



October 5, 2011

ASX & TSX: WSA

News Release

MAJOR NICKEL INTERSECTION BELOW FLYING FOX MINE.

The Board of Western Areas is pleased to announce outstanding results from recent drilling below the Flying Fox and Spotted Quoll mines. Current drilling programs are designed to support the short term goal to lift mine life at both Flying Fox and Spotted Quoll to 10 years.

At **Flying Fox**, recent drilling has intersected high grade massive sulphide in the T6 deposit, approximately 100m below the large T5 deposit where mine development is in progress. Initial results from T6 include an intersection in drill hole FUG692 of **34.7m of massive sulphide with an estimated average grade of 7% nickel**. Formal assays are required to confirm the nickel grades which have been estimated using a portable XRF analyser (Niton).

The intersection in FUG692, which has an interpreted true width of 9m, is hosted in a pegmatite lode at approximately 1200m vertical depth, 120m below the Western Areas' decline. FUG692 is supported by four other high grade intersections along a minimum 150m strike length in the T6 (Figure 1). There is currently no mineral resource estimate for T6.

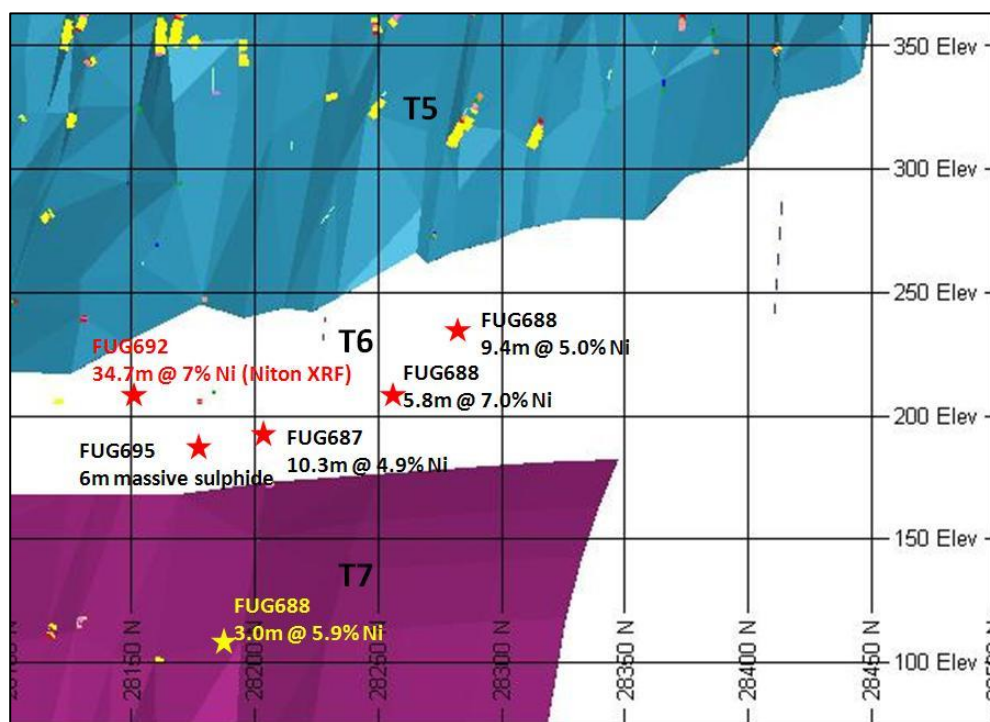


Figure 1: Recent High Grade Intersections within Flying Fox T6 and T7 Zones

At **Spotted Quoll**, recent drilling below the Stage One Ore Reserve (where mine development is in progress) is continuing to produce high grade intersections. Three surface drill rigs are testing Stage Two between 450m to 1,000m vertical depth. Assay results from a number of drill holes are awaited however results include an intersection in drill hole WBD181W2W2W2 of **3.3m @ 8.3% nickel** near the southern boundary of the Stage Two deposit (refer previous releases). An initial Mineral Resource estimate for Stage Two is expected in the December Q.

A scoping study is underway to review the potential to increase production from the Spotted Quoll underground mine from the current 10,000tpa rate outlined in the feasibility study to a new target of up to 15,000tpa nickel in ore. First ore from the Spotted Quoll underground mine is expected to be mined in December.

Discussion

Managing Director Mr Julian Hanna said “These results are providing encouragement on the potential for Western Areas to reach its short term goal of extending mine life at both Flying Fox and Spotted Quoll. Drilling within T6 and in the underlying T7 deposit at Flying Fox and in Stage Two at Spotted Quoll is ongoing. The aim of this drilling is to achieve a significant upgrade in mineral resources at both mines within the next few months.”

Mr Hanna added, “Western Areas’ medium term goals include making new nickel discoveries at Forrestania, at Sandstone, and at exploration projects in Canada and Finland. We have been very active on these projects during the September Q and a separate release outlining some exciting exploration results from these areas is expected in the next week”.

COMPETENT PERSONS STATEMENT:

The information within this report as it relates to geological and drilling data is based on information compiled by Mr Charles Wilkinson and Mr Julian Hanna of Western Areas NL. Mr Wilkinson and Mr Hanna are members of AusIMM and are full time employees of the Company. Mr Wilkinson 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 Wilkinson 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: “Current drilling programs are designed to support the short term goal to lift mine life at both Flying Fox and Spotted Quoll to 10 years.”, and, “An initial Mineral Resource estimate for Stage Two is expected in the December Q”, and, “First ore from the Spotted Quoll underground mine is expected to be mined in December”. 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 Forrestania Nickel Project and should not be used in isolation as a basis to invest in Western Areas or FinnAust. 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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