WESTERN AREAS

31 July 2013 **ASX: WSA**

News Release

ANTICIPATED IMPAIRMENT

Western Areas Ltd (ASX: WSA, “Western Areas” or the “Company”), expects to recognise a non-cash impairment charge of between A$90 million to A$100m after tax for the financial year ended 30 June 2013 (FY2013). The impairment estimate is subject to both Board sign off and auditor review as part of finalising the financial statements for FY2013.

The majority of the impairment charge relates to capitalised historical exploration expenditure over the Company’s entire tenement package and a write down of the undeveloped Diggers South Project which, as previously noted, requires higher average nickel prices than seen over the past two years to deliver positive returns.

Western Areas Managing Director, Dan Lougher, commented: “Whilst no company wants to recognise impairment charges to their assets, we believe at a time when the nickel price is trading at a cyclical four year low, it is appropriate to review carrying values.”

“Importantly, the impairment relates to historical exploration and a mining project not currently scheduled for development as part of our forward production plan. From a funding perspective, there is no impact on our convertible bonds nor the fully undrawn finance facility of A$125m from ANZ Bank,” Mr Lougher said.

The financial statements for FY2013 are expected to be released during the last week of August 2013.

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For further details, please contact:

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

David Southam
Executive Director – Western Areas Ltd
Telephone +61 8 9334 7777
Email: dsoutham@westernareas.com.au

Shane Murphy
FTI Consulting
Telephone +61 8 9485 8888 / 0420 945 291
Email: shane.murphy@fticonsulting.com

Or visit: www.westernareas.com.au