

9th September, 2009.

Company Announcements Office,
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WESTERN DESERT IN MAJOR EXPANSION OF NORTHERN TERRITORY IRON ORE FOOTPRINT

- Western Desert's NT iron exploration footprint expanded by 1,000 km², with granting of new 100% owned licence in emerging Roper Bar iron ore province.
- Early reconnaissance sampling confirms high-grade hematite mineralisation up to 61% Fe, with low phosphorous and aluminium levels.
- Detailed mapping and sampling to commence immediately.

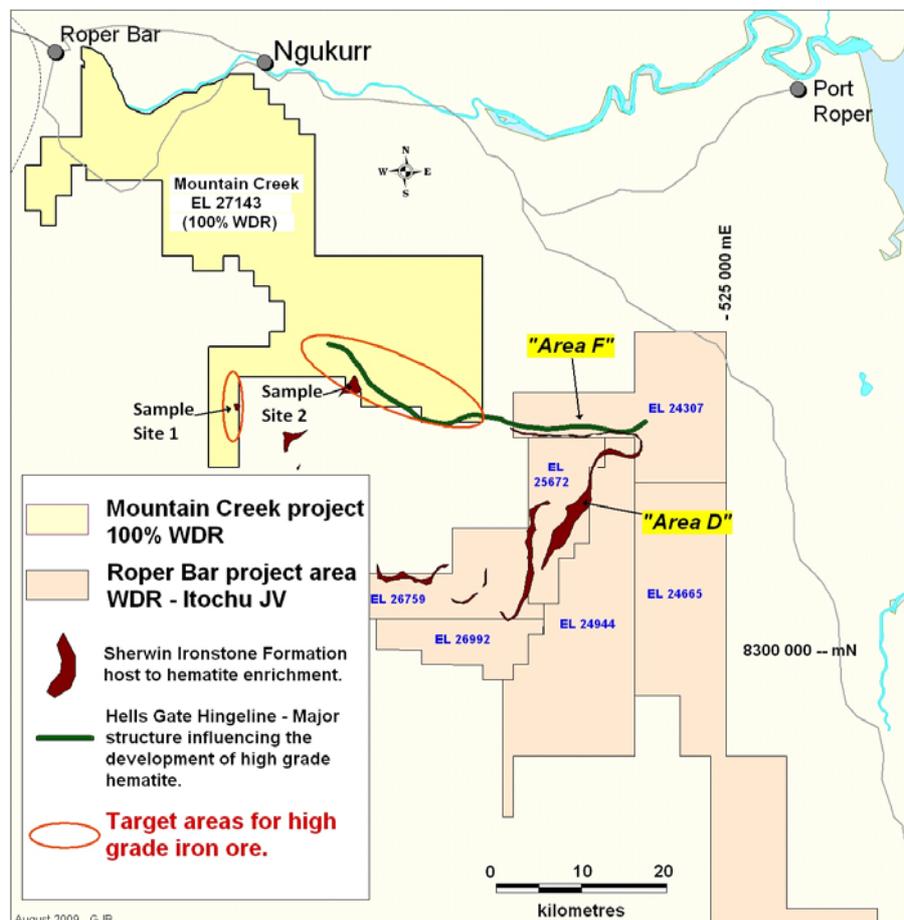


Figure 1. Mountain Creek EL27143 and Roper Bar project area location plan.

Western Desert Resources Ltd (ASX code "WDR") has significantly expanded its iron exploration footprint in the Northern Territory, with the awarding of the 1,000 square kilometre Mountain Creek exploration licence (EL 27143) to the northwest of the Company's emerging Roper Bar Joint Venture, on the western edge of the Gulf of Carpentaria.

The 100% WDR-owned Mountain Creek tenement is located to the north and west of the Roper Bar project area, where recent drilling by the Company has identified significant intersections of high-grade hematite, grading up to 67% Fe, with the first indications of potential Direct Shipping Ore.

Early reconnaissance surface sampling at two sites at Mountain Creek has provided evidence of similar prospectivity for high-grade hematite mineralisation; with maximum values of 61.9% Fe and 58.9% Fe at each of the two sites (see Table 1).

Acquisition of new high resolution photography has been completed this month, and detailed mapping and surface sampling are due to commence immediately. Drilling is scheduled to begin in November this year or April 2010, depending upon the timing of the Top End rainy season.

“This is a significant step forward for Western Desert as an emerging player in Australia’s fast-growing iron ore industry,” Western Desert’s Managing Director, Mr Norm Gardner, said today. *“The results we are seeing across our Northern Territory iron ore exploration program suggest that we can become a very significant player in this sector.”*

During recent drilling at ‘Area F’ at Roper Bar, high-grade hematite mineralisation was intersected within the Sherwin Ironstone Member, along a regional structure called the “Hell’s Gate Hingeline”. The Sherwin Ironstone Member outcrops on the Mountain Creek licence, with the Hell’s Gate Hingeline extending for some 20 kilometres into the Mountain Creek project area.

| Sample Number | Sample Site | East | North | % Fe | % SiO ₂ | % P | % Al ₂ O ₃ | LOI |
|---------------|-------------|--------|---------|------|--------------------|-------|----------------------------------|-----|
| WDRMC001 | 1 | 467454 | 8328884 | 61.8 | 7.8 | 0.022 | 0.95 | 2.7 |
| WDRMC002 | 1 | 467423 | 8328924 | 59.2 | 9.9 | 0.031 | 1.20 | 4.1 |
| WDRMC003 | 1 | 467423 | 8328924 | 61.9 | 8.4 | 0.022 | 0.81 | 2.4 |
| WDRMC004 | 1 | 467429 | 8328948 | 59.9 | 9.0 | 0.026 | 0.98 | 2.7 |
| WDRMC005 | 1 | 467467 | 8328935 | 55.6 | 15.0 | 0.039 | 0.71 | 4.8 |
| WDRMC006 | 1 | 467466 | 8328855 | 61.5 | 5.8 | 0.013 | 1.30 | 3.5 |
| WDRMC007 | 1 | 467516 | 8328833 | 61.1 | 8.4 | 0.017 | 0.78 | 3.1 |
| WDRMC008 | 1 | 467542 | 8328818 | 52.4 | 20.7 | 0.048 | 0.87 | 2.2 |
| WDRMC009 | 2 | 480728 | 8330748 | 24.8 | 56.0 | 0.017 | 4.30 | 3.4 |
| WDRMC010 | 2 | 480769 | 8330766 | 50.1 | 22.7 | 0.013 | 1.20 | 3.0 |
| WDRMC011 | 2 | 480769 | 8330766 | 36.5 | 38.3 | 0.009 | 0.74 | 4.0 |
| WDRMC012 | 2 | 480759 | 8330780 | 38.3 | 36.7 | 0.031 | 3.90 | 4.1 |
| WDRMC013 | 2 | 480769 | 8330766 | 58.9 | 8.3 | 0.017 | 1.90 | 4.3 |

Table 1. Summary of assay results from initial reconnaissance sampling at Mountain Creek.

Samples analysed by AMDEL using XRF.

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The information in this report that relates to Exploration Results, Mineral Resources or 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. Information in this report describing historical production figures and assays has been derived from open file company reports in the public domain.

About Western Desert Resources Limited

Western Desert Resources (WDR) is an ASX listed Australian exploration company with a diversified portfolio of projects in Australia. WDR has identified advanced prospects in iron ore, gold, molybdenum, and tungsten.

Core projects are: the Roper Bar Iron Ore Project in the Northern Territory located close to the Roper River; and the Rover gold/copper project near Tennant Creek, also in the Northern Territory.

WDR holds a strategic (11.53%) stake in Thor Mining Plc, which is listed on the United Kingdom AIM market and the ASX. Thor Mining owns the Molyhil Molybdenum / Tungsten project, located north east of Alice Springs. An off-take agreement is in place with CITIC, China's leading energy and base metal producer.



Figure 2. Outcrop of Sherwin Ironstone Member at sample site 1.