

12th September, 2012

ASX Compliance Pty Limited,
20, Bridge Street,
Sydney, NSW. 2000

Forwarded by email to cameron.bill@asx.com.au

Dear Cameron,

Western Desert Resources Limited ("WDR" or the Company) – Price & Volume Query.

Thank you for your telephone call and letter late this morning Wednesday 12th September 2012 to discuss the movement in the WDR share price and an increase in market volume from 7 September 2012. WDR responds to each of the questions listed in your letter.

1. The Company is not aware of any information that has not been announced to the market which explains the movement in recent trading of WDR securities.
2. The company is not in possession of any information requiring an announcement.
3. The Directors of WDR consider that the following factors have influenced the pricing and volume of the WDR securities:-
 - WDR was added to the S&P300 Listing (September Quarterly Rebalance) for the first time on 7th September 2012 which may have caused additional market interest in WDR securities.
 - Recent media articles drawing attention to a decline in Iron Ore demand and its reduction in pricing over the past 2-3 weeks has had a negative price and volume effect on WDR securities during that period. Announcements over the past two days of some upward improvement of Iron Ore prices have returned the WDR market pricing and volume to a level which the Directors believe reflects the potential of the Company.
 - WDR continues to develop its Roper Bar Iron Ore project towards production in mid 2013 which is widely known to the market.
4. The company believes it is in compliance with the listing rules and in particular listing rule 3.1.

Please contact me should the ASX require any further information.

Yours Sincerely,

Laurie Ackroyd,
Secretary and Chief Financial Officer.



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NSW 1215

12 September 2012

Mr Laurie Ackroyd
Chief Financial Officer/Company Secretary
Western Desert Resources Limited
Level 1, 26 Greenhill Road
Wayville SA 5034

Telephone 61 2 9227 0656
Facsimile 61 2 9241 7620
www.asx.com.au

By Email

Dear Mr Ackroyd,

Western Desert Resources Limited (the “Company”)

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company’s securities from 63.5 cents on 7 September 2012 to the intra-day high of 84 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company’s securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by **email to cameron.bill@asx.com.au**. It should not be sent to the Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 2:15 pm (E.S.T) today**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please contact me on (02) 9227 0656.

Yours sincerely,



Cameron Bill
Senior Adviser, Listings