



ASX and Media Release

Port Bonython update

Western Plains Resources Ltd (ASX:WPG) is aware of an article in the Adelaide media late last week that suggests the development of a bulk commodities export facility at Port Bonython has been stalled. A subsequent announcement by the project's proponents did not, in the Company's view, add much clarity.

WPG understands that the status of the port development project is as follows. Spencer Gulf PortLink Consortium (**SGPL**) will lodge its feasibility study report for the development of the facility to the South Australian Department of Transport, Energy and Infrastructure (**DTEI**) in the week beginning 9 March 2009 which is two weeks later than was intended.

WPG expects that it, together with other potential users of the new port, will receive a briefing on the results of the study in the week beginning 16 March 2009. The Company has not been fully informed of the process that will be adopted by the State Government and SGPL for taking the project forward.

WPG has finished its bankable feasibility studies for the Peculiar Knob and Buzzard DSO projects. This work includes the preparation of mineable reserve estimates, which the Company has previously released. Virtually all necessary permits for the development of Peculiar Knob are to hand. These DSO projects are capable of making very significant contributions to the South Australian economy. The Company is in advanced negotiations with a number of groups for financing these projects, and its magnetite projects as well. A clear path to the development of a port is high on the agenda for these investments.

WPG recognises that SGPL may wish to improve its position by delaying commitment to construction until all commercial risks have been eliminated. WPG does not believe DTEI should tolerate this. A limited period in which genuine negotiations between the State Government and SGPL are progressed is acceptable, and negotiating tactics by SGPL may include selected media briefings. But WPG does not accept that SGPL should be granted what amounts to a free option to develop the port according to its own timetable.

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WPG does not believe the use of Flinders Ports' existing port assets, most of which are small grain operations capable of handling Handy-sized vessels only, or even the larger Port Adelaide, which can handle Panamax ships, represents a long term solution. If South Australia is to make the transition from a manufacturing based economy to one relying more on mineral exports, as the State Government has promoted on many occasions (which representation in part is responsible for WPG's move into South Australia in 2006), a modern bulk commodities port capable of handling Capesize vessels must be built.

WPG has been frustrated by how little engagement there has been with the Whyalla community by the project's proponents. This has led to serious misunderstandings about the scope of the project.

WPG is aware that the Australian Government has recently allocated massive amounts of funding to the development of infrastructure projects as a response to the global financial crisis. In addition, sovereign wealth funds, particularly from China, are now aggressively pursuing infrastructure investments in Australia, particularly for new iron ore and other resource projects. WPG hopes that SGPL is diligently pursuing these sources of funding, as well as more conventional sources.

If SGPL proves unwilling to develop the port then WPG believes DTEI should terminate SGPL's preferred tenderer status and award it to another group. WPG's subsidiary Spencer Gulf Ports Pty Ltd, acting on behalf of the Port Bonython Bulk Users Group Inc, is willing to assume that role.

Further Information

For further information please contact WPG's Executive Chairman Bob Duffin, on (02) 9247 3232 or 0412 234 684, or Heath Roberts, Executive Director and Company Secretary on (02) 9247 7359 or 0419 473 925.