



ASX and Media Release

Withdrawal from the Commonwealth Hill farm-in and joint venture

Western Plains Resources Limited (ASX:WPG) has withdrawn from the Commonwealth Hill farm-in and joint venture.

The Commonwealth Hill tenements are held by Apollo Resources NL (ASX:AON) and are located south west of Coober Pedy in South Australia.

Under the heads of agreement of 17 November 2008, WPG committed to spend a minimum amount of \$90,000 within twelve months, which commitment has been satisfied, and then had the right to earn a 51% participating interest in the iron ore rights in the tenements by spending a further \$660,000.

The Commonwealth Hill tenements do have some exploration potential, as shown in WPG's September quarterly report that was released on 30 October 2009. Under normal circumstances, WPG may have elected to move to the next phase of the farm-in and joint venture.

But the Commonwealth Hill tenements lie in the Woomera Prohibited Area (**WPA**) and parts of them lie within a zone known as the Corridor of Uncertainty. Well-publicised initiatives taken by the Department of Defence **after** the farm-in agreement was signed in November 2008 raise security of tenure issues for all mining companies with tenements in many parts of the WPA, including Commonwealth Hill. Until the Commonwealth Government releases a clear, transparent and unambiguous policy as to the conditions under which orebodies discovered in the WPA (and in particular in the high investment-risk parts of it) can be mined it is WPG's view that further exploration expenditure at Commonwealth Hill would be imprudent.

The withdrawal from the Commonwealth Hill farm-in and joint venture will allow WPG to focus more of its resources on its flagship Peculiar Knob DSO iron ore project, which is not in a high-risk part of the WPA. A further drilling program is scheduled to commence at Peculiar Knob early in the New Year.

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ABN 51 109 426 502

Level 9, Kyle House

27-31 Macquarie Place

Sydney NSW 2000

Telephone (+612) 9251 1044

Facsimile (+612) 9247 3434

info@westernplainsresources.com.au

www.westernplainsresources.com.au

WPG's strategy of having Peculiar Knob fully permitted and its development fully funded (subject to port access) during H1 2010 remains on track.

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 General Counsel on (02) 9247 7359 or 0419 473 925.