



ASX and Media Release

Sale of iron ore from the Peculiar Knob mine

Western Plains Resources Limited (ASX:WPG) is pleased to advise that it has executed MOU agreements with customers for the sale of a total of some 9 million tonnes of iron ore fines over a period of 5 years commencing in H2 2011, from its Peculiar Knob project south of Coober Pedy in South Australia.

The MOU agreements contain provisions to extend the life of the sales arrangements beyond 5 years, under agreed circumstances.

It is WPG's and its customers' intention that these non binding MOUs will be converted into binding sales contracts when the commitment to project development is taken. Sales will be made at market clearing prices on a quality adjusted basis, using a mix of CNF and FOB pricing.

As a result of recent enquiries, it is likely that essentially all of the project's entire production for the first 5 years will be the subject of similar MOU agreements with other customers, within the next few weeks or months.

WPG and Flinders Ports Pty Ltd entered into an MOU agreement for the handling, storage and shiploading of iron ore from Peculiar Knob earlier this year. The two parties agreed to develop a detailed set of protocols backed by appropriate contracts between them for the export of ore, before the end of H1 2010. WPG still expects this timetable will be met.

WPG intends to take the decision to commit to project development at Peculiar Knob in H2 2010. Export sales of at least 2-3 million tonnes per annum are expected to commence in H2 2011.

To the best of WPG's knowledge, Peculiar Knob is the highest grade undeveloped direct shipping iron ore deposit in Australia, with the lowest levels of the key impurities alumina and phosphorus.

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For further information please contact WPG's Executive Chairman Bob Duffin on (02) 9247 3232 or 0412 234 684, or Heath Roberts on (02) 9247 1044.



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