ASX ANNOUNCEMENT

29 July, 2010



Western Desert Resources, a diversified resources business with a portfolio of quality mineral exploration assets in the Northern Territory.

Western Desert Resources' business is built on the exploration of its substantial portfolio of iron ore, gold, base metals and uranium projects in the world-class mining provinces of Australia and will continue to grow through the generation and acquisition of new opportunities and resources.

FAST FACTS

ASX Code WDR Issued Shares 135m Market Cap A\$51M Cash & Investments A\$6.5M

DIRECTORS

Norm Gardner MD
Mick Ashton Director
Graham Bubner Director
David Cloke Director
Phillip Lockyer Director

COMPANY HIGHLIGHTS

Iron Ore

- Roper Bar & Mountain Creek projects (NT)
- · Hematitic iron ore
- Total Inferred Mineral Resource 116Mt @ 39% Fe including potential DSO of 7Mt @ 59% Fe
- Low Impurities
- Aggressive exploration planned
- Proximity to coast and markets

Gold / Copper

 East Rover Project near Tennant Creek (NT)

CONTACT DETAILS

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DRILLING COMMENCES AT ROPER BAR IRON ORE PROJECT

Key Points:

- 23,000m of infill resource drilling in Areas D, E and F.
- 10,000m of initial resource drilling in Areas B and C.
- Three drilling rigs on site by end of August.
- Exploration drilling planned for Mountain Creek.

The Directors of Western Desert Resources Limited (**ASX: WDR**) are pleased to announce that drilling commenced at the Roper Bar Iron Ore Project in the Northern Territory today with one RC percussion rig. Further rigs will arrive in August.

The start of the 2010 drilling program follows one week after WDR acquired the outstanding 20% interest in the Roper Bar Project. WDR now holds 100% of the Roper Bar project.

WDR plans to drill approximately 23,000m of infill resource drilling in Areas D, E and F. Initial resource drilling totalling approximately 10,000m in Areas B and C is also planned (Figure 1). Exploration drilling will also be undertaken in untested areas elsewhere at Roper Bar and at Mountain Creek.

Western Desert Managing Director Norm Gardner said the Company was pleased the drilling program is now underway after an extended delay due to extreme wet conditions earlier in the year, which washed out roads and restricted access to site.

"While we waited to get on the ground, WDR has been working on the project's Scoping Study. Project development is being planned around two stages - a Direct Shipping Ore (DSO) component and a gravity separation beneficiation component," Mr Gardner said.

"WDR plans to have three rigs on site by the end of August. Our goal is to drill up the resources to underpin our Scoping Study, prior to working on the Pre-feasibility Study for both stages."

The first assay results from the drilling program are expected to be available in mid to late August and regular updates will be given as the program progresses.



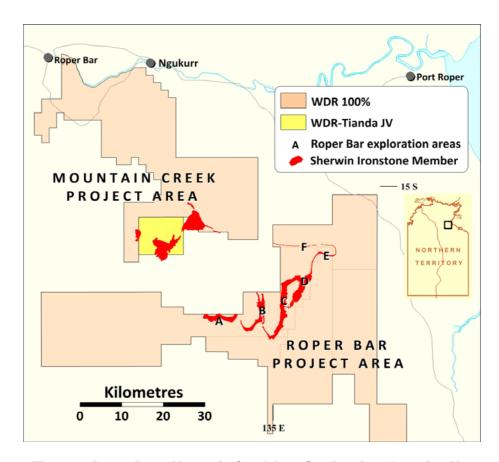


Figure 1: Roper Bar – Mountain Creek Iron Ore Province Location Map

The Roper Bar Iron Ore Project covers about 1,200 square kilometres within six granted exploration licences and includes an estimated 55 square kilometres of outcrop of the target Sherwin Formation which hosts extensive hematitic iron ore horizons.

Last year, Inferred Mineral Resources of 116Mt @ 39% Fe, including a DSO component, were estimated from a limited drilling program over a small part of the outcropping Sherwin Formation.

WDR also has 100% of the adjacent Mountain Creek iron ore project, which contains the continuation of the Sherwin Formation and will be the subject of initial drilling this year.

For further information please contact:

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Competent Person's Statements

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by John Fabray who is a member of the Australasian Institute of Mining and Metallurgy. Mr Fabray is a full time employee of Western Desert Resources Ltd and has sufficient experience relevant to the styles of mineralisation under consideration and to the subject matter of the report to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Fabray consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.