ASX ANNOUNCEMENT

3 May, 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 130m Market Cap A\$76M Cash & Investments A\$9.6M

DIRECTORS

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

COMPANY HIGHLIGHTS

Iron Ore

- Roper Bar JV & Mountain Creek projects (NT)
- Hematitic iron ore
- Total Inferred Mineral Resource 116Mt @ 39% Fe including potential DSO of 7Mt @ 59% Fe (Roper Bar JV)
- 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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WESTERN DESERT SECURES 100% INTEREST IN ROPER BAR IRON ORE PROJECT

Key Points:

- Western Desert to buy-back Itochu's 20% interest, including marketing rights.
- Deal allows Western Desert to regain 100% control over Roper Bar – Mountain Creek iron ore province.
- Accelerated exploration program to commence in 2010.

Western Desert Resources Limited (**ASX: WDR**) is pleased to announce that it today entered into a binding agreement with Roper Bar Farm-in partner IMEA Exploration and Development of Australia Pty Ltd ("IEDA"), a wholly owned subsidiary of Itochu, to buy back IEDA's 20% interest in the Roper Bar project.

The agreement means WDR will, subject to obtaining ministerial approval to the acquisition, regain 100% ownership of this emerging iron ore region in the Northern Territory.

The Roper Bar iron ore project comprises six granted exploration licences containing extensive hematitic iron ore horizons within the Sherwin Ironstone Member. To date Inferred Mineral Resources of 116Mt @ 39% Fe including a DSO component have been established from a limited drilling program last year over a small part of the outcropping Sherwin Ironstone Member.

In December 2008, WDR and IEDA entered into a Farm-in and Joint Venture agreement pursuant to which IEDA purchased an initial 15% interest in the project and WDR granted it the right to spend up to A\$15 million over three phases to increase IEDA's equity in the project to 51%. The agreement included the right for IEDA to market 100% of production from the project if the parties proceeded to a joint venture. In 2009 Itochu completed phase one expenditure increasing their interest to 20% and is currently part way through its phase two expenditure commitment.

Under the Sale and Purchase Agreement, WDR's wholly owned subsidiary, WDR Iron Ore Pty Ltd, will acquire IEDA's 20% interest in the Roper Bar project for a cash consideration of A\$2.75 million. The transaction is conditional on WDR obtaining ministerial approval to the acquisition pursuant to the Mining Act (NT). IEDA will relinquish its marketing rights as a result of the transaction.

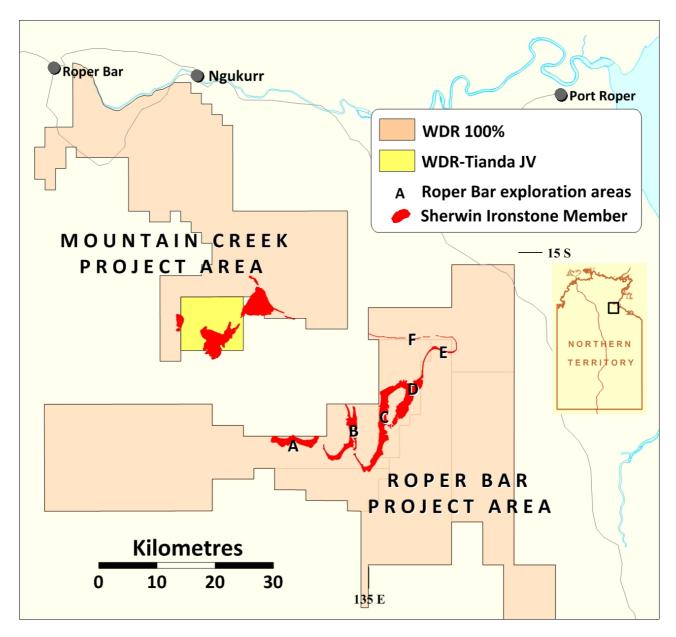
Norm Gardner, Managing Director of WDR said today "Results from the limited exploration to date demonstrate the Roper Bar project will deliver



commercial success in the current marketplace. The buy-back is an outcome of mutual benefit, which allows both parties to now focus on their respective strengths and corporate objectives.

The Roper Bar project covers about 1,200 square kilometres, including an estimated 55 square kilometres of outcrop of the target Sherwin Ironstone Formation. WDR also have 100% of the adjacent Mountain Creek iron ore project, which contains the continuation of the Sherwin Ironstone Member and will be subject of initial drilling later this year. In addition WDR announced in February the signing of a Joint Venture agreement with Tianda Resources to secure an interest in more ground with Sherwin Ironstone Member outcrop adjoining the Mountain Creek project area.

In field season 2010 WDR has an aggressive exploration campaign planned. This includes infill resource drilling at Roper Bar Areas D, E and F, initial resource drilling at Areas B and C, and initial exploration drilling in un-tested areas elsewhere at Roper Bar and at Mountain Creek.



Roper Bar – Mountain Creek Iron Ore Province Location Map

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.