



October 26th, 2010

ASX & TSX: WSA

News Release

Dear Shareholders,

APPOINTMENT OF FINANCE DIRECTOR

I am happy to advise you that the Board has appointed Mr David Southam as Executive Finance Director of Western Areas. David's appointment follows a lengthy Australia wide search for a suitable candidate. David will start work on Monday 15th November and I hope you will join us in welcoming him to the Company and to Western Areas' Board.

David has wide experience in executive and management roles not only in mining but also with industrial companies. He joins Western Areas from Gindalbie Metals Ltd where he was Chief Financial Officer and a Director for Karara Mining Ltd. David was responsible for raising US\$1.2 billion of project finance for Karara from China Development Bank and Bank of China. He also helped secure a life of mine offtake contract for iron ore with China's second largest steel producer, Ansteel. Prior to his employment at Gindalbie, David held senior management positions with Australian Railroad Group, Brambles Australia Ltd and previously with WMC Resources Ltd.

We believe that David has the qualities, energy and experience to fill this important role at Western Areas. David will bring new skills to the position and I am confident he will make a major contribution not only to financial management but also to the strategic growth of Western Areas, particularly with his experience in China. David will join a management team which has an excellent track record in all areas of Western Areas' activities including exploration, mining, processing, exporting and financing.



David Southam (Finance Director),

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WESTERN AREAS NL



Western Areas is a substantial Australian nickel company with long life assets, an outstanding team of motivated people and a clear growth strategy. Our two mines are achieving high levels of production, we are increasing nickel sales and are enjoying significant cash flows during a time of strong nickel prices.

The recent completion of the convertible bond restructure and the expansion of the management team will enable the Company to take advantage of new growth opportunities.

Yours sincerely,

Julian Hanna,
Managing Director.

FORWARD LOOKING STATEMENT: This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: "The recent completion of the convertible bond restructure and the expansion of the management team will enable the Company to take advantage of new growth opportunities".

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 or the Spotted Quoll, Flying Fox or New Morning deposits 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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