

June 24, 2008

ASX & TSX: WSA

## News Release

### OUTSTANDING DRILLING RESULTS CONTINUE AT FLYING FOX MINE

The Board of Western Areas is pleased to announce a number of outstanding drill hole intersections in a new area of the Flying Fox mine which has had minimal previous drilling.

Recent drilling has resulted in the following intersections (refer to Figure 1):

FUG 417	<b>13.2m @ 10.0% Ni</b>	from 217.1m down hole depth
FUG 420	<b>5.3m @ 10.2% Ni</b>	from 173.0m down hole depth
FUG 471	<b>12.4m @ 8.3% Ni</b>	from 228.9m depth (prelim. Niton estimates)

These drilling results confirm that potential exists to extend the high grade Lewinsky Lode located at the top of the large T5 deposit, for over 150m south of the current mineral resource. Drill hole FUG 471 intersected 12.4m @ 8.3% nickel approximately 4 metres inside Kagara's Lounge Lizard tenement and indicates continuity across the boundary. Follow up drilling at Lounge Lizard will be conducted once the underground drill drive is completed later this year.

Ore Reserves in the Lewinsky Lode (excluding the recent drill holes) contain 146,000 tonnes at an average grade of 4.3% nickel for 6,350 tonnes of contained nickel. The recent drilling results suggest potential to double the size of this deposit to the Lounge Lizard boundary.

The style of mineralisation seen in drill holes FUG 417 and FUG 471 differs from the T1, T2, T4 and T5 deposits in that high grade massive sulphide is hosted by cross cutting pegmatite dykes. Similar, high grade pegmatite hosted massive sulphide mineralisation has also been intersected in the few drill holes completed to date to test the T6 Fault, below T5 and T6.

The Flying Fox mine decline has advanced to over 800m vertical depth which should enable first production from the Lewinsky Lode to commence in early 2010.

Flying Fox is currently producing approximately 800 tonnes nickel per month and total production for the financial year ending 30 June 2009 has already exceeded the target of 10,000 tonnes nickel. Ore is being sourced from the T1 ore body in addition to early production from the T2 and T4 deposits. Underground drilling is continuing at the large T4 deposit to increase ore reserves ahead of production in this area of the mine.

#### Discussion

The recent drilling results suggest that Flying Fox has not yet reached its full potential, six years since its discovery. The ongoing drilling program has again highlighted the exceptional widths and high grades of the Flying Fox/Lounge Lizard nickel system and the excellent potential to add new ore reserves in areas with minimal previous drilling. Flying Fox still remains effectively untested below the T6 Fault (where previous drilling intersected 9.3m @ 5.1% nickel and 7.3m @ 3.3% nickel) and along strike north of the dolerite dyke.

With nickel now above US\$6/lb, Western Areas is accelerating a range of drilling programs. The priority is to test for further extensions to Flying Fox and Spotted Quoll and to find another of these types of high grade deposits along the Western Nickel Belt at Forrestania.

# WESTERN AREAS NL

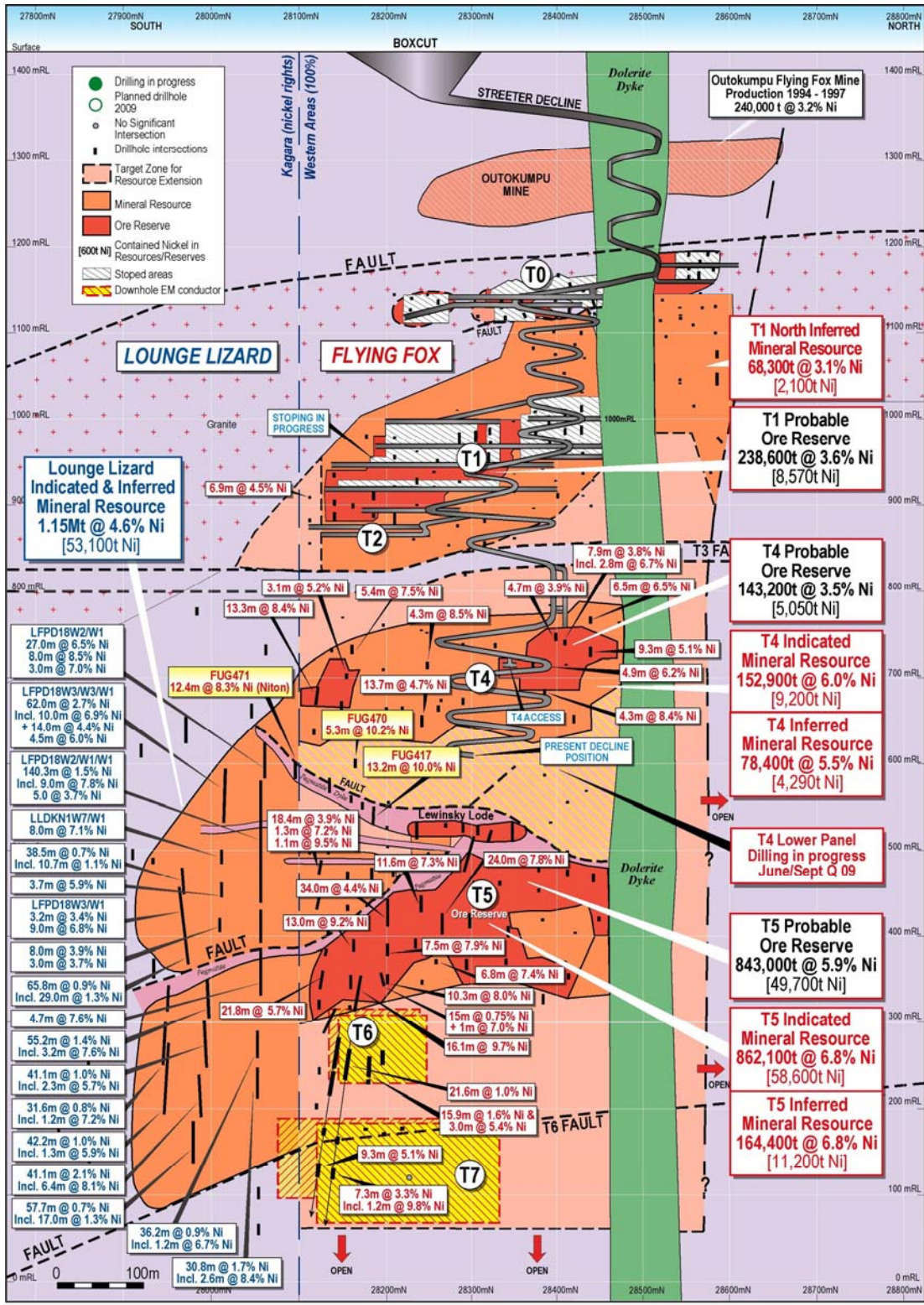
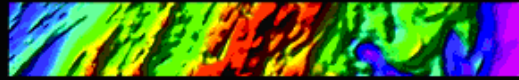
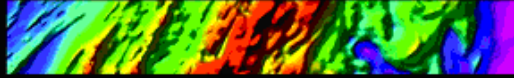


Figure 1: Interpretive Long Projection of Flying Fox Mine showing recent drill hole intersections (Note: Drill hole intersections are shown as down hole widths)

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**QA-QC STATEMENT:**

Mr Adrian Black from geological consultants Newexco Services Pty Ltd (“Newexco”) is responsible for the verification and quality assurance of the Company’s exploration data and analytical results from the Forrestania Nickel Project. Surface diamond drill hole collar surveys used differential GPS, down hole surveys employed a north seeking gyroscopic instrument; comprehensive density database; high assay confidence with systematic QA/QC procedures; and validated database. Samples of quarter core from the drill holes described in this release are prepared and analysed by ALS Chemex Ltd laboratory in Perth for nickel, copper, cobalt and other elements. Core samples are crushed and pulverised to 90% passing 75 microns then analysed for nickel by ore grade determination using the ALS OG-62 method. Assays standards are routinely inserted in the sample stream by Newexco for quality control.

The drill hole intersection reported in FUG 471 is based on a preliminary analysis of diamond drill core using a Niton portable XRF analyser. This intersection requires confirmation by formal laboratory assays.

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 John Haywood. Mr Hanna and Mr Haywood are members of AusIMM and are full time employees of the Company. Mr Hanna and Mr Haywood 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 Haywood 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: ‘These drilling results confirm that potential exists to extend the high grade Lewinsky Lode located at the top of the large T5 deposit, for over 150m south of the current mineral resource.’ And, ‘The recent drilling results suggest potential to double the size of this deposit to the Lounge Lizard boundary,’ and, ‘the excellent potential to add new ore reserves in areas with minimal previous drilling’ and, ‘priority is to test for further extensions to Flying Fox and Spotted Quoll and to find another of these types of high grade deposits’. 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 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.