



ASX and Media Release

Iron ore benchmark prices for 2009-10

Western Plains Resources Ltd (ASX:WPG) has noted that Hamersley Iron Pty Ltd has settled benchmark iron ore prices with a key Japanese steel mill for the year commencing 1 April 2009 of US112c/mtu for lump and US97c/mtu for fines. These prices represent a reduction of 44.5% for lump and 32.9% for fines from last year and are generally consistent with the price assumptions that have been built into WPG's financial models for its Peculiar Knob DSO project since earlier this year.

It is not yet clear whether these prices will be accepted by the Chinese steel mills.

If WPG's Peculiar Knob project was in production now, and exporting through Port Bonython with port user charges in line with charges at other comparable Australian bulk commodity export ports, cash operating margins under current conditions would be between A\$25/t and A\$30/t, on an FOB basis.

WPG's base case business plan envisages production and sales from Peculiar Knob and the Buzzard DSO deposits ramping up to 4.5 mtpa, for a project life of about 10 years based on known resources. Peculiar Knob is virtually fully permitted and almost shovel ready for development.

WPG believes the 2009 benchmark price settlement should send a positive signal to the South Australian Government, owner of the relevant land at Port Bonython, and to the Spencer Gulf PortLink consortium, the Government's preferred tenderer for the development of the proposed bulk commodities export facility there.

WPG believes the development of Port Bonython forms a vital plank in the Government's strategy to transform the South Australian economy from a manufacturing base to one more reliant on resource exports. WPG looks forward to an early decision from Adelaide on the likely timing for commitment to this key piece of infrastructure.

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.

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