19 July 2013 **ASX: WSA**

News Release

FURTHER NEW HIGH GRADE NICKEL DISCOVERY AT NEW MORNING

Western Areas Ltd (ASX:WSA, Company) is pleased to announce another significant intercept within the new high grade nickel sulphides below the existing high grade New Morning deposit.

Key highlights include:

- ✓ **1.7m interval containing massive and stringer sulphides (Figure 1 below);**
- ✓ **Assay results returning an average grade of 5.6% nickel over the intercept; and**
- ✓ **Sulphides intercepted are some 60m up dip from the previous intercept of 3m @ 6.3% Ni from NMD177 confirming the extent of mineralisation below the reverse fault (Figure 2). It remains open below this.**

Figure 1: Mineralised drill core from NMD 182 showing massive nickel sulphides

The new hole, NMD182 was drilled from the footwall in order to test the modelled plate from the DHEM interpretation from the initial intercept in NMD177, and to test the extent of the intersected high grade sulphide. The intersection in drill hole NMD 182 consists of an **1.7m interval of 5.6% nickel** from 1239.1m, down hole depth. As with the previous intercept in NMD177, the intersection includes granite above the footwall sediments with a zone of massive sulphide with an upper zone of stringer sulphides on the contact (Figures 2 and 3).

Western Areas Managing Director, Dan Lougher, said the Company was extremely encouraged by the results.

"The decision to stop the hangingwall hole and to establish a footwall hole has paid dividends. This second high grade intersection clearly demonstrates that the mineralisation is continuous. Additional wedges will be planned from the parent hole to intersect the mineralisation to the South and down dip of NMD177."

Initial geological interpretations indicate that as the intercept lies close to the position of the reverse fault, it may be attenuated in a similar manner to that seen at the T4 mineralisation –T3 fault junction at Flying Fox.

The current parent hole (NMD182) is to be continued 100m into the hangingwall to test a secondary modelled DHEM conductor that may be related to a disseminated style mineralisation. Further NMD182 represents an ideal platform to test the down plunge extent of the sulphides, as well as lateral extent of the modelled DHEM plate. The first of these wedges, NMD182W1 will commence after the completion of the parent hole and will break off at the 380m RL (1,150m down hole).

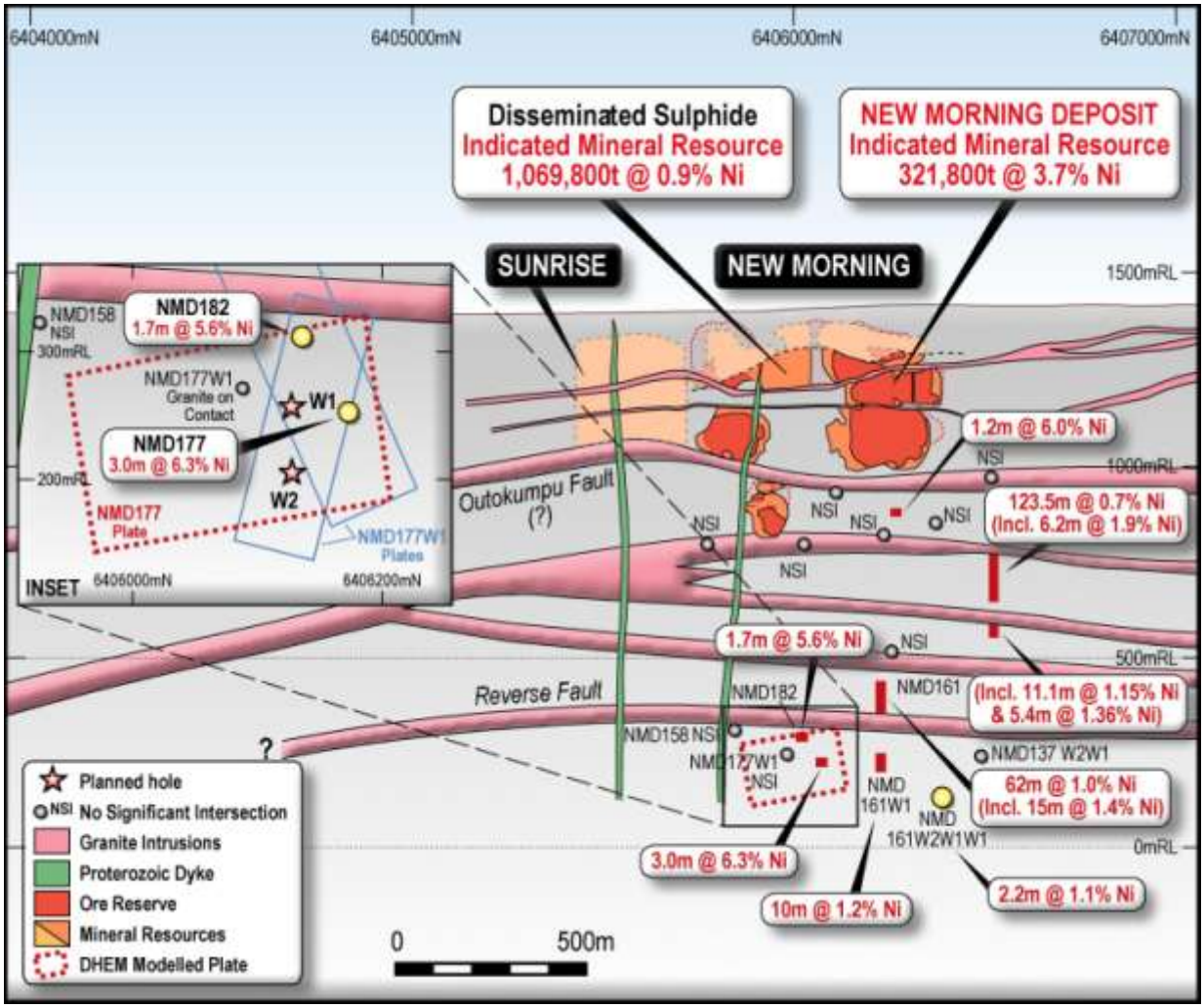

Figure 2: Interpreted Long Projection of the Footwall contact at New Morning

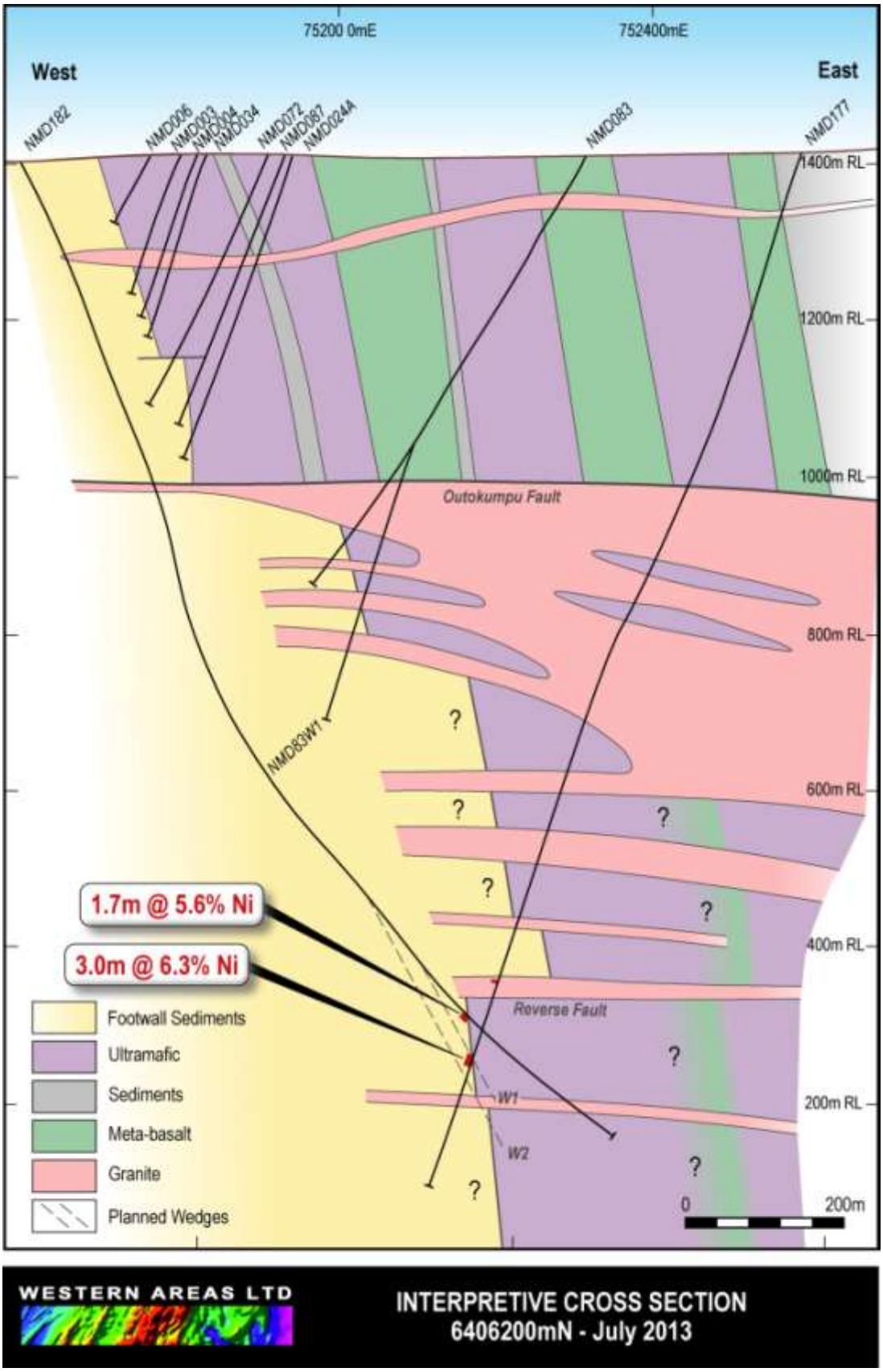

Figure 3: Interpreted cross section at New Morning showing approximate location of NMD 182 and NMD 177

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.

The information within this report as it relates to exploration results or mineral resources is based on information compiled by Mr Charles Wikinson. Mr Wilkinson is a member of AusIMM and is a full time employee of the Company. Mr Wilkinson has 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 a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wilkinson consents to the inclusion in the report of the matters based on the information in the context in which it appears.

FORWARD LOOKING STATEMENT: This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: "Initial geological interpretations indicate that as the intercept lies close to the position of the reverse fault it may be attenuated in a similar manner to that seen at the T4 mineralisation –T3 fault junction at Flying Fox", and, "Now that the footwall hole has been established it now represents an ideal platform to test the down plunge extent of the sulphides, as well as lateral extent of the modelled DHEM plate. The first of these wedges, NMD182W1, is in progress and a number of these wedges are anticipated to be completed in the coming months."

These 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 New Morning deposit 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.

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