreement, permitting all mining and infrastructure for Peculiar Knob, was signed in January 2009.

The Company continued exploration at Hawks Nest, conducted a major drilling programme that defined a maiden resource of haematitic banded iron formation (BIF) mineralisation exceeding 100 million tonnes, and entered into a strategic farm-in agreement with a neighbouring explorer Apollo Minerals Ltd, increasing WPG's exposure to iron prospective ground south of Coober Pedy.

The Company was extremely active during the half year promoting the development of a dry bulk export facility at Port Bonython. In early 2008 the South Australian Government issued an Expression of Interest for the development of the proposed facility. WPG formed a consortium that formally lodged an expression of interest and, although not ultimately successful, now works closely with the preferred consortium which is now proceeding with a feasibility study on the proposed development.

WPG has continued advanced level negotiations with a range of potential funding and offtake partners in order to secure project finance for development of Peculiar Knob and Hawks Nest. In response to the challenges facing the financial markets, the Company has engaged in a cost cutting exercise designed to reduce expenditure without impeding the advancement of its projects.

The loss for the period included a write-off of expenditure previously carried forward as an asset related to several of the Company's non-core exploration projects located in NSW and a write-off of expenditure previously carried forward as an asset related to the Company's expression of interest to develop an export facility at Port Bonython in the Spencer Gulf region of South Australia.

FINANCIAL

The results of operations are shown above and in the accompanying financial statements.

SUBSEQUENT EVENTS

The directors are not aware of any significant changes in the state of affairs of the Company occurring since the end of the half-year, except as described below.

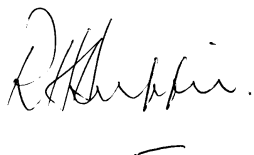
In late January 2009 the Company and the Commonwealth of Australia signed an access agreement permitting the Company to proceed with development of the Peculiar Knob Mine, which is located in the Woomera Prohibited Area. The agreement applies to the mine itself and all related infrastructure.

DIRECTORS' REPORT (CONTINUED)

AUDITOR'S INDEPENDENCE DECLARATION

The independence declaration of our auditor is on page 11 and forms part of this report.

Signed at Sydney this 12th day of March 2009 in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'R H Duffin', with a horizontal line underneath.

R H DUFFIN
Executive Chairman

CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2008

	Note	2008 \$'000	2007 \$'000
REVENUE	4	166	323
ASX and ASIC fees		(29)	(60)
Contract administration services		(268)	(109)
Corporate advisory services		-	(114)
Depreciation and amortisation expense		(16)	(7)
Directors' fees including superannuation		(230)	(228)
Employment costs		(130)	(11)
Exploration and evaluation expenditure written-off		(949)	(27)
Loss on disposal of exploration licence		(695)	-
Operating lease rental expense		(82)	(37)
Office costs		(32)	(42)
Public relations		(55)	(20)
Share based payments	6	(362)	(1,988)
Other expenses from ordinary activities		(265)	(142)
LOSS BEFORE INCOME TAX EXPENSE		(2,947)	(2,462)
Income tax expense		-	-
LOSS AFTER INCOME TAX FROM CONTINUING OPERATIONS		(2,947)	(2,462)
NET LOSS ATTRIBUTABLE TO MEMBERS OF WESTERN PLAINS RESOURCES LTD		(2,947)	(2,462)
Basic loss per share (¢ per share)		3.6	3.2
Diluted loss per share (¢ per share)		3.6	3.2

The above Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Note	31 Dec 2008	30 Jun 2008
		\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents		2,717	6,349
Trade and other receivables		35	173
Other financial assets		20	20
TOTAL CURRENT ASSETS		2,772	6,542
NON-CURRENT ASSETS			
Other financial assets		160	172
Plant, equipment and leasehold improvements		90	72
Deferred exploration and evaluation expenditure	5	15,977	14,934
Deferred port evaluation expenditure	5	16	406
TOTAL NON-CURRENT ASSETS		16,243	15,584
TOTAL ASSETS		19,015	22,126
CURRENT LIABILITIES			
Trade and other payables		246	771
TOTAL CURRENT LIABILITIES		246	771
NON-CURRENT LIABILITIES			
Provision for deferred tax liability		1,630	1,630
TOTAL NON-CURRENT LIABILITIES		1,630	1,630
TOTAL LIABILITIES		1,876	2,401
NET ASSETS		17,139	19,725
EQUITY			
Contributed equity		21,313	21,313
Reserves		3,822	3,461
Accumulated losses		(7,996)	(5,049)
TOTAL EQUITY		17,139	19,725

The above Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2008

	Attributable to the shareholders of Western Plains Resources Ltd			
	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
AT 1 July 2007	12,764	1,255	(2,010)	12,009
Loss for the period	-	-	(2,462)	(2,462)
Issue of share capital, net of transaction costs	8,417	-	-	8,417
Cost of share based payments taken directly to equity	-	1,988	-	1,988
AT 31 DECEMBER 2007	21,181	3,243	(4,472)	19,952
Loss for the period	-	-	(577)	(577)
Issue of share capital, net of transaction costs	132	-	-	132
Cost of share based payments taken directly to equity	-	218	-	218
AT 30 JUNE 2008	21,313	3,461	(5,049)	19,725
Loss for the period	-	-	(2,947)	(2,947)
Issue of share capital, net of transaction costs	-	-	-	-
Cost of share based payments taken directly to equity	-	361	-	361
AT 31 DECEMBER 2008	21,313	3,822	(7,996)	17,139

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2008

	2008	2007
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	82	-
Payment to suppliers and employees	(1,584)	(926)
Interest paid	-	(1)
Interest received	189	289
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(1,313)</u>	<u>(638)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(33)	(63)
Expenditure on mining interests (exploration)	(2,297)	(2,013)
Tenement and rental security deposits	11	(75)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(2,913)</u>	<u>(2,151)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	8,417
Equity raising expenses	-	(53)
Repayment of borrowings	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>8,364</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,632)	5,575
Cash and cash equivalents at beginning of period	<u>6,349</u>	<u>3,690</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>2,717</u></u>	<u><u>9,265</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half-year ended 31 December 2008

1. CORPORATE INFORMATION

The financial report of Western Plains Resources Ltd (the Company or WPG) for the half-year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Directors on 3 March 2009. Western Plains Resources Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Company are described in Note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of WPG as at 30 June 2008.

It is also recommended that the half-year financial report be considered together with any public announcements made by WPG during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of Preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete report period.

(b) Significant Accounting Policies

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008.

(c) Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to rounding of amounts in the financial report. Amounts have been rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

(d) Going Concern

The half-year financial statements have been prepared on a going concern basis.

As at 31 December 2008, the company had \$2,717,000 in cash and cash equivalents and net current assets of \$2,526,000. Having reviewed the Company's business plan and cost structure of the group, and other relevant matters, the Board is of the view that there are sufficient funds to meet the Company's working capital requirements at the date of this report and for a further period of at least 12 months into the future and that it can realise its assets and extinguish its liabilities in the normal course of business. This position is arrived at on the following basis.

1. The Company is in the advanced stages of negotiating third party participation in development of the Company's projects. Although no final transaction has been negotiated that the Company could or would be required to disclose pursuant to the continuous disclosure regime within the Corporations Act and ASX Listing Rules, the Directors are confident that third party participation, which will include equity investment in WPG, shall take place in the relatively near future.
2. In the event that third party participation in project development as anticipated above in 1. is not forthcoming, and based on budgeted expenditure (which includes a series of cost measures in the areas of staffing, contractors and project development) the Company has sufficient working capital for a further period of at least 12 months into the future.

At the current stage of the Company's operations it has relatively flexible expenditure commitments and can reduce those commitments significantly, if the need arises, without jeopardising underlying assets.

Having regard to paragraphs 1. and 2, above, the Board notes that the viability of the Company, including future development of its projects, is dependent on raising adequate funding.

Notes to the Half-Year Financial Statements (continued)

3. SEGMENT INFORMATION

The Company operates predominantly in the one business segment and in one geographical area, namely Australian mineral exploration and evaluation.

Consolidated
31 Dec 2008 31 Dec 2007
\$'000 \$'000

4. REVENUE FROM ORDINARY ACTIVITIES

Interest received – other persons/corporations	151	318
Rent received	15	5
	<u>166</u>	<u>323</u>

5. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	14,934	10,011
Costs incurred during the period	2,104	4,950
Expenditure written off on disposal of EL 5771	(695)	-
Expenditure written off during the period	(366)	(27)
Costs carried forward	<u>15,977</u>	<u>14,934</u>
Port evaluation expenditure brought forward	406	-
Costs incurred during the period	193	406
Expenditure written off during the period	(583)	-
Costs carried forward	<u>16</u>	<u>406</u>

6. SHARE BASED PAYMENTS

The following share options were granted to employees and consultants under the Company's Employees and Officers Share Option Plan.

Issued under ESOP	No. of options issued	Date issued	Exercise price	Expiry date	Volatility	Risk free rate	Expected life	Fair Value	Total \$
Employees and consultants *	300,000	2 September 2008	\$0.75	2 September 2013	81.2%	5.75%	5 years	\$0.5922	\$177,660

* 50% vest 2 September 2008, 50% vest 2 September 2009

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted determined by using the Binomial Tree option valuation methodology model. The total value of the 300,000 options issued under the Employees and Officers Share Option Plan is \$177,660 and an amount of \$118,440 was expensed in the income statement along with the amount of \$243,453 due to the vesting of 17 September 2012 options.

Notes to the Half-Year Financial Statements (continued)

	Consolidated	
	31 Dec 2008 \$'000	30 Jun 2008 \$'000
7. CONTRIBUTED EQUITY		
Share capital		
80,807,355 ordinary shares fully paid (30 June 2007: 70,301,722)	21,313	12,764
Shares issued during the period	-	7,500
Exercise of options	-	1,266
Share Issue Costs	-	(217)
80,807,355 ordinary shares fully paid (30 June 2008: 80,807,355)	<u>21,313</u>	<u>21,313</u>

8. SUBSEQUENT EVENTS

No event has occurred subsequent to 31 December 2008 requiring disclosure in, or amendment to, these financial statements, except as described below:

In late January 2009 the Company and the Commonwealth of Australia signed an access agreement permitting the Company to proceed with development of the Peculiar Knob Mine, which is located in the Woomera Prohibited Area. The agreement applies to the mine itself and all related infrastructure.

9. COMPARISON 2007 HALF-YEAR FINANCIAL REPORT

As a result of correction of the fair value calculation in the 2008 financial year, share based payment expense should have been \$232,000 higher and share issue costs (deducted from contributed equity) should have been \$1,273,000 lower for the six months ended 31 December 2007.

As a result, the loss of the group for the six months ended 31 December 2007 should have been a loss of \$2,463,000 instead of a loss of \$2,230,000 as reported, and share issue costs (deducted from contributed equity) should have been nil instead of \$1,273,000 as reported. These amounts have been corrected in the comparative results reported in this report.

DIRECTORS' DECLARATION

The directors of Western Plains Resources Ltd, declare that:

1. the financial statements comprising the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



R H DUFFIN
Chairman of Directors
Sydney, 12 March 2009



BDO Kendalls

BDO Kendalls Audit & Assurance
(NSW-VIC) Pty Ltd
Level 19, 2 Market St
Sydney NSW 2000
GPO Box 2551 Sydney NSW 2001
Phone 61 2 9286 5555
Fax 61 2 9286 5599
info.sydney@bdo.com.au
www.bdo.com.au

ABN 17 114 673 540

**DECLARATION OF INDEPENDENCE BY MELISSA ALEXANDER TO THE DIRECTORS
OF WESTERN PLAINS RESOURCES LIMITED**

As lead auditor of Western Plains Resources Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Western Plains Resources Limited and the entities it controlled during the period.

Melissa Alexander

Director

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

Dated in Sydney, this 12th day of March 2009

BDO Kendalls is a national association of
separate partnerships and entities.
Liability limited by a scheme approved
under Professional Standards Legislation.

This declaration is to be supplied by BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd



BDO Kendalls

BDO Kendalls Audit & Assurance
(NSW-VIC) Pty Ltd
Level 19, 2 Market St
Sydney NSW 2000
GPO Box 2551 Sydney NSW 2001
Phone 61 2 9286 5555
Fax 61 2 9286 5599
info.sydney@bdo.com.au
www.bdo.com.au

ABN 17 114 673 540

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Western Plains Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Western Plains Resources Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and statement of cash flow for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year (in order for the disclosing entity to lodge the half-year financial report with the Australian Securities Exchange).

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Western Plains Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Kendalls is a national association of
separate partnerships and entities.
Liability limited by a scheme approved
under Professional Standards Legislation.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Western Plains Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd
Chartered Accountants

Melina Alexander

Melissa Alexander
Director

Dated in Sydney, this 12th day of March 2009



Western Plains Resources Ltd

ABN 51 109 426 502

ASX CODE: WPG

PO Box N239, Grosvenor Place, NSW, 1220, Australia
Level 9, Kyle House, 27-31 Macquarie Place, Sydney, NSW, Australia
Telephone: +61 2 9251 1044 Facsimile: +61 2 9247 3434
Email: info@westernplainsresources.com.au Website: www.westernplainsresources.com.au