

Western Areas NL – June 2008

Target : 35,000 tpa nickel production by 2011

WESTERN AREAS NL



- Nickel industry and prices
- 6 Year Production Targets
- Flying Fox Nickel Mine
- Spotted Quoll deposit
- BHP Billiton JV discovery



High grade, low cost, long life nickel mines

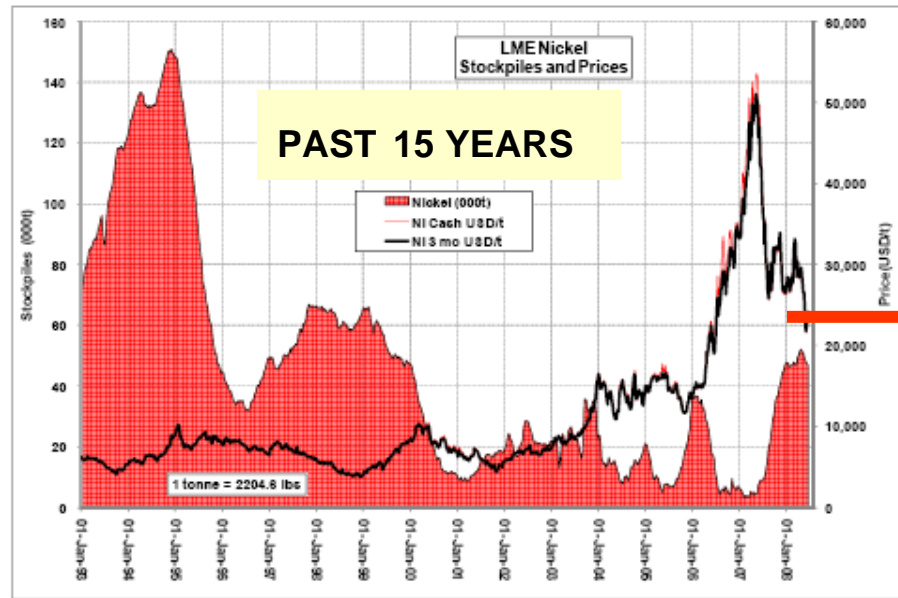


Global Nickel Sulphide Industry

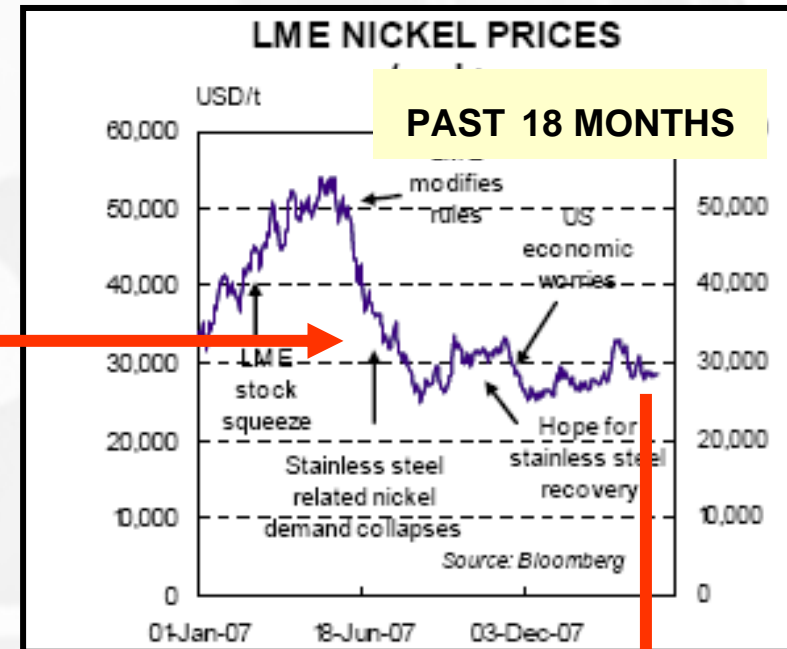
| AUSTRALIA | CANADA | RUSSIA | CHINA | FINLAND | SOUTHERN AFRICA |
|---|--|------------|-------------------|-------------|-----------------|
| BHP | VALE XSTRATA | NORILSK | JINCHUAN JILIN | NORILSK | BCL |
| 1 smelter | 4 smelters | 4 smelters | 3 smelters | 1 smelter | 1 smelter |
| <u>Western Areas</u> | <u>Western Areas</u> | | | Talvivaara | Norilsk |
| Xstrata Independence Mincor Panoramic Consol Nickel Oxiana/Zinifex Fox Resource Panoramic Poseidon Breakaway | FNX Mustang 18% Crowflight Independent First Nickel Victory Nickel Pure Nickel Noront C. Royalties Mirabela | | | 1st Quantum | Albidon |



Nickel price & stockpiles – long term and short term



Source: LME, WilsonHTM

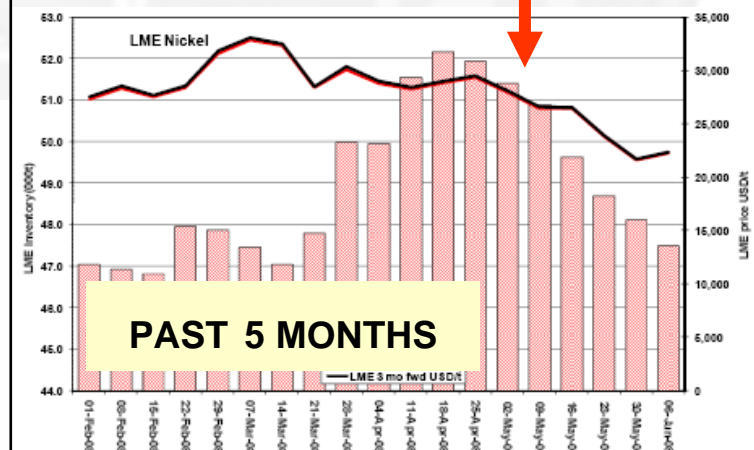


NICKEL PIG IRON IS NOT VIABLE BELOW US\$12/lb Nickel (US\$26,400/t Nickel)

China's production of nickel pig iron is expected to fall this year on weaker-than-expected demand and higher production costs, which could help drive up world nickel prices, according to producers' and analysts' comments on Friday. Producers have been asking overseas suppliers to delay term imports of laterite ore, the raw material of nickel pig iron, due to arrive in the second half to next year, and seeking to re-export ore stocks. Around 8 million tonnes of imported laterite ore, more than half of last year's total imports, are stored in warehouses in Chinese ports. The ores contain about 100,000 tonnes of nickel.

China is the world's top producer of nickel pig iron, a cheaper alternative for refined nickel.

Electricity-hungry nickel pig iron plants face higher costs as power plants are seeking to raise fees to offset surging coal prices. China planned to apply peak-use power surcharges in more regions to avoid shortages in this summer, a government official said on Friday.



Source: LME, WilsonHTM

Western Areas - Nickel sale agreement with Norilsk



NICKEL CONCENTRATOR

Concentrates 5% Nickel ore to 16% Nickel Concentrate for shipping

Western Areas is constructing Stage One concentrator for Flying Fox ore.
Western Areas retains right to toll treat ore at Lake Johnson concentrator

NICKEL SMELTER / REFINERY

Refines Nickel Concentrate to LME grade nickel at Harjavalta in Finland.

Nickel offtake agreement with Norilsk for first 75,000t Nickel from Forrestania, excluding production from Diggers South mine.



Norilsk's Harjavalta Nickel Refinery, Finland

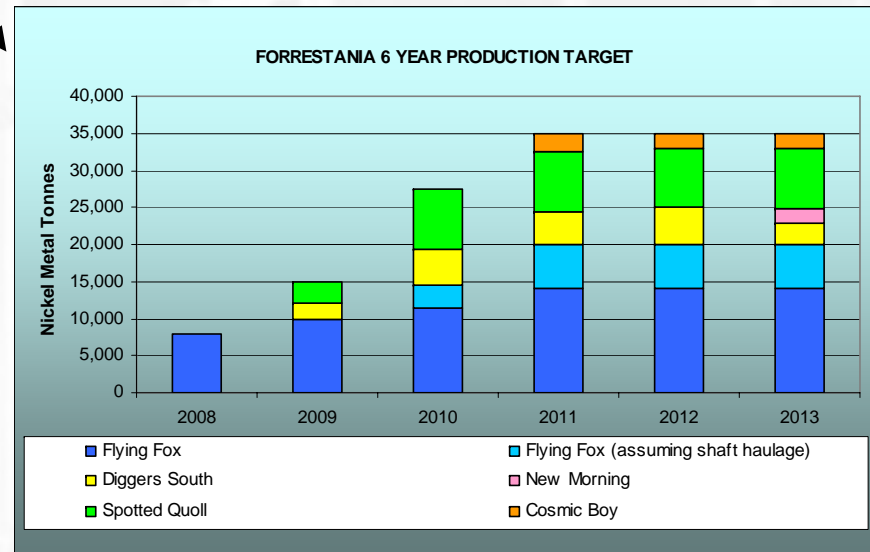
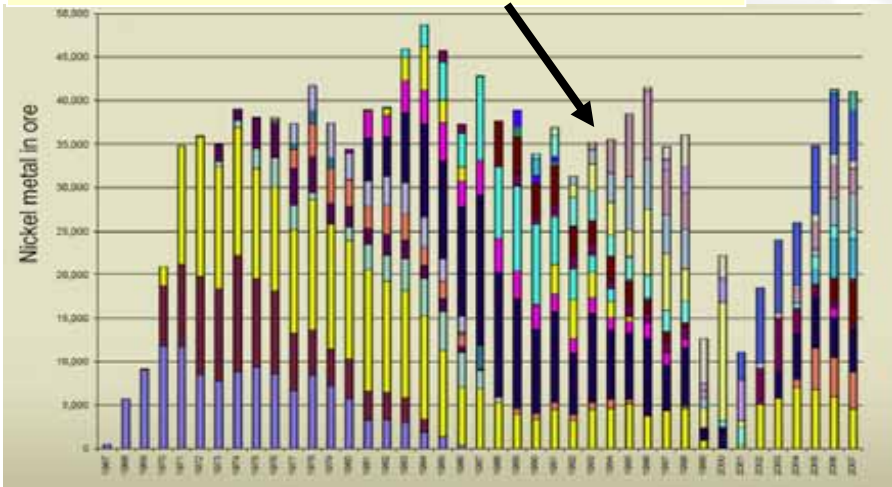
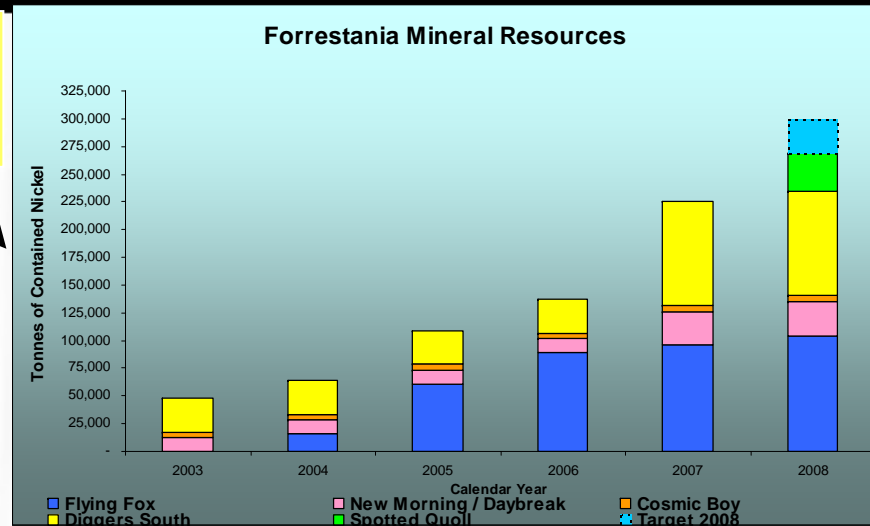


Mineral Resources and 6 Year Production Targets

FORRESTANIA MINERAL RESOURCES
 269,400 tonnes nickel in mineral resources
 Target 300,000 tonnes nickel by end 2008

FORRESTANIA TARGET PRODUCTION
 Target 35,000 tpa nickel in concentrate
 production from four mines by 2011

KAMBALDA (for comparison)
 Production average 35,000 tpa nickel in conc
 from fourteen mines past 40 years

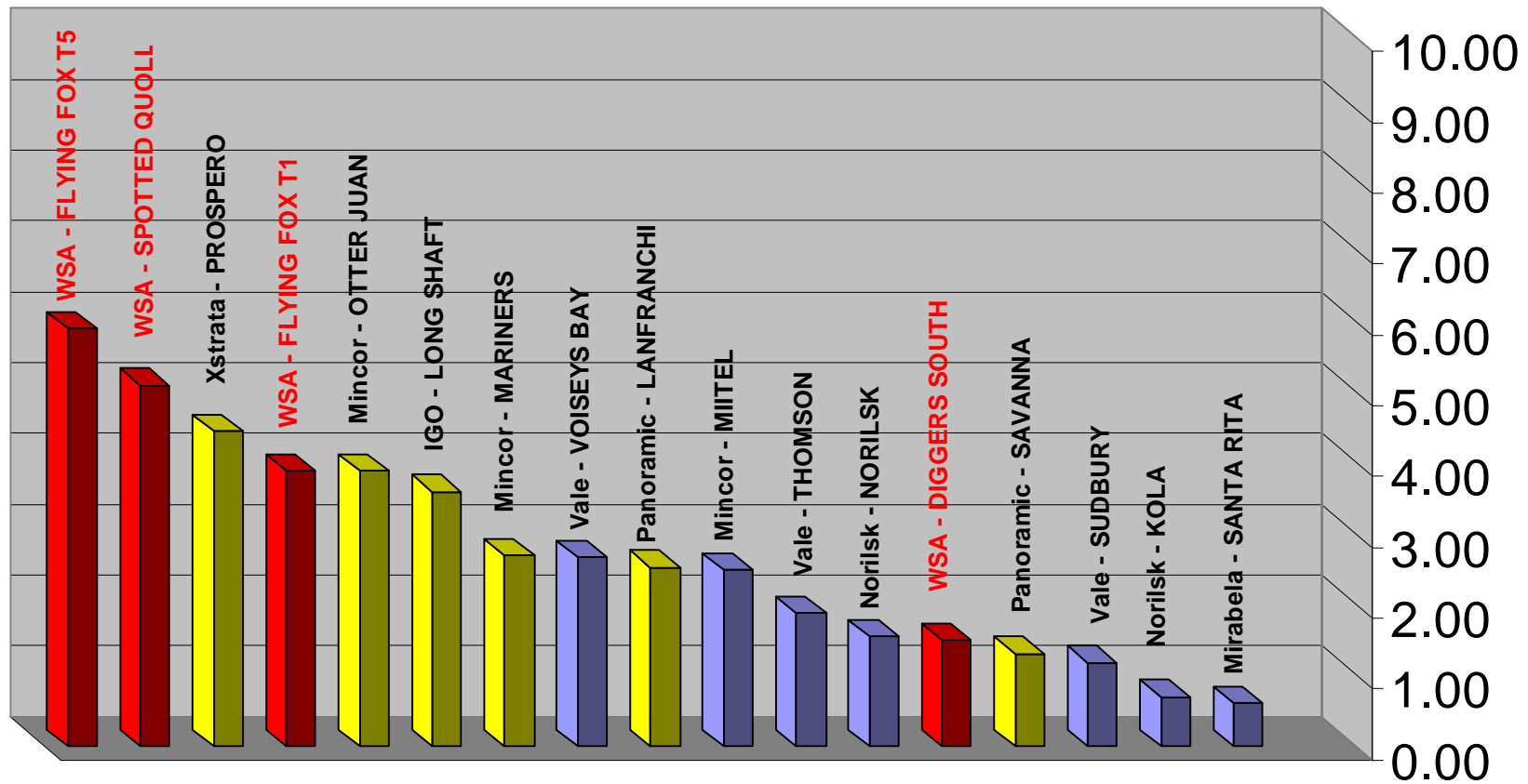


Note: This graph represents WSA production targets based on an estimate of potential annual production using several assumptions and forward looking statements. Production targets may vary depending on a wide variety of factors including nickel price, future estimation of mineral resources and ore reserves, mining costs, geotechnical issues, environmental permitting and future mine development and production rates. Apart from Flying Fox and Diggers South, these estimates are not yet based on Feasibility Studies and may be varied at any time. Potential or existing investors should not rely on this graph as a basis to invest in Western Areas NL.

Global nickel sulphide mines – Ore Reserve grades

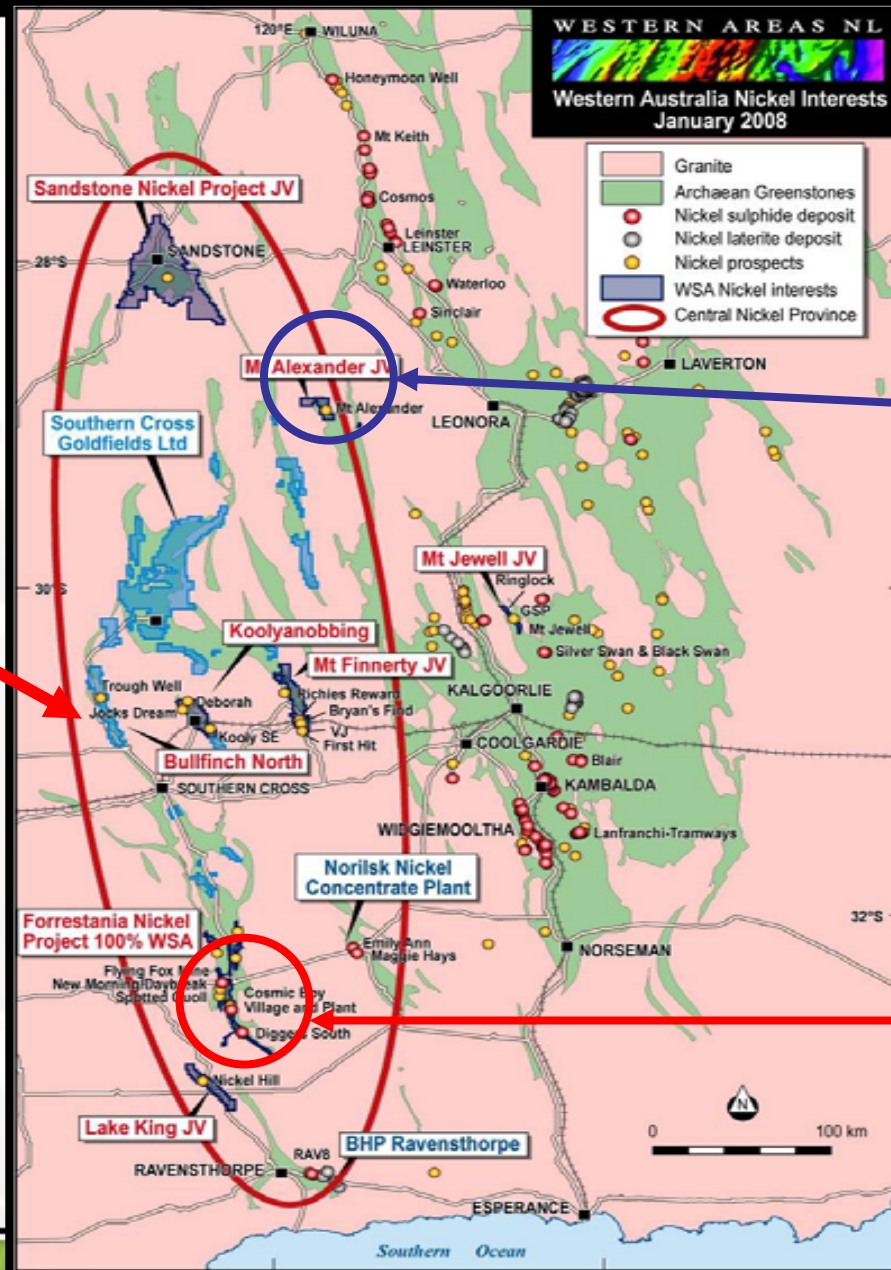


Nickel Sulphide Mines - Ore Reserve grades (Nickel %)



Western Australia - 500km long Nickel Province

- consolidated by WSA (interests in 7 nickel projects)



Mt Alexander Project
BHP Billiton JV
 High grade discovery
 nickel / copper / PGE

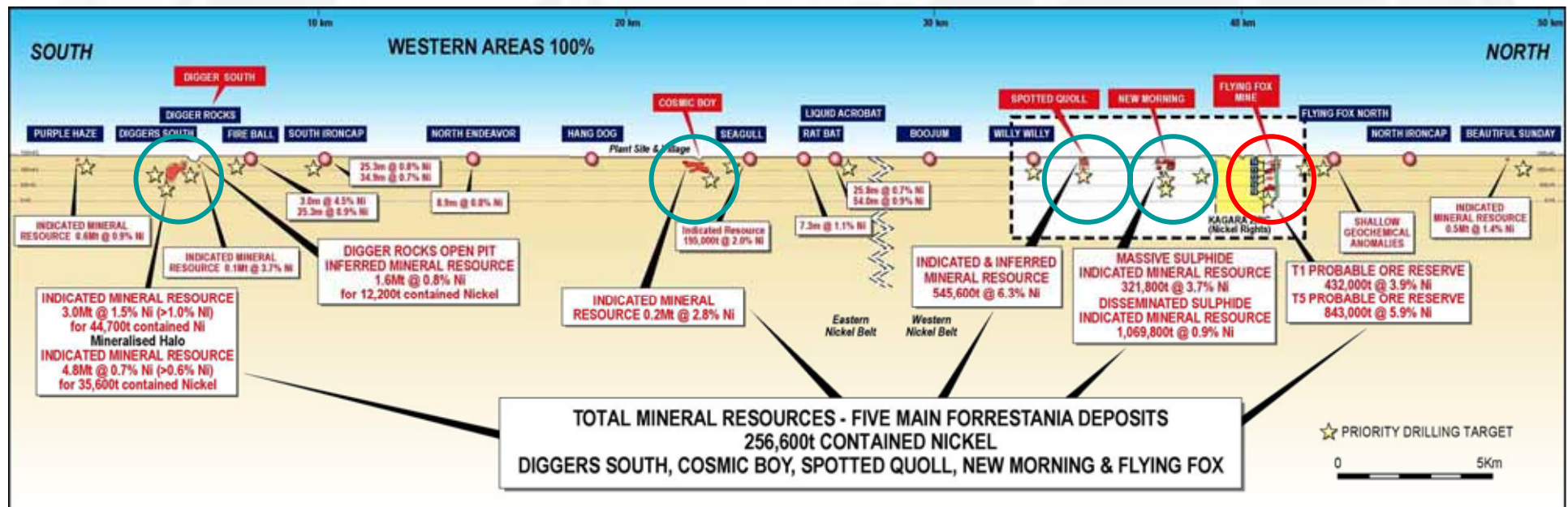
Forrestania Nickel Project (100%)
 >269,400 tonnes
 contained nickel in
 high quality mineral
 resources

Exploration parameters:

1. Ultramafic contacts
2. Major structures
3. Granite intrusions



Forrestania – 50km central zone, looking West



SKETCH LONGITUDINAL PROJECTION - FORRESTANIA NICKEL PROJECT

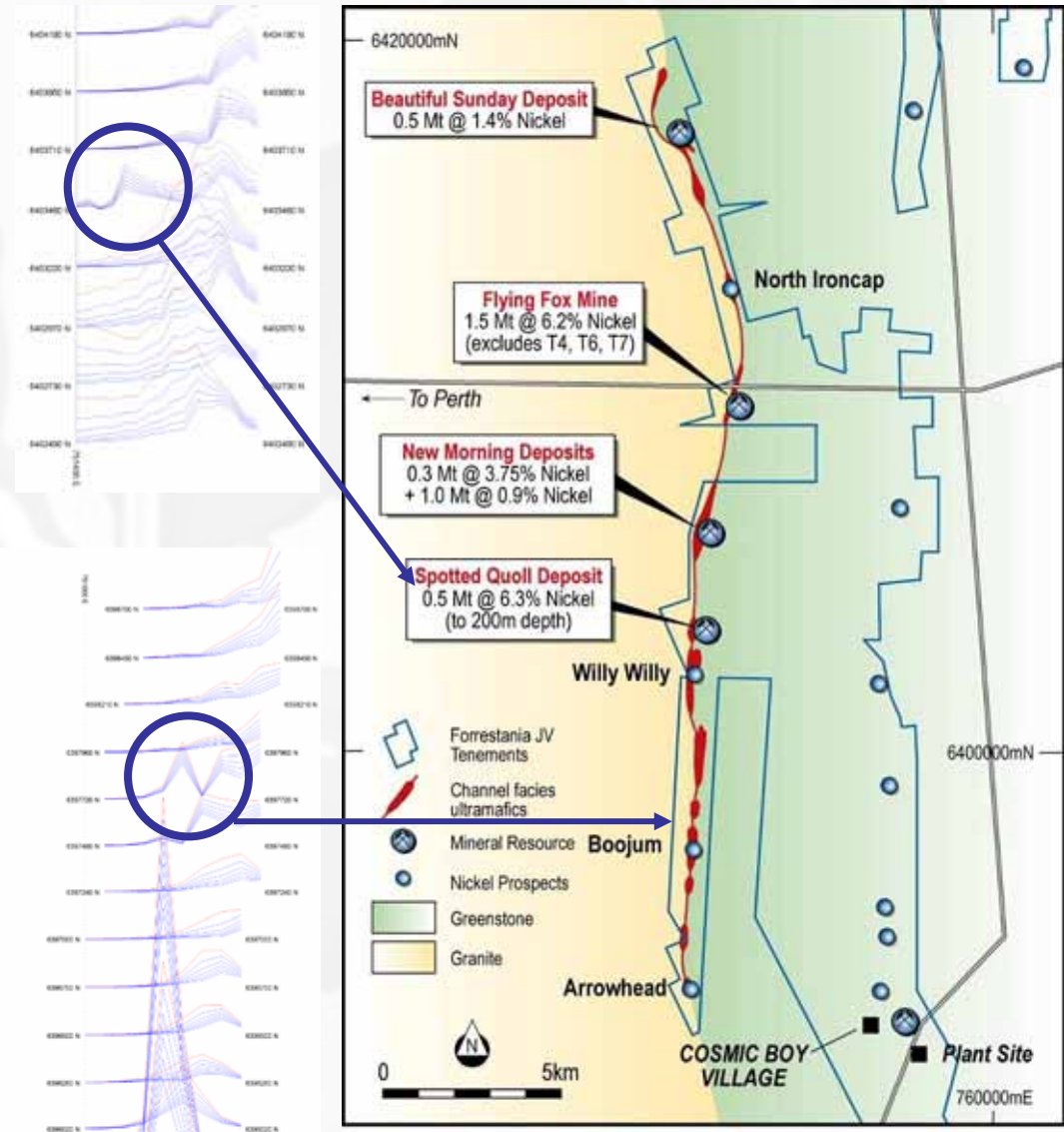
3 separate nickel systems, 1 operating mine, 4 proposed mines, many drilling targets.



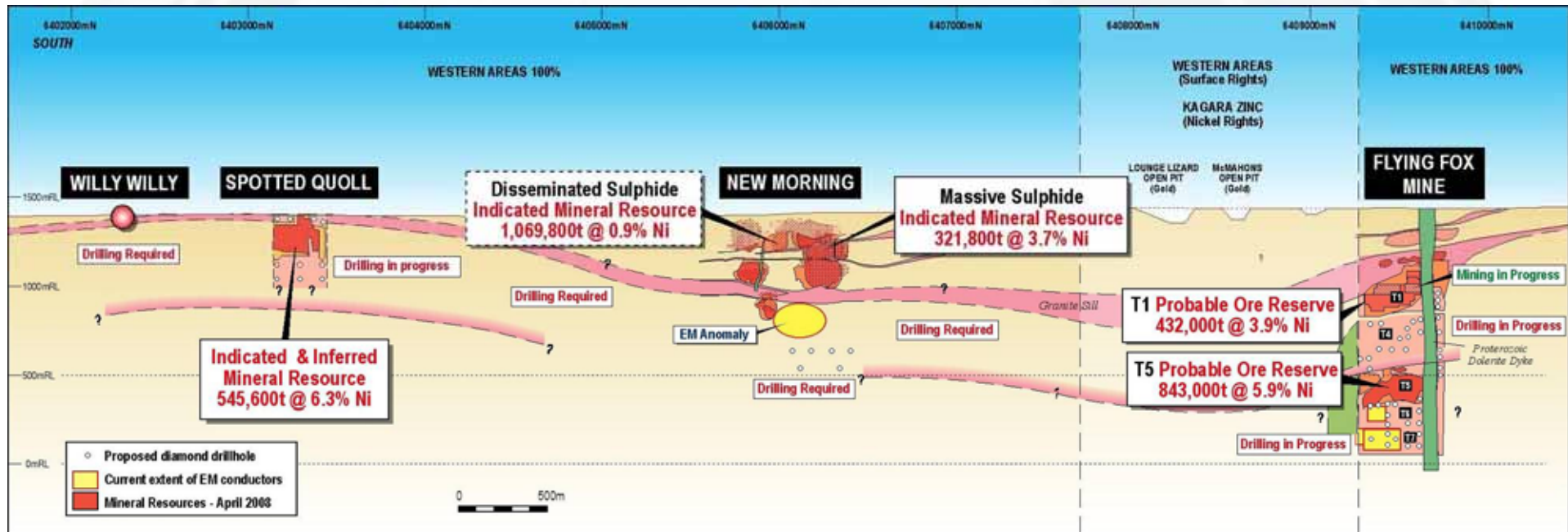
Western Ni Belt – 25km long

Since 2004, Western Areas has tested only 3 of the 9 prospective channel zones (red) below the granite - discovering the Flying Fox, Daybreak & Spotted Quoll deposits.

High powered surface EM survey in progress for 10km south of Spotted Quoll with target to find another Spotted Quoll type deposit. New priority EM target 6km south of Spotted Quoll



Flying Fox Mine. New Morning and Spotted Quoll deposits (6km zone)



- **Flying Fox** – Production: High grade, low cost underground mine. >10 years target
- **Spotted Quoll** – Feasibility: High grade, low cost open pit mine. US\$1.50/lb Ni cost
- **New Morning** – Pre Feasibility: High grade underground nickel mine
- **Excellent potential** - for new high grade nickel discoveries along 25km contact

Flying Fox – longitudinal projection

- **T Zero and T1 – ore production in progress**

18,000 t nickel in high grade (4% Ni) Ore Reserves

- **T4 – drilling in progress, production 2009**

12,800 t nickel in high grade (4.1%) Mineral Resource

- 9.3m @ 5.1% nickel
- 13.3m @ 8.4% nickel
- 6.5m @ 6.5% nickel

- **T5 – 5 years ore reserves, production 2010**

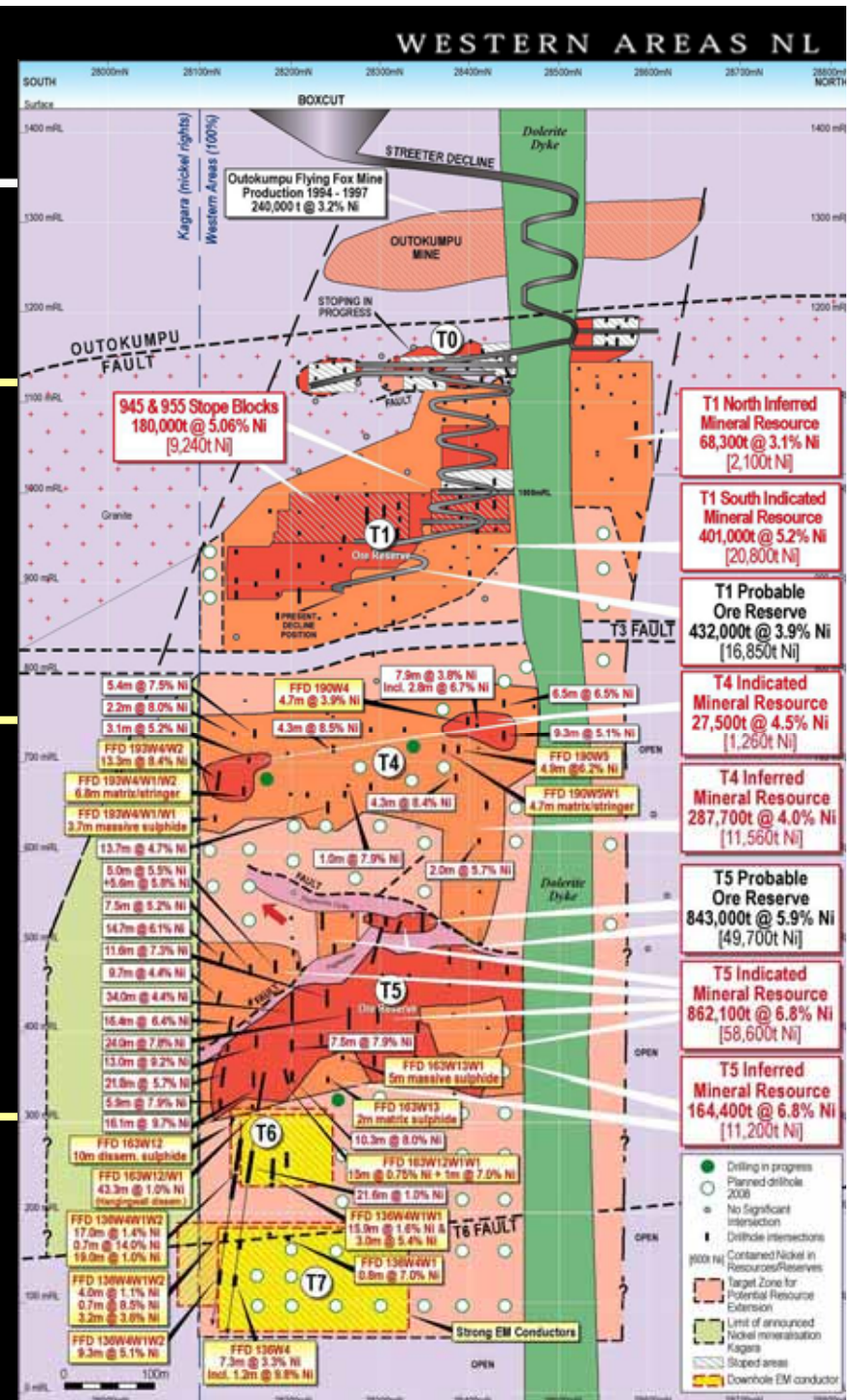
69,200 t nickel in high grade (6.8%) Mineral Resource

- 24.0m @ 7.9% nickel
- 16.1m @ 9.7% nickel
- 11.6m @ 7.3% nickel
- 34.0m @ 4.4% nickel

- **T6, T6 Fault, T7 – scoping drilling in progress**

3 nickel zones, 5 EM conductors, up to 9% nickel.

T7 has potential to be another bonanza T5 deposit





Flying Fox – at surface and mine face at 500m depth

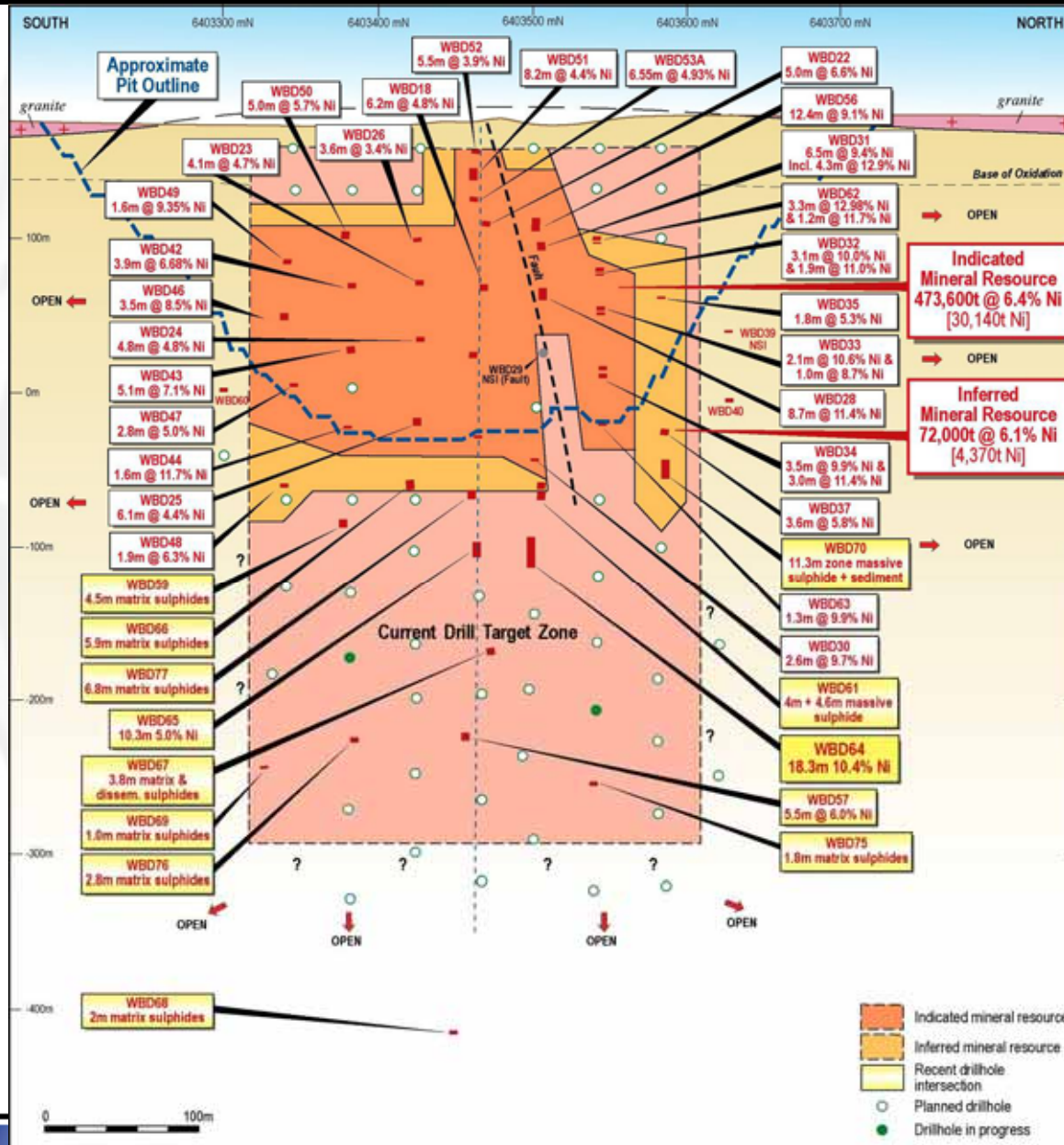


Looking southeast from
Flying Fox waste dump.
Drilling at T4 and T6

Ore drive into T1 ore body
with 6.2% nickel across
5.2m face. Four ore drives
now developed into T1



Spotted Quoll – scoping study for open pit mine (First stage - 4 years)



First mineral resource

545,600t @ 6.3% Ni
containing 34,500t Ni

Recent intersections:

18.3m @ 10.4% Ni,
7m @ 11.4% Ni &
6.5m @ 9.4% Ni

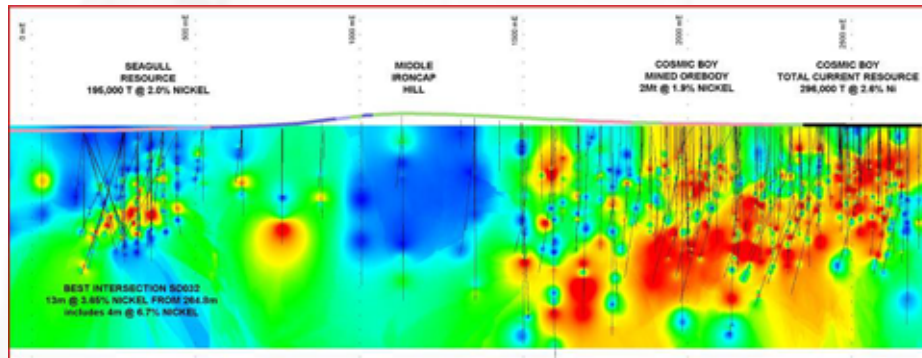
Open pit scoping study estimates:

A\$220M - A\$380M net
cash flow (US\$8/lb -
US\$12/lb Ni)

US\$1.50/lb cash cost



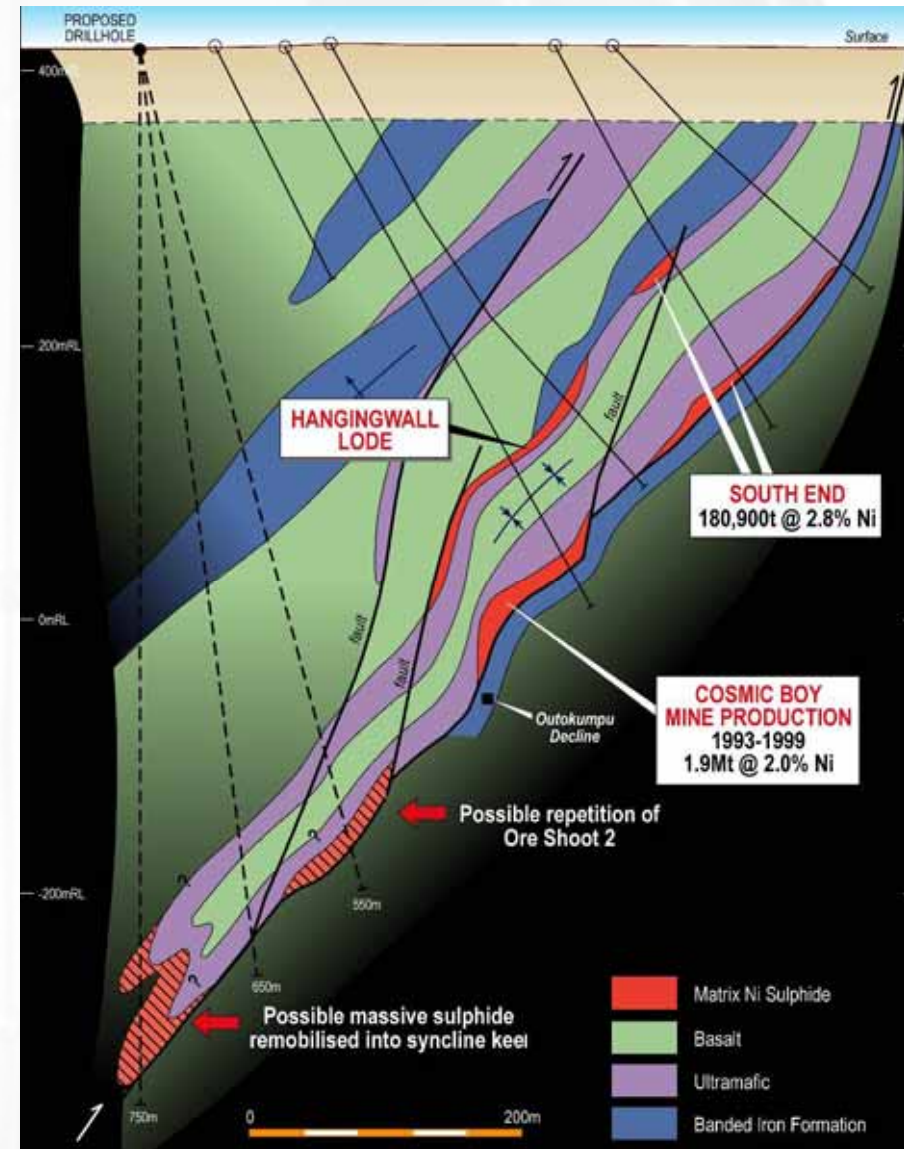
Cosmic Boy – excavating access for 4th mine



Contract awarded to re excavate boxcut to access Southend deposit

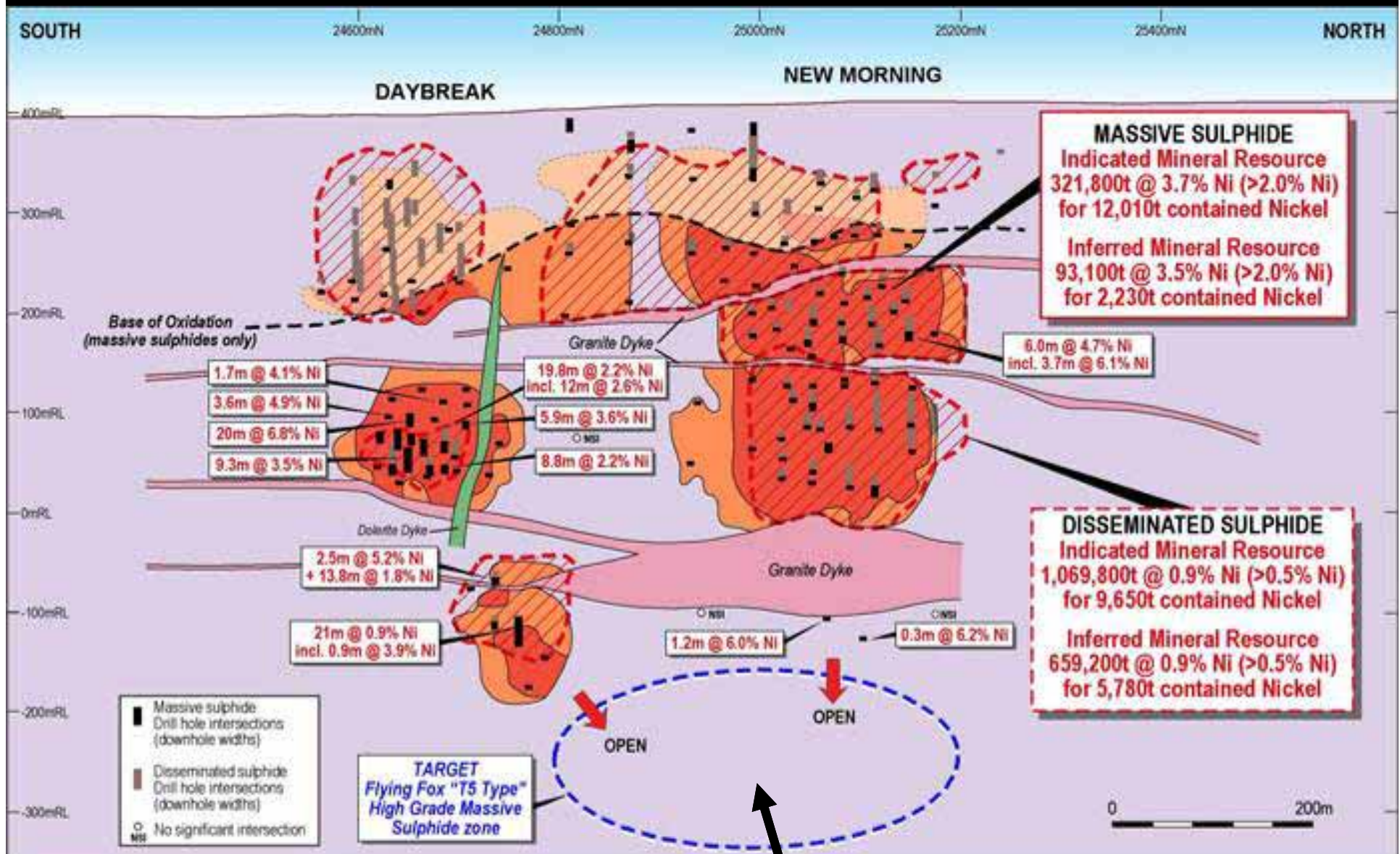


Cosmic Boy decline portal to underground mine 1994





New Morning – pre feasibility study for 5th mine



Drilling required to test for high grade extensions below fault



Forrestania Project – major infrastructure in place



ACCOMMODATION VILLAGE

Currently 280 rooms capacity

Upgrading to 500 rooms by 2009

INFRASTRUCTURE & STAFFING

Major roads, airstrip, grid power, village

Plant: 10 years tailings storage, bore fields etc

Established, highly skilled mining workforce



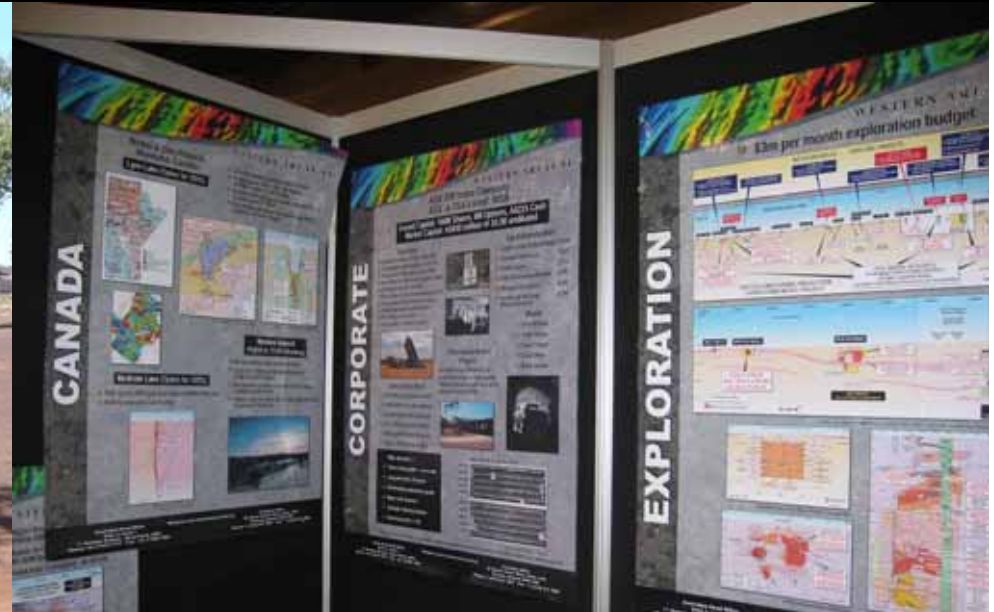


Forrestania – (7 Projects) Development Targets 2008

| <u>PROJECTS</u> | MAR Q 08 | JUNE Q 08 | SEPT Q 08 | DEC Q 08 |
|-------------------------|-----------------|-------------|--------------|-------------|
| | | Production | | |
| Flying Fox | | | | |
| | | Feasibility | | Development |
| Diggers South | | | | |
| | Scoping | | Feasibility | |
| New Morning | | | | |
| | Resource | Scoping | Feasibility | Development |
| Spotted Quoll | | | | |
| | Excavate Boxcut | Scoping | | Feasibility |
| Cosmic Boy | | | | |
| | Tenders | | Construction | |
| Plant | | | | |
| | Scoping | | Decision | Permitting |
| Flying Fox Shaft | | | | |

Note: This graph represents Western Areas development targets for CY 2008 and is based on a number of assumptions. Development targets and timetables may vary depending on a variety of factors including nickel price, future estimation of mineral resources and ore reserves, mining costs, geotechnical issues, environmental permitting, availability of contractors and future mine development rates. Western Areas may vary these development targets at any time and potential or existing investors should not rely on this graph as a basis to invest in Western Areas NL.

\$3M/month exploration budget - Australia and Canada





Mt Alexander JV – New high grade Ni/Cu/PGE discovery

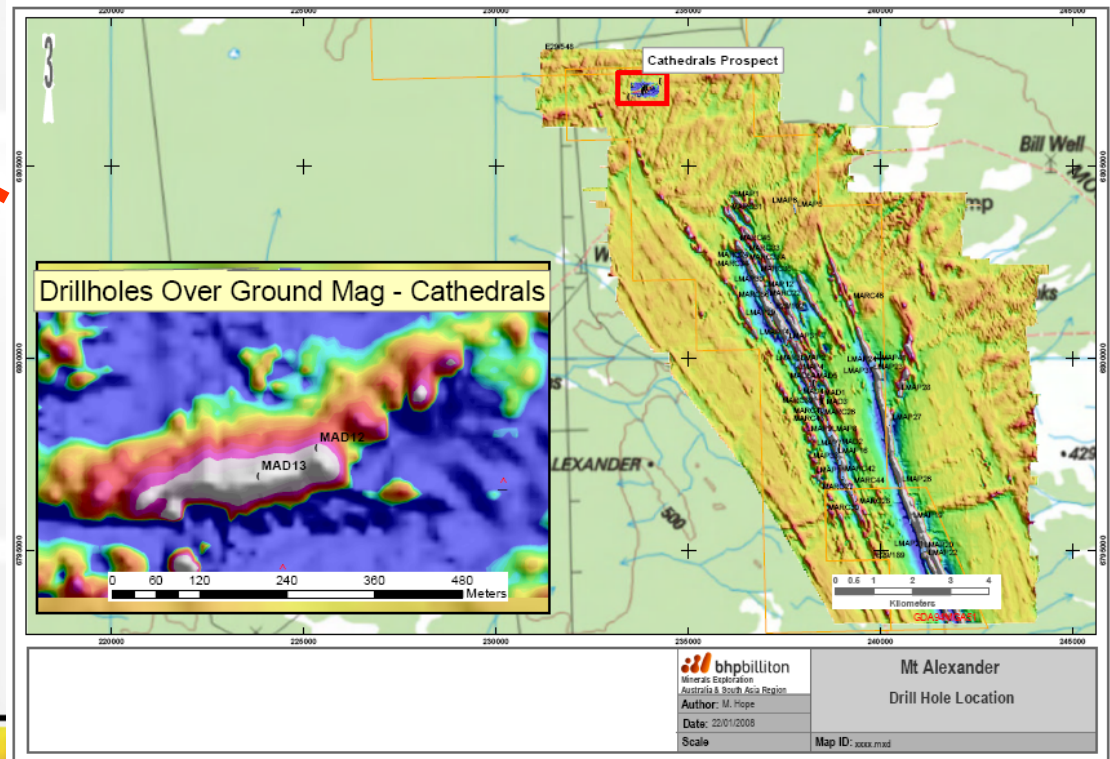
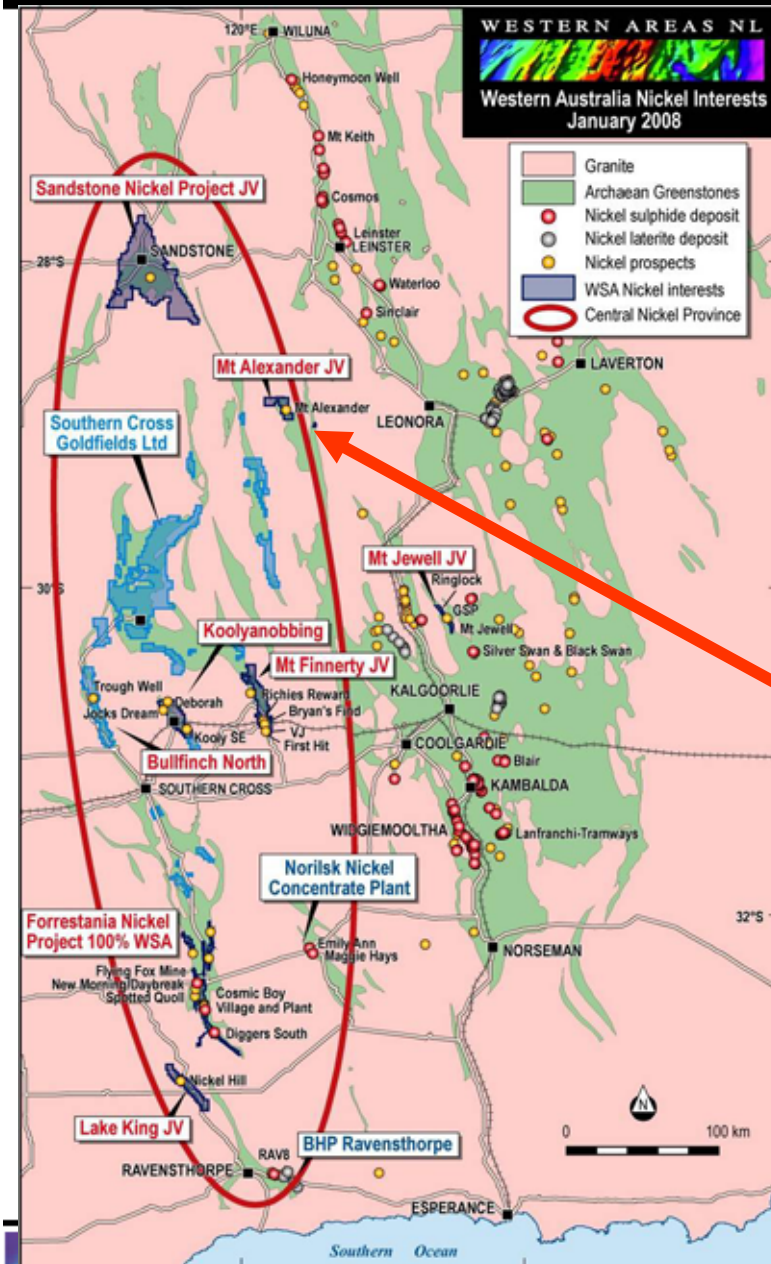
BHP BILLITON – WESTERN AREAS JV
 (WSA 25% free carried interest to 'decision to mine')

First two drill holes announced 2 April 2008

4.0m @ 4.9% nickel, 1.7% copper, 3.9g/t total PGE

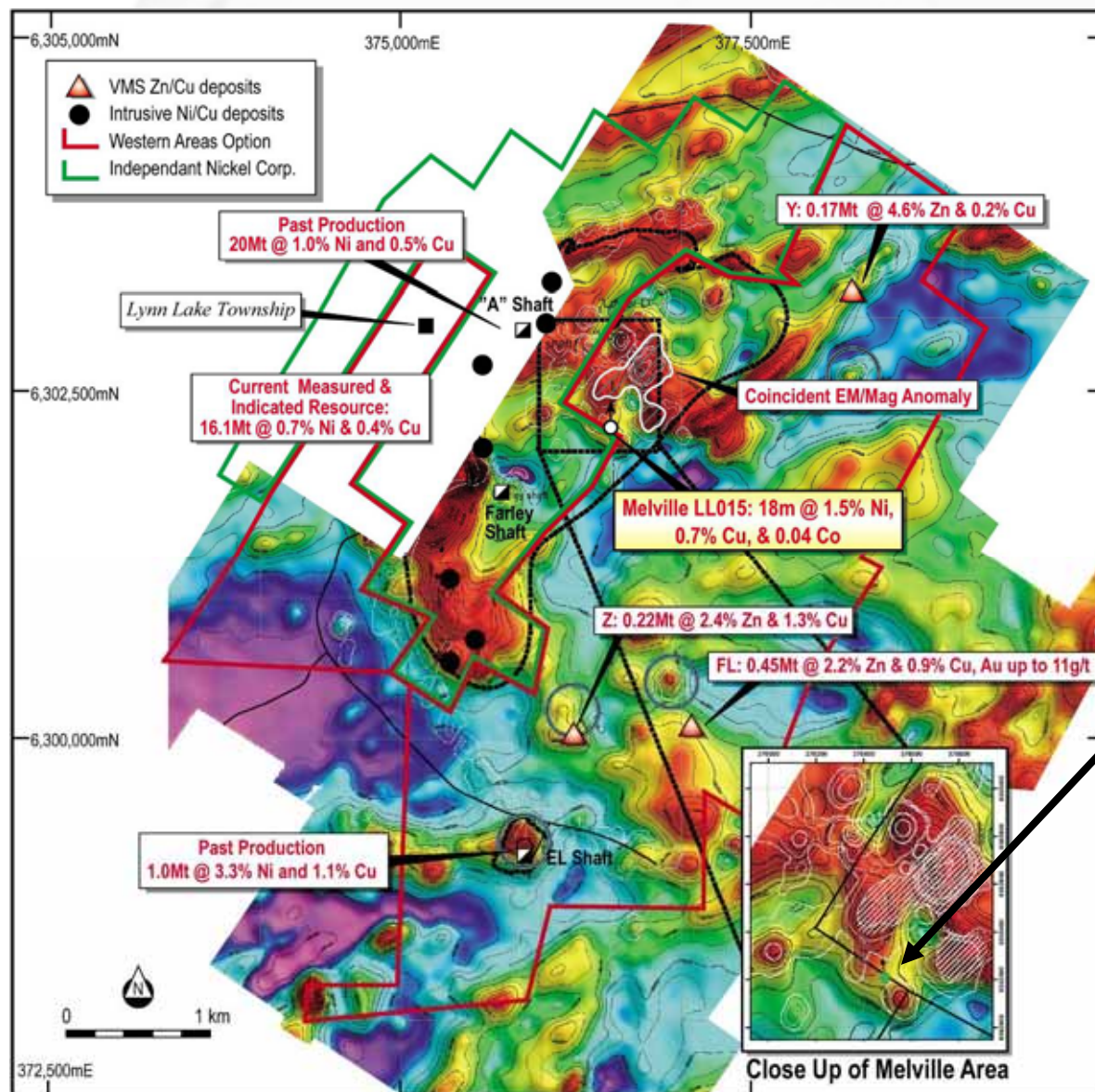
3.0m @ 3.8% nickel, 1.6% copper, 2.7g/t total PGE

Similar granite hosted deposit type to Flying Fox mine





Lynn Lake, Canada – new nickel/copper discovery





Western Areas - Corporate

ASX & TSX LISTED: 'WSA' - ASX 200 INDEX

- ISSUED CAPITAL: 166M shares, 6M options
- MARKET CAPITAL: A\$1.6Bn @ A\$9.50 undiluted

FINANCIAL

- CASH (31 March 08): A\$150M, A\$18M receivables
- CONVERTIBLE BOND: A\$225M, 8% yield, 45% premium
- FINANCE FACILITIES (Drawn approx \$55M): A\$82M
- EXPLORATION EXPENDITURE: A\$2.5M / mth

BOARD

- | | |
|----------------|--|
| Terry Streeter | – Chairman and 20% shareholder |
| Julian Hanna | – Managing Director and CEO |
| Craig Oliver | – Finance Director / Company Secretary |
| David Cooper | – Independent Director |
| Robin Dunbar | – Independent Director Toronto based |
| Daniel Lougher | – Operations Director |



WSA - Top 7 Shareholders and 6 month trading



- Jungle Creek (Terry Streeter) 20.0%
- Giovanni Santalucia 12.3%
- Northmead (Allan Greenwell) 6.2%
- HSBC Nominees 6.2%
- CBA Commonwealth Bank ~5.9%
- Citicorp Nominees ~5.8%
- Credit Suisse (London) ~5.2%

Daily WebLink Chart

Date Range: From 17/12/2007 To 17/6/2008



Chart by WebLink -- <http://www.weblink.com.au/>



Why invest in Western Areas ?

PRODUCTION 2008 – Flying Fox

- high grade (5-6% Ni), low cost, >10 yrs mine
- nickel price unhedged from 31 March 08
- target >8,000t Ni, cash cost US\$2.50/lb Ni

DEVELOPMENT - 2008

- Feasibility for 2nd mine Spotted Quoll
- feasibility for 3rd mine Diggers South
- pre feasibility for 4th mine New Morning
- decline access 5th mine Cosmic Boy

EXPLORATION - 2008

- EM & drilling for new high grade discoveries
- exploring large regional nickel province
- new discoveries: Lynn Lake, Mt Alexander

DIVIDEND

- 50% of net profit after tax (due Mar Q 09)

6.5% Ni

6.8% Ni

6.2% Ni

6.2% Ni

7.3% Ni

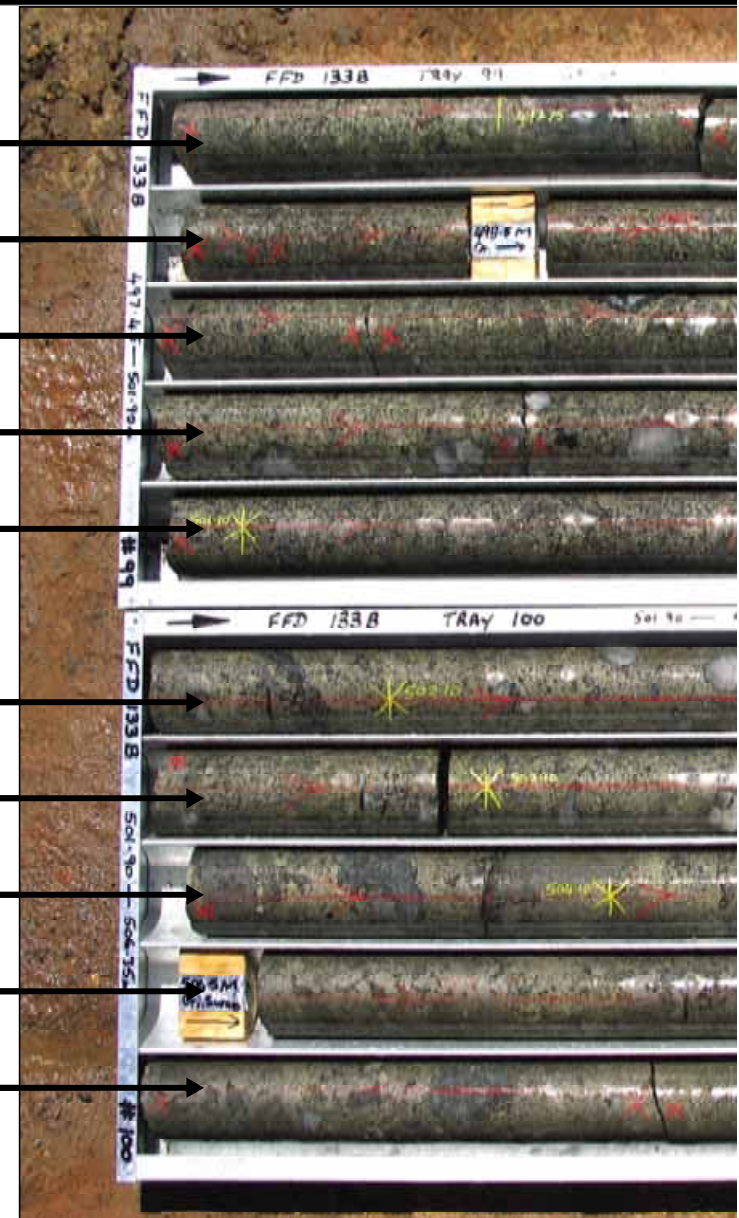
8.2% Ni

7.4% Ni

8.8% Ni

9.2% Ni

7.9% Ni





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