WESTERN AREAS NL

September 8, 2011 **ASX & TSX: WSA**

News Release

UPDATE ON NICKEL CONCENTRATE TENDER PROCESS

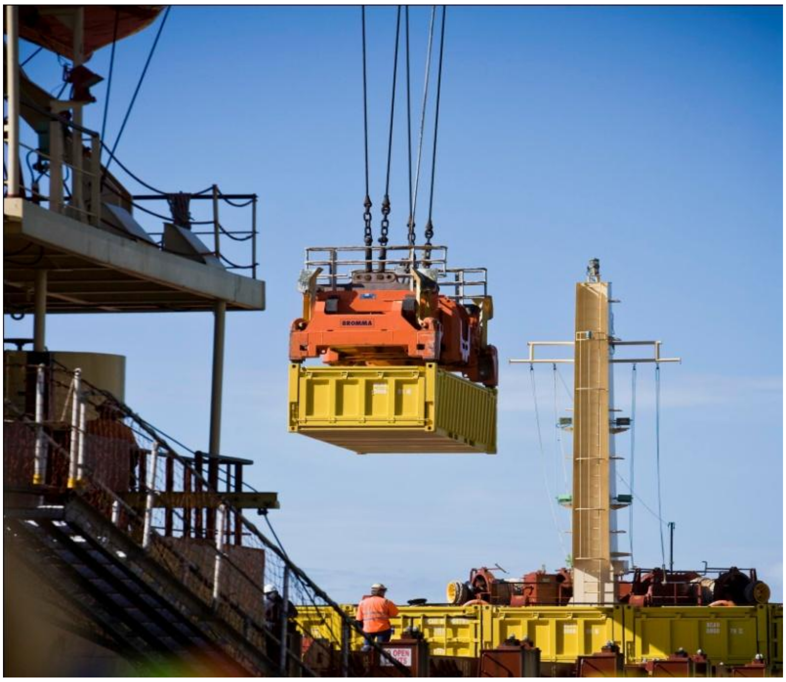
Western Areas recently announced that due to ongoing high levels of production from Flying Fox and Spotted Quoll mines, the offtake contract to sell a total of 25,000 tonnes of nickel in concentrate to Jinchuan is expected to be completed by February 2012, well ahead of schedule.

Western Areas is now conducting a tender process for the next tranche of concentrate and has already received a number of expressions of interest from major offtake parties. Western Areas has a target to finalise a new offtake contract by 30 November 2011.

In addition to the existing 25,000 tonnes contract with Jinchuan, Western Areas also has an ongoing contract to sell 10,000 tonnes pa nickel in concentrate to BHP Billiton.

Approximately 15,300 tonnes of concentrate containing approximately 2,150 tonnes nickel is stockpiled at the Forrestania plant site. Most of this is scheduled to be shipped in September.

Due to high rates of mine production there are substantial ore stockpiles at Flying Fox and Spotted Quoll. These comprise a total of approximately 104,000 tonnes at an average grade of 5.1% nickel containing 5,270 tonnes nickel. GR Engineering Services has completed a scoping study for a further plant upgrade at Forrestania to increase the capacity of the plant from 550,000tpa to 750,000tpa ore. A decision whether to proceed with the plant upgrade is expected in the December quarter.



Loading Western Areas' concentrate in sealed containers at Esperance Port

COMPETENT PERSONS STATEMENT:

The information within this report as it relates to nickel concentrate sales estimates is based on information compiled by Mr Dan Lougher and Mr Julian Hanna of Western Areas NL. Mr Lougher and Mr Hanna are members of AusIMM and are full time employees of the Company. Mr Lougher and Mr Hanna 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 Lougher and Mr Hanna 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. These forward-looking statements include: "the offtake contract to sell a total of 25,000 tonnes of nickel in concentrate to Jinchuan is expected to be completed by February 2012", and, "Western Areas has a target to finalise a new offtake contract by 30 November 2011." 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.

DISCLAIMER:
This announcement does not include reference to all available information on the Company or the Jinchuan offtake contract 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.

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