



March 8, 2010

ASX & TSX: WSA

## News Release

### NEW NICKEL SULPHIDE DISCOVERY AT SANDSTONE JOINT VENTURE

The Boards of Western Areas NL and Troy Resources NL (ASX:TRY) are pleased to announce that diamond drilling has intersected a potentially significant zone of nickel sulphide mineralisation at shallow depth in 'Area C' of the Sandstone Joint Venture ("Sandstone JV"). Western Areas is earning 70% of the nickel rights to the Sandstone JV from Troy Resources.

Drill hole WAD002 intersected disseminated and vein style sulphides over a 30m interval starting from the base of oxidation to approximately 90m down hole depth. Preliminary Niton estimates (portable XRF analyser – refer to disclaimer) of the drill core returned spot values **from 1.0% to 1.5% nickel for the disseminated sulphides and up to 9.5% nickel for the vein sulphides**. Formal assays are required to confirm the Niton estimates in WAD002.

Diamond drilling commenced at Sandstone in early March to follow up anomalous nickel results intersected in shallow drilling in four different areas (Areas A to D). The previous results were reported in the December Q 2009 activities report. Areas A to D occur along a >7km long belt in the southern part of the Sandstone JV tenements (Figures 1 and 2). There is minimal outcrop or previous drilling along this belt and the intersection in WAD 002 is the first known significant occurrence of nickel sulphides reported at Sandstone.

The mineralisation in WAD002 is interpreted to strike parallel to an underlying, magnetic banded iron formation (Figure 2). There is insufficient information at this stage to estimate the true width of the sulphide zone. Mineralisation occurs as disseminated, blebby, veined and locally brecciated sulphides which increase between 76m to 86m down hole depth. The host is a strongly carbonated ultramafic sequence. Drill hole WAD 001 appears to have intersected the edge of the ultramafic sequence with minor sulphide to the north of WAD 002.

#### Drill hole parameters:

DRILL HOLE	COLLAR EASTING	COLLAR NORTHING	DRILL HOLE AZIMUTH	DRILL HOLE INCLINATION	END OF HOLE
WAD 001	729034	6887055	180	-60	204.9m
WAD 002	729005	6886985	090	-60	130m

#### Discussion

While the drilling at Sandstone is still at a very early stage, the results are already considered to be very encouraging. The association of prospective ultramafic rocks with nickel sulphide mineralisation in a favourable structural setting point to the outstanding potential of the Sandstone project, 400km north of Western Areas 100% owned Forrestania Nickel Project.

The Company has interests in six regional nickel projects (excluding Forrestania) in what is interpreted to be a major nickel province extending for 500km from the south coast of Western Australia to Sandstone (Figure 3). Including the recent results at Sandstone, there are four recent nickel discoveries on Western Areas projects' within this province, outside Forrestania.

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The discovery of nickel sulphides at Sandstone is the result of a professional and systematic program being undertaken by Western Areas' exploration team led by General Manager Charles Wilkinson and Site Project Geologist, Kurtis Dunstone. A second drill rig is being sourced to accelerate the drilling program and to start testing other targets along the belt.

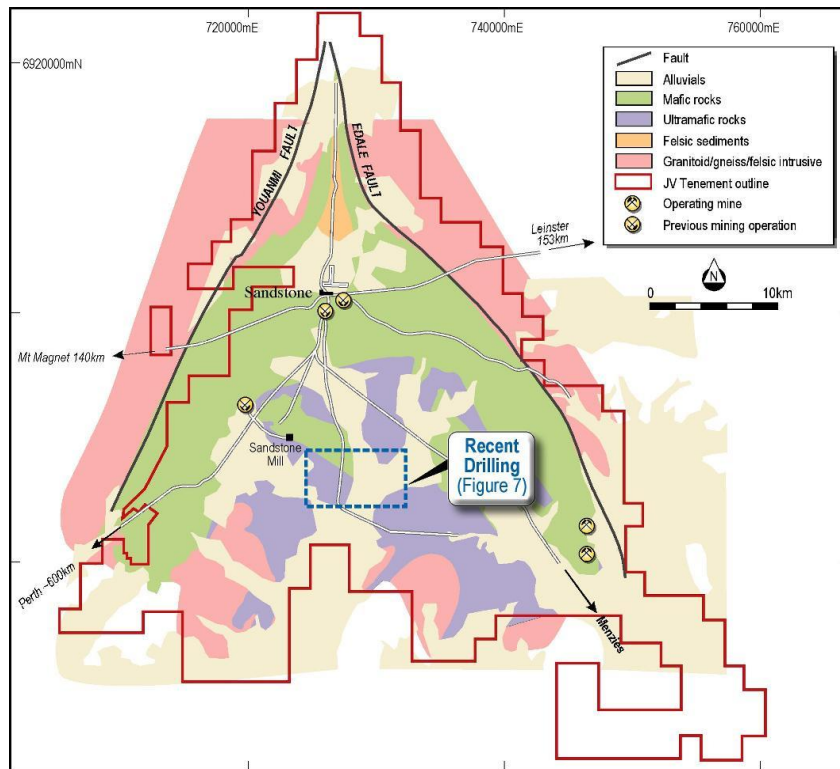


Figure 1: Interpretative geological plan of Sandstone JV showing prospective ultramafic sequence (mauve)

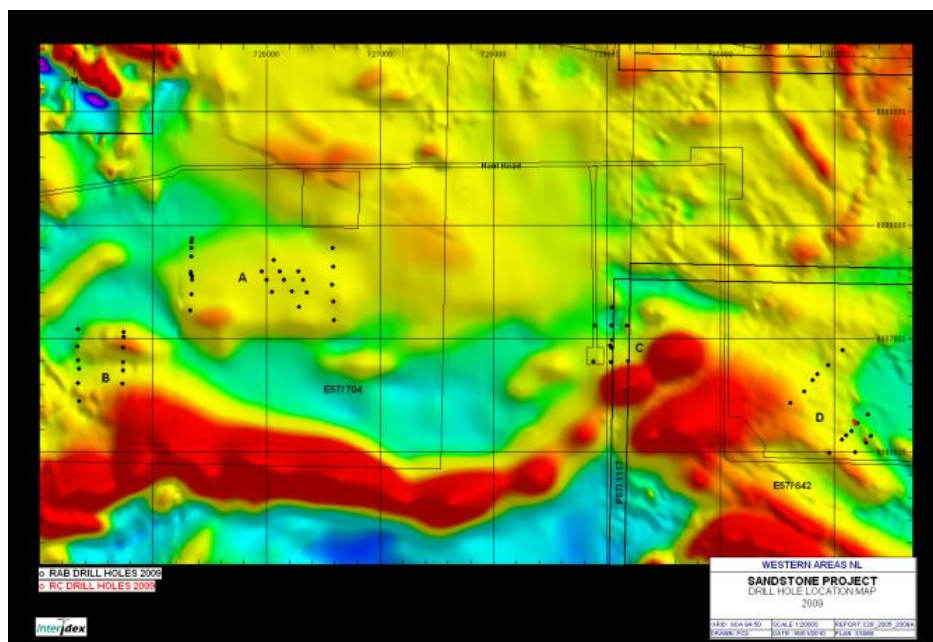


Figure 2: Magnetic Image of part of Sandstone JV showing location of recent shallow drilling in Areas A to D. Two diamond core drill holes have been completed in Area C up to the date of this release. Drilling is ongoing.

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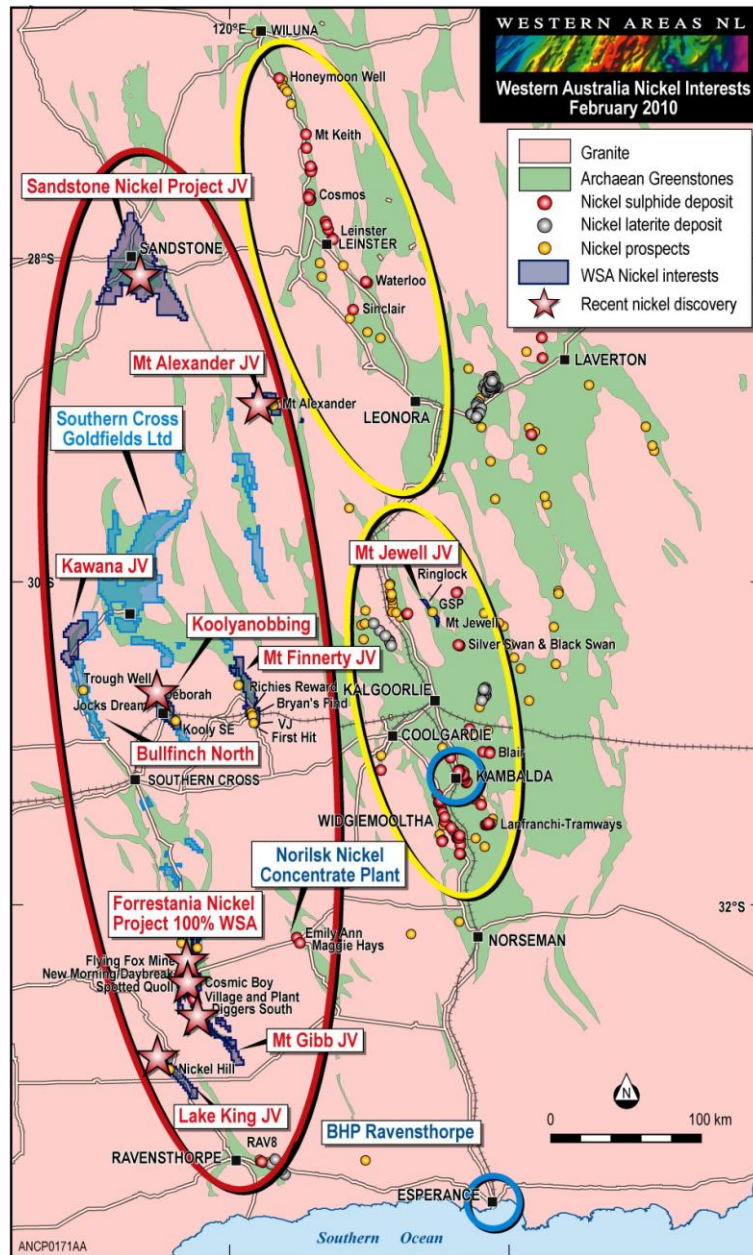


Figure 3: Central Yilgarn Nickel Province showing Western Areas project interests and recent nickel discoveries. (Note: since this map was prepared, Western Areas has withdrawn from the Mt Finnerty JV with Reed Resources)

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## For further details, please contact:

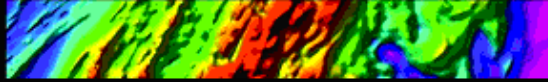
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**QA-QC STATEMENT:**

The information within this report as it relates to exploration results or mineral resources or ore reserves is based on information compiled by Mr Julian Hanna and Mr Charles Wilkinson. Mr Hanna and Mr Wilkinson are members of AusIMM and are full time employees of the Company. Mr Hanna and Mr Wilkinson 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 Hanna and Mr Wilkinson consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

**NITON PORTABLE XRF ANALYSER:**

The nickel grade estimates for drill holes WAD002 quoted in this release are indicative only and have been estimated from spot readings using a NITON XLt 592 portable analyser which is not JORC compliant.

**FORWARD LOOKING STATEMENTS:**

This release contains certain forward-looking statements. Examples of forward looking statements used in this release are: 'potentially significant zone of nickel sulphide mineralisation at shallow depth in 'Area C', and, 'Preliminary Niton estimates (portable XRF analyser – refer to disclaimer) of the drill core returned spot values from 1.0% to 1.5% nickel for the disseminated sulphides and up to 9.5% nickel for the vein sulphides', and, 'point to the outstanding potential of the Sandstone project'.

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.

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.