

ASX and Media Release

Quarterly activities report December quarter 2009

HIGHLIGHTS

- ❖ MOU agreement signed with Flinders Ports Pty Ltd for the export of iron ore from Peculiar Knob through Port Pirie or Port Adelaide.
- ❖ Execution of a compensation agreement with a pastoral leaseholder for the construction of the Peculiar Knob haul road and other mine infrastructure.
- ❖ An independent review of the metallurgical data from Peculiar Knob has confirmed the attractive market characteristics of the saleable products, and particularly the fines fraction.
- ❖ A further drilling program has been designed for Peculiar Knob and this work will be undertaken early in 2010.
- ❖ WPG has set a goal of having Peculiar Knob fully permitted and financed so that a commitment to project development can be taken early in H2 2010.
- ❖ The drilling program to better outline the Penrhyn coal deposit has been designed and it will also be undertaken early in 2010.
- ❖ WISCO has agreed to a further three months extension to the period in which all conditions precedent for the Hawks Nest magnetite joint venture must be obtained, and the Department of Defence has extended WPG's Hawks Nest access agreement for a further two month period.
- ❖ WPG understands the Commonwealth's review of the conditions under which future exploration and mining can be undertaken inside the Woomera Prohibited Area will be finalised early in 2010.
- ❖ WPG has withdrawn from the Commonwealth Hill farm-in and joint venture.

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SOUTH AUSTRALIAN PROJECT ASSETS

The locations of the Company's South Australian project assets are shown in Figure 1.

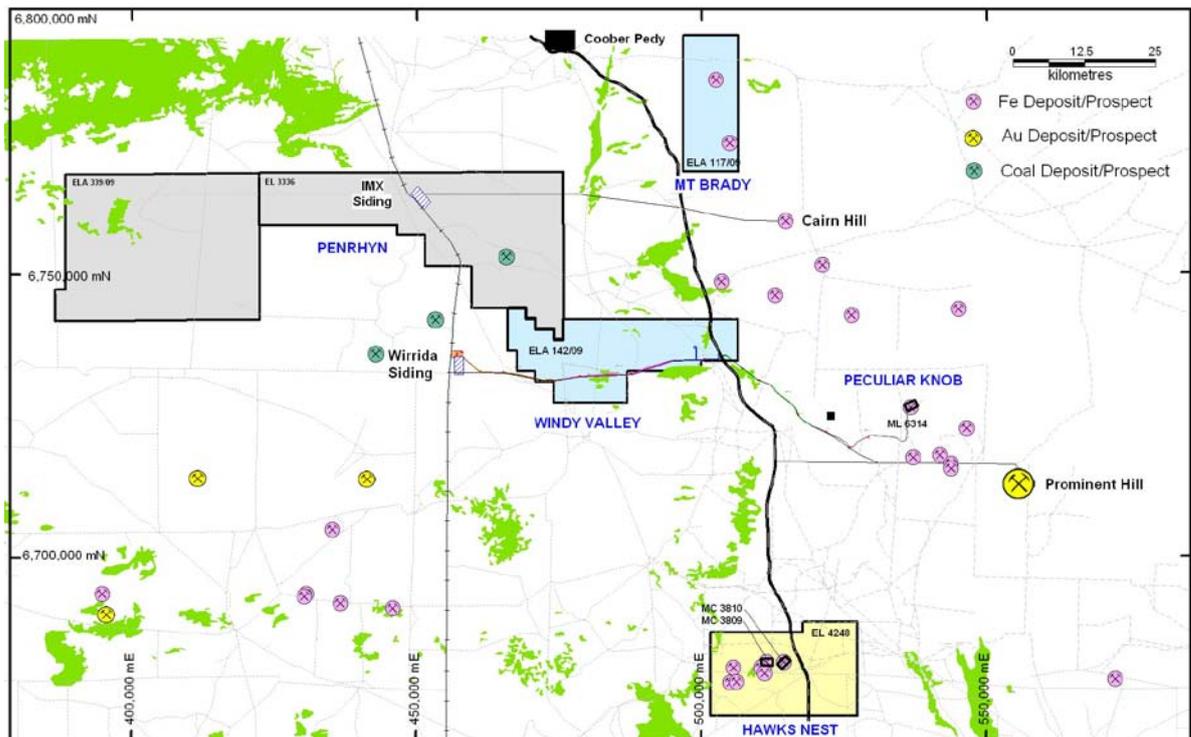


Figure 1
Location of Project Assets in South Australia

SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's direct shipping (**DSO**) iron ore projects in South Australia lie on the Peculiar Knob mineral lease, ML 6314 and on the Buzzard mineral claim MC 3810 at Hawks Nest. WPG holds its interests in all these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

The locations of these tenements and the infrastructure required to enable the development of the Peculiar Knob deposit are shown in Figure 2. The haul road alignment was changed slightly during the quarter to accommodate a request from a pastoral leaseholder to allow better access to a dam for stock.

No technical fieldwork was conducted on the Company's DSO project during the quarter and its technical status remains as summarised in the June 2009 quarterly report.

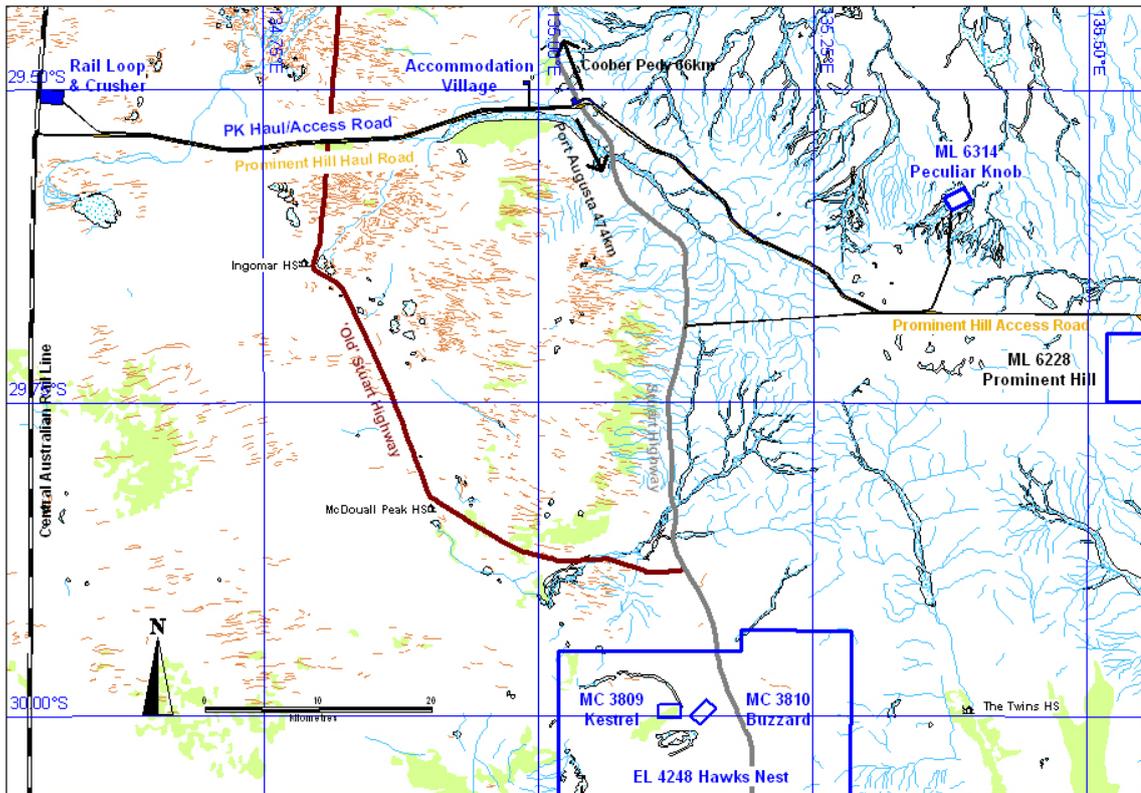


Figure 2
Peculiar Knob Tenement Locations and Proposed Infrastructure

Cargo logistics proposal for the export of Peculiar Knob ore

WPG and Flinders Ports Pty Ltd have entered into an MOU agreement for the interim handling, storage and shiploading of iron ore from Peculiar Knob.

Pursuant to the MOU agreement, the parties will cooperate to develop a detailed set of protocols backed by appropriate contracts between them for the export of ore through Port Pirie or Port Adelaide, existing ports owned by Flinders Ports, before the end of H1 2010.

Flinders Ports will be responsible for obtaining all third party and regulatory approvals necessary to give effect to the agreement.

WPG remains committed to the development of a new purpose-built iron ore export facility at Port Bonython but is not prepared to wait until it becomes available before developing Peculiar Knob.

Compensation agreement with pastoralist

During the quarter the Company and a pastoralist signed a compensation agreement that allows for the construction of the key part of the Peculiar Knob haul road, the accommodation village, crushing plant, and rail loading facility.

Metallurgical review

During the quarter the Company's independent consultant metallurgist completed a further review of the metallurgical testwork conducted on samples from the three large diameter core holes drilled in 2007. This review confirmed the attractive high Fe grade of the fines product and also the very low levels of alumina and phosphorus. The review also confirmed that, when compared with other Australian fines, the amount of ultra fine material is very low, as shown in Figure 3. This latter property will have advantages for the sintering operation allowing for a more permeable mix of feed material and a lower moisture level needed to control dust which would help to improve transport costs and volumes.

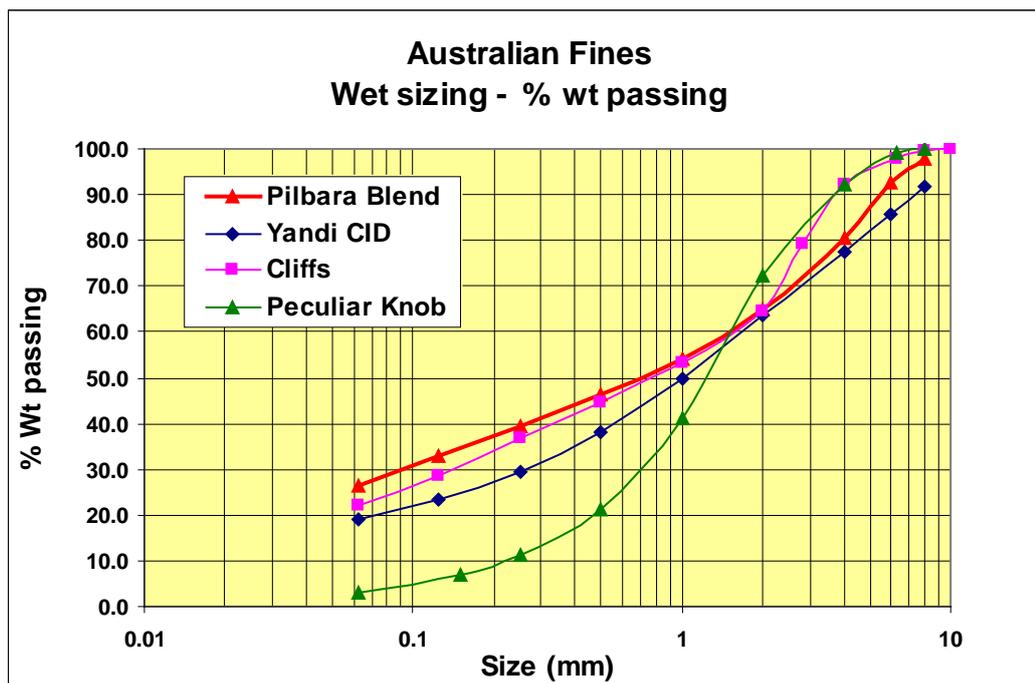


Figure 3
Metallurgical Characteristics of Peculiar Knob ore

Metallurgical testwork has shown that some 35% of the run of mine ore will report to the lump fraction, and 65% to the fines. Because only three metallurgical holes were drilled in 2007 the amount of data available to fully assess the metallurgical characteristics of the lump fraction in particular is relatively limited. An additional drilling program has been proposed in order to obtain further data to assist with the definition of product specifications.

Proposed drilling program – March quarter

The Company will carry out a further diamond and RC percussion drilling program at Peculiar Knob during the March quarter. Five large diameter inclined diamond core holes will be drilled into the upper part of the orebody to provide supplementary geological information and to provide samples for the additional metallurgical testwork referred to above. Two inclined RC percussion holes will also be drilled at the eastern end of the deposit to test a revised geological interpretation that the massive haematite mineralisation may have been off-set by a cross fault and thereby continue beyond the limit of the previous drilling.

Indicative development timetable

WPG intends to have Peculiar Knob fully permitted and financed so that commitment to project development can be taken early in H2 2010.

SOUTH AUSTRALIAN MAGNETITE PROJECT

The Company's magnetite project in South Australia lies on the Hawks Nest exploration licence EL 4248 and the Kestrel mineral claim MC 3809, both of which are subject to the proposed WISCO joint venture. These tenements are also owned Southern Iron Pty Ltd.

No technical work was conducted on this project and its technical status remains as summarised in the Company's June 2009 quarterly report.

WISCO joint venture

WPG and WISCO agreed during the quarter to a further three month extension to the period in which all of the conditions precedent must be satisfied in order for the joint venture between them to proceed. The extended period now expires on 26 April 2010.

Hawks Nest access agreement

During the quarter the Department of Defence extended WPG's access agreement for exploration activities at Hawks Nest until 28 February 2010.

Commonwealth of Australia – whole of Government review of exploration and mining activities inside the WPA

WPG understands that the Commonwealth's review of the rules of engagement for future exploration and mining activities in the WPA is likely to be finalised in the first quarter of 2010.

WPG spent a considerable amount of time during the December quarter in assisting Defence and other Commonwealth departments and agencies to understand the likely size and scale of the Hawks Nest magnetite project if it proceeds and its economic impact on South Australia's and the Commonwealth's revenues, job creation opportunities, its impact on the development of infrastructure (including its role in underpinning the development of the iron ore export facility at Port Bonython) in rural and remote parts of the state, and the importance of the royalty revenue stream to the well being and future development of the native title claimants on whose land the project lies. WPG has stressed its willingness to vacate the mine site when requested by Defence, and to implement strategies and protocols that protect national security over and above those which are already built into the contracts between WPG and WISCO that were provided to Defence some six months ago.

COMMONWEALTH HILL FARM-IN

WPG has withdrawn from the Commonwealth Hill farm-in and joint venture.

This farm-in and joint venture was established between WPG and Apollo Minerals NL pursuant to a heads of agreement dated 17 November 2008.

WPG met its commitment to spend a minimum amount of \$90,000 within twelve months of signing the agreement, 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 lie in the WPA and parts of them lie within a zone known as the Corridor of Uncertainty. Initiatives taken by the Department of Defence **after** the November 2008 farm-in agreement was signed 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 like Hawks Nest and Commonwealth Hill) can be mined it is WPG's view that further exploration expenditure here would be imprudent.

NORTHERN GAWLER CRATON EXPLORATION PROJECT

Exploration licence applications ELAs 117/09 Mt Brady and 142/09 Windy Valley that were lodged in the June quarter have both been offered for grant by PIRSA, and WPG has accepted PIRSA's offer. No exploration will be carried out until the formal licence instruments are received and exploration access agreements with Defence are executed. However discussions have been held with potential joint venture farm-in partners for the Mt Brady project. Both tenements cover zones of complex magnetic character that indicate potential for banded iron formation and DSO haematite iron ore deposits.

PENRHYN COAL PROJECT

WPG has an option to acquire EL 3336 Robins Rise and ELA 339/09 Lake Woorong from Stellar Resources Limited. These adjoining tenements cover an area of 1,707 square kilometres and are situated south of Coober Pedy in close proximity to the Company's other projects in the northern Gawler Craton.

During the quarter the Company designed a program of exploration diamond drilling that will involve 600 metres in 4 holes on the Penrhyn coal deposit within EL 3336. This EL is not thought to be in a high investment risk part of the WPA, though confirmation of this awaits the release of the Commonwealth's WPA mining policy previously referred to. The holes are designed to provide information concerning the width of the coal bearing basinal structure near its interpreted central point and will be sited at 1 km intervals on a cross traverse perpendicular to the interpreted elongate trend of the basin. The drilling will also provide information on the thickness and continuity of the individual coal seams as well as providing samples for thermal and other coal quality test work.

Aboriginal heritage clearances were carried out on the four sites during the quarter. An EWA was lodged with PIRSA and approved.

It is anticipated that this program will commence in the first quarter 2010.

Competent Persons

The review of hard rock exploration activities and results 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 review of exploration activities and results for the Penrhyn coal deposit contained in this report are based on information compiled by Mr Tom Bradbury, a Member of the Australasian Institute of Mining and Metallurgy. He is a senior geologist with Geos Mining, and a consultant to the Company. He has sufficient experience which is relevant to the style 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). Tom Bradbury has consented in writing to the inclusion in this announcement 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) 9247 3232 or 0412 234 684, or Heath Roberts, Executive Director and Company Secretary on (02) 9247 7359 or 0419 473 925.