



December 22, 2009

ASX & TSX: WSA

News Release

WESTERN AREAS ACQUIRES BIOHEAP LEACHING TECHNOLOGY AND UPDATE ON EXPLORATION PROGRAM IN FINLAND

The Board of Western Areas is pleased to announce that following a four month due diligence process, Western Areas has exercised an option to acquire 100% of the BioHeap leaching technology from Pacific Ore Ltd (ASX:PSF). The exercise of the option involves a commitment by Western Areas to pay a 2% royalty net of costs on any future commercial application of the BioHeap technology to Pacific Ore Ltd. Western Areas can buy back the royalty interest from Pacific Ore Ltd at any time in the future on payment of \$5 million.

Due diligence has included a successful test work program on a range of low grade ores from Forrestania, an evaluation of global patents on the technology and confirmation of various commercial aspects of the transaction. Western Areas will employ five specialised technical and commercial staff from Pacific Ore Ltd to progress the application of the technology to Western Areas projects. In addition, Mr Graham Marshall, previously the General Manager of Pacific Ore Ltd will become General Manager - Commercial for Western Areas.



David Parker and Graham Marshall from Pacific Ore Ltd with Julian Hanna and Craig Oliver from Western Areas

BioHeap is a bacterial leaching technology used to leach lower grade sulphide ores to produce intermediate products which can be sold directly to nickel refineries. A large amount of test work has been carried out on a wide range of nickel deposits around the world and BioHeap has been successfully applied to low grade ore at the Radio Hill nickel mine in the Pilbara.

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Finland Exploration Update

The world's largest bacterial heap leaching nickel sulphide mine is Talvivaara in central Finland. Talvivaara Mining Company Plc has announced an initial target to produce 30,000tpa nickel with significant zinc, copper and cobalt credits from 2010, increasing to 50,000tpa nickel from 2012. Talvivaara ore has a benefit over other ore types in that it is a relatively low acid consuming host rock, which has the potential to result in low production cash costs.

Western Areas has previously announced that it has acquired interests in six exploration projects in the Talvivaara region which have potential for Talvivaara type deposits. These projects are held in a joint venture with unlisted Finnish company, Magnus Mineral Ltd.

Western Areas and Magnus have completed an initial drilling program at the Pappilanmaki area, one of five targets identified within the 15km long Rautavaara Project, 50km south of the Talvivaara mine. All drill holes intersected significant widths of sulphide mineralised black schist, visually similar to the ore type being mined and processed at Talvivaara. The last drill hole before the program stopped for Christmas DDH R305 intersected 109m estimated true width of mineralisation. Samples have been sent for assay and depending on results, samples will also be sent to Perth for preliminary metallurgical test work using BioHeap technology.

Discussion

Western Areas Managing Director, Mr Julian Hanna said, "BioHeap offers the potential to unlock value from the large volume of lower grade mineralisation already outlined adjacent to our existing high grade mines at Forrestania, at low capital cost. Initial test results using BioHeap have produced very encouraging results from disseminated mineralisation from the New Morning and Diggers South deposits at Forrestania."

"BioHeap also provides a potential opportunity for Western Areas to generate significant nickel, zinc and copper production in Finland. We are looking at ways to generate value from the Finland projects which doesn't impact our core business at Forrestania. We won't proceed with any substantial investment until we are more confident that the Talvivaara mine can achieve its production and cost targets. We are already very encouraged by our initial drilling results in Finland and the potential for more deposits of the Talvivaara type in this region."

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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.

FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements. Examples of forward looking statements used in this release are: 'six large exploration projects in the Talvivaara region which have potential for Talvivaara type deposits', and, 'BioHeap offers the potential to unlock value from the large volume of lower grade mineralisation already outlined adjacent to our existing high grade mines at Forrestania, at low capital cost', and, 'BioHeap also provides a potential opportunity for Western Areas to generate significant nickel, zinc and copper production in Finland', and, 'we are already very encouraged by our initial drilling results in Finland and the potential for more deposits of the Talvivaara type in this region'. 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 Finland Project 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.