



November 5th, 2009

ASX &amp; TSX: WSA

## News Release

**24% INCREASE IN CONTAINED NICKEL IN ORE RESERVES AT FLYING FOX**

The Board of Western Areas is pleased to announce a significant increase in the Probable Ore Reserve within the T4 and T5 deposits at the Flying Fox Mine. The results confirm Flying Fox is probably one of the most continuous and highest grade nickel mines in the world.

The T5 Probable Ore Reserve has increased from 843,000 tonnes at an average grade of 5.9% nickel containing 49,500 tonnes of nickel to **1,044,300 tonnes at an average grade of 5.6% nickel containing approximately 58,820 tonnes of nickel.**

The T4 Probable Ore Reserve has increased from 247,400 tonnes at an average grade of 2.4% nickel containing 6,480 tonnes of nickel to **298,700 tonnes at an average grade of 3.9% nickel containing approximately 11,730 tonnes of nickel.**

The remnant Probable Ore Reserve at the T1 deposit is now 38,000 tonnes at an average grade of 3.5% nickel containing 1,310 tonnes of nickel.

Total Probable Ore Reserves at Flying Fox are now approximately **1.38 million tonnes at an average grade of 5.2% nickel containing 71,860 tonnes nickel.** The combined T4 and T5 ore reserves now extend continuously over 450m vertical extent (refer to Figure 1).

**The conversion of Mineral Resources to Ore Reserves at Flying Fox remains high at 95% and the reconciliation of Ore Reserves to nickel mined to date is 105%.**

**Table 1: Ore Reserve Table - Flying Fox**

Deposit	Category (JORC)	Tonnes	Grade (Ni%)	Contained Ni (tonnes)
T1	Probable Ore Reserve	38,000	3.5%	1,310
T4	Probable Ore Reserve	298,700	3.9%	11,730
T5	Probable Ore Reserve	1,044,300	5.6%	58,820
<b>TOTAL</b>		<b>1,381,000</b>	<b>5.2%</b>	<b>71,860</b>

The revised Ore Reserve is a 21% increase in tonnes, 3% increase in average grade and 24% increase in contained nickel compared with the depleted Ore Reserve at 30<sup>th</sup> September 2009.

**Mine Development and Drilling Priorities**

Substantial mine development has already been established in T4 and stoping from this area of the mine is expected to commence in December. In addition, the mine decline is currently at approximately 890m depth and is expected to be in a position to access the high grade Lewinsky Lode at the top of T5 in December. The rate of production of high grade ore at Flying Fox is expected to increase significantly starting in the March quarter 2010.

The 630m RL drill drive is now complete and three underground drill rigs have commenced drilling. The initial purpose of this drilling is to upgrade the mineral resource in the upper part of the Lounge Lizard deposit and the southern part of the T5 deposit.

The Company is also considering initial surface or underground drilling to test the T6 and T7 deposits (below T5), north of the current limit of drilling. This area is considered to have excellent potential for further extensions of high grade mineralization at Flying Fox.

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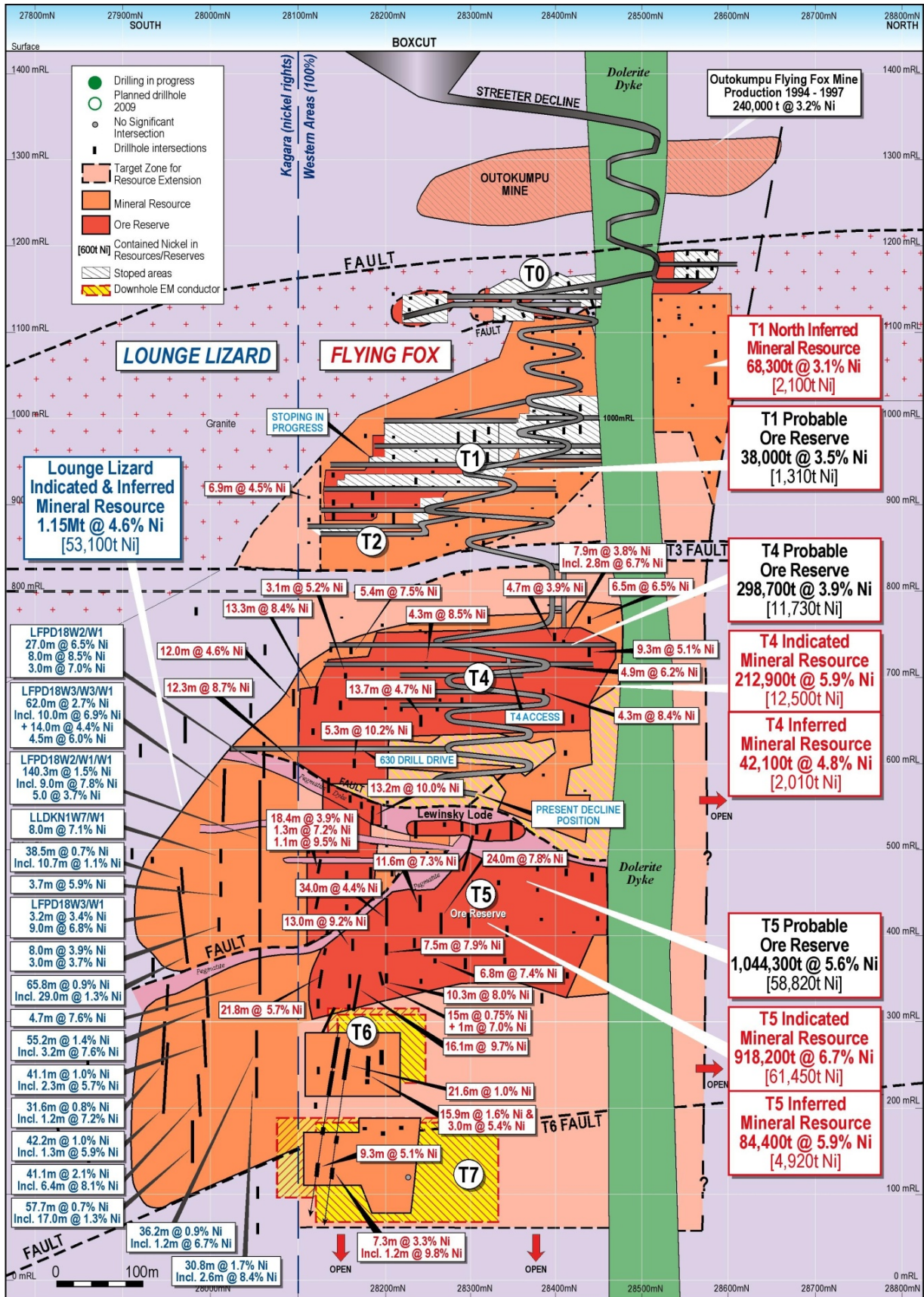


Figure 1: Interpretative Long Projection of Flying Fox. (Note: drill hole intersections are down hole widths)

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## Ore Reserve Parameters

The following parameters were used to estimate the revised T5 Probable Ore Reserve.

**Table 1: Estimation and Reporting of Flying Fox Ore Reserves**

Criteria	Explanation
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	The estimation of the Flying Fox T4 and T5 Ore Reserve was based on the geological interpretation and models produced by John Haywood, Geology Manager for Western Areas NL. Only Indicated Resources have been used in the estimation of the Ore Reserve.
<i>Study Status</i>	Life of Mine Planning for operating mine.
<i>Cut-off Parameters</i>	An incremental cut off of 1.5% Ni was used for a minimum mining width 3.2m .
<i>Mining Factors or assumptions</i>	Planned dilution is considered as that waste material that must be mined in order to achieve the required MMW. Unplanned dilution was applied as a continuous “sheet” of waste applied to the strike length and height of the individual stopes. Unplanned dilution includes for dilution from the footwall and hangingwall. In addition, backfill (floor) dilution is applied to the floor area for the individual stopes.  Net factors for unplanned dilution of 3% and ore loss of 4% were assigned.  Planned dilution is assigned at the grade reporting from the block model. All unplanned dilution is assumed at 0% Ni grade.
<i>Metallurgical factors or assumptions</i>	Metallurgical nickel recovery factor relationships based upon grade and ore type have been used for the purposes of evaluating the COG criteria based on testwork and actual processing activities carried out to date.  Penalty element levels are assumed to be negligible on the basis of testwork performed to date.
<i>Other</i>	Ongoing drilling of the Flying Fox T4 and T5 mineral resource continues.
<i>Classification</i>	Only Indicated Resources have been used to produce this Probable Ore Reserve.
<i>Audits or reviews</i>	No external review of the Ore Reserve estimate has been carried out.

**QA-QC STATEMENT:** Mr Adrian Black from geological consultants Newexco Services Pty Ltd (“Newexco”) and Mr John Haywood of Western Areas NL are responsible for the verification and quality assurance of the Company’s exploration data and analytical results from the Forrestania Nickel Project. Surface diamond drill hole collar surveys used differential GPS, downhole surveys employed a north seeking gyroscopic instrument; comprehensive density database; high assay confidence with systematic QA/QC procedures; and validated database. Samples of quarter core from the drill holes described in this release are prepared and analysed by ALS Chemex Ltd laboratory in Perth for nickel, copper, cobalt and other elements. Core samples are crushed and pulverised to 90% passing 75 microns then analysed for nickel by ore grade determination using the ALS OG-62 method. Assays standards are routinely inserted in the sample stream by Newexco for quality control.

The information within this report as it relates to mineral resources is based on data compiled by Mr John Haywood and Mr Dan Lougher of Western Areas NL. The information within this report as it relates to Ore Reserves is based on data compiled by Mr Marco Orunesu, Mr Shannon Peet and Mr Dan Lougher of Western Areas NL. Mr Haywood, Mr Orunesu, Mr Peet and Mr Lougher are members of AusIMM and full time employees of the Company. Mr Haywood, Mr Orunesu, Mr Peet and Mr Lougher have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.’ Mr Haywood Mr Orunesu, Mr Peet and Mr Lougher consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

**FORWARD LOOKING STATEMENT:** This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: “The results confirm Flying Fox is probably one of the most continuous and highest grade nickel mines in the world”, and, “mine decline is currently at approximately 890m depth and is expected to be in a position to access the high grade Lewinsky Lode at the top of T5 in December. The rate of production of high grade ore at Flying Fox is expected to increase significantly starting in the March quarter 2010”, and, “The initial purpose of this drilling is to upgrade the mineral resource in the upper part of the Lounge Lizard deposit and the southern part of the T5 deposit”, and, “This area is considered to have excellent potential for further extensions of high grade mineralization at Flying Fox.”

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These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

This announcement does not include reference to all available information on the Company or the Forrestania Nickel Project and should not be used in isolation as a basis to invest in Western Areas. Any potential investors should refer to Western Area's other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

For Purposes of Clause 3.4 (e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

-ENDS-

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