

17 November 2009

- **FULLY UNDERWRITTEN RIGHTS ISSUE TO RAISE APPROXIMATELY A\$8.33 million**
- **PATERSONS SECURITIES LIMITED - LEAD MANAGER & UNDERWRITER**

The directors of Western Desert Resources Ltd (ASX Code: WDR) ("**WDR**") are pleased to announce a fully underwritten one (1) for five (5) renounceable pro rata entitlement issue of up to 20,825,019 new shares in WDR based on the undiluted share capital of WDR as at 17 November 2009 (without taking into account the impact of rounding) at an issue price of A\$0.40 per new WDR share (**Rights Issue**).

The issue price represents a discount of approximately 32% to the volume weighted average price of WDR shares during the 5 trading day period to, and including, Wednesday, 4 November 2009, being the last day on which WDR shares traded on ASX prior to preliminary announcement of the Rights Issue on 9 November 2009.

The Rights Issue is renounceable. This means that Shareholders who do not wish to accept all or part of their entitlement under the Rights Issue may sell that part of their entitlement that they do not wish to accept either on ASX or off-market during the rights trading period and may sell their entitlement to a third party who need not be another Shareholder of WDR.

Patersons Securities Limited (**Underwriter**) has agreed to fully underwrite the Rights Issue for a fee equal to 5% of the total amount underwritten by it. As a result, the Rights Issue will raise gross proceeds of approximately \$8.33 million (before costs and expenses of the Rights Issue).

After payment of the costs and expenses of the Rights Issue, the proceeds from the Rights Issue will be applied towards:

- exploration of WDR's 100% owned Mountain Creek Iron Ore Project, adjacent to WDR's Roper Bar Iron Ore Project;
- further exploration of the Rover Gold/Copper Project, a joint venture with TNG Ltd located south of Tennant Creek in the Northern Territory. WDR is currently earning a 51% interest in this project and has the option to earn 80%;
- evaluation and assessment of the Roper Bar Iron Ore Project, a joint venture with the ITOCHU subsidiary, IMEA Exploration and Development of Australia Pty Ltd (IEDA). IEDA holds a 20% interest in this project and has the right to earn up to 51%;
- additional exploration of WDR's other existing gold, uranium and base metals projects;
- the potential expansion of WDR's iron ore and base metals asset portfolio; and
- general working capital requirements.

The Rights Issue will be conducted without a prospectus in accordance with the new streamlined offering provisions of the Corporations Act.

Shares being offered under the Rights Issue will only be offered to registered holders of shares with registered addresses in Australia or New Zealand as at 6.30 pm Adelaide time on Wednesday, 25 November 2009.

Holders of existing options to subscribe for WDR shares have been given notice of their right to exercise their options in order to be eligible to participate in the Rights Issue in respect of the shares underlying their options.

Shareholders who accept their full entitlement under the Rights Issue will also have the opportunity to apply for additional new shares that are not subscribed for in the Rights Issue. Acceptance of such applications will be at the discretion of the Underwriter (in consultation with the WDR Directors). Neither the Company nor the Underwriter guarantees that a Shareholder who applies for additional shares will receive them.

WDR announced on 9 November 2009 that acceptance of applications for any shortfall under the Rights Issue would be at the discretion of its directors, however, due to Patersons Securities Limited fully underwriting the Rights Issue, it has been agreed that this discretion will rest with the Underwriter to be exercised in consultation with the WDR Directors.

Full details of the Rights Issue, including details of the underwriting, are set out in the Offer Memorandum and Appendix 3B lodged with the Australian Securities Exchange (**ASX**) today.

The anticipated timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue – announcement of Rights Issue, Offer Memorandum and ASX Appendix 3B lodged with ASX	Tuesday, 17 November 2009
Notice to Shareholders – notice sent to Shareholders containing information required by Appendix 3B	Wednesday, 18 November 2009
Ex date and Rights trading commences – the date on which Shares commence trading without the entitlement to participate in the Rights Issue and Rights trading commences	Thursday, 19 November 2009
Record date – the date for determining entitlements of Shareholders to participate in the Rights Issue	Wednesday, 25 November 2009
Offer Memorandum sent to Shareholders – despatch of Offer Memorandum and Entitlement and Acceptance Forms, and lodgement of cleansing notice – Rights Issue opens for acceptances	Monday, 30 November 2009
Last day of Rights trading	Monday, 7 December 2009
Securities quoted on a deferred settlement basis	Tuesday, 8 December 2009
Closing Date – The last day for receipt of acceptance forms (5.00pm Adelaide time)	Monday, 14 December 2009

Shortfall notification date	No later than Thursday, 17 December 2009
Despatch date – Allotment of New Shares. Deferred settlement trading ends	No later than noon (Adelaide time) on Tuesday, 22 December 2009
Expected commencement of normal trading in New Shares on ASX	Wednesday, 23 December 2009
Despatch of holding statements to persons who accepted the Rights Issue	Tuesday, 29 December 2009

WDR reserves the right to amend this timetable subject to the Listing Rules and the terms of the underwriting agreement.

In the interests of ensuring the market is fully informed, set out below is the information WDR would have been required to notify to ASX under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (the **Act**) had WDR been obliged to lodge with ASX a cleansing statement in relation to the Rights Issue at the time of announcing the Rights Issue:

- (1) the securities being offered under the Rights Issue will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (2) as at the date of this announcement WDR has complied with the provisions of Chapter 2M of the Act as they apply to WDR and section 674 of the Act;
- (3) as at the date of this announcement there is no information that is excluded information under section 708AA(8) and (9) of the Act that has not already been disclosed to investors generally or in the Offer Memorandum and Appendix 3B lodged with ASX today;
- (4) the maximum effect the Offer could have on the control of WDR is an increase in the percentage of the total issued share capital of WDR held by the Underwriter, from 0% to a maximum of 16.67%. This increase in voting power would only occur in the unlikely circumstances that all shareholders decide not to take up their entitlement under the Rights Issue, all sub-underwriters to the Rights Issue renege on their obligations to subscribe for the shortfall, and the Underwriting Agreement is not terminated.
- (5) the consequences of the potential effect on control of WDR referred to in paragraph (4) above will be an increase in the voting power of the Underwriter by an amount equal to the percentage increase in its control of WDR's undiluted share capital. The maximum voting power that the Underwriter could have post the Rights Issue is 16.67%.

Shareholders with queries concerning the Rights Issue should contact Computershare Investor Services Pty Ltd on 1300 651 474 or the Company Secretary, Laurie Ackroyd, on 08 8177 8800.