WESTERN AREAS NL

November 18, 2011 **ASX & TSX: WSA**

News Release

FIRST ORE FROM SPOTTED QUOLL UNDERGROUND MINE

The Board of Western Areas is pleased to announce that the first parcel of high grade nickel ore has been produced from the Spotted Quoll Stage One underground mine, two months ahead of schedule. The ore face (see photo) confirms the good ground conditions and clearly defined boundaries of the ore.

Production from the Stage One underground mine is expected to ramp up steadily over the next few months and will replace production from the Tim King Pit at Spotted Quoll. Based on the current feasibility study, Stage One has an estimated mine life of 7 to 8 years. Ongoing drilling below the Stage One ore reserve is continuing to produce high grade nickel intersections down to approximately 1000m below surface. An initial mineral resource for Stage Two will be announced in December 2011 and is expected to provide support for a significant extension to the current Spotted Quoll mine life.

Western Areas has also previously announced that a scoping study is underway to evaluate potential to increase the production rate from the Spotted Quoll underground mine from the current target rate of 10,000tpa nickel in ore, potentially up to 15,000tpa nickel in ore. Results from this scoping study are expected to be announced in December 2011.

Mining of the Tim King Pit at Spotted Quoll is expected to cease in March Q 2012. The Tim King Pit has exceeded all Western Areas' expectations and (subject to final reconciliation). To the end of October 2011, 20,436 tonnes of nickel had been mined compared to the depleted Ore Reserve of 15,348 tonnes of nickel. This represents a positive reconciliation of 33% for the open pit to date, and already exceeds the original Ore Reserve of 19,900 tonnes nickel metal for the project.

Managing Director, Mr Julian Hanna, said "The production of first ore from the underground mine at Spotted Quoll is yet another important milestone for Western Areas. It signifies the start of what should be a substantial, low cost, long life underground nickel mine which has potential well beyond the current 7 to 8 years mine life". Mr Hanna added, "Anyone who visits our operations is likely to be impressed by the high level of professional standards, the safe working culture and the enthusiasm shown by people involved across all Western Areas' activities. The early production from the Spotted Quoll underground mine is another example of what this team is capable of achieving."

Spotted Quoll – 8% nickel sulphide (estimated from Niton results) in face of 1230 ore drive.

COMPETENT PERSONS STATEMENT:

The information within this report as it relates to Spotted Quoll development and ore reserves is based on information compiled by Mr Daniel 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: "to evaluate potential to increase the production rate from the Spotted Quoll underground mine from the current target rate of 10,000tpa nickel in ore, potentially up to 15,000tpa nickel in ore", and, "An initial mineral resource for Stage Two will be announced in December 2011 and is expected to provide support for a significant extension to the current Spotted Quoll mine life". 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, or the Spotted Quoll mine 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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For further details, please contact:

Julian Hanna
Managing Director – Western Areas NL
Telephone +61 8 9334 77777
Email: jhanna@westernareas.com.au

Dan Lougher
Operations Director – Western Areas NL
Telephone +61 8 9334 7777
Email: dlougher@westernareas.com.au

Shane Murphy
FTI Consulting
Telephone +61 8 9386 1233 / 0420 945 291
Email: Shane.Murphy@fticonsulting.com

Or visit: www.westernareas.com.au