

May 14, 2009

ASX & TSX: WSA

**News Release**

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**WESTERN AREAS EQUITY CAPITAL RAISING TO  
SUPPORT GROWTH STRATEGY**

The Board of Western Areas NL (“Western Areas”) is pleased to announce Western Areas has successfully completed an ordinary share placement raising A\$35.35 million through the placement of 7 million ordinary shares at an issue price of A\$5.05 per share.

The issue price represents a 3.6% discount to the closing share price of A\$5.24 per share on 13 May 2009.

The placement was significantly oversubscribed, with strong demand from domestic and international institutions, the majority of which were existing shareholders in the company.

Julian Hanna, Western Areas’ Managing Director said: “The success of this placement will support Western Areas’ rapidly expanding nickel production and help underpin the Company’s growth strategy to achieve its goal to become Australia’s second largest and lowest cost nickel miner”.

Including the A\$35.35 million raised through this placement, recently announced transactions with BHP Billiton and Kagara Ltd are expected to result in A\$100 million coming into the Company. These transactions will leave Western Areas with significant cash on hand providing balance sheet flexibility, in addition to the opportunity to increase exploration activities and advance the development of Spotted Quoll and other planned mines.

Current bank debt and convertible bonds will mature in mid 2012 and the Board may look at ways to extend these dates out further than the current three years as additional Ore Reserves are added at Forrestania.

Settlement of the placement is expected to occur on 19 May 2009, with new shares allotted through the ASX on 20 May 2009 and expected to commence trading on that date. The new shares will rank equally with existing shares.

The placement was conducted by UBS Investment Bank and Southern Cross Equities.

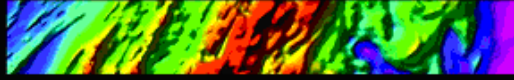
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**COMPETENT PERSONS STATEMENT:** The information within this report is based on information compiled by Mr Julian Hanna of Western Areas NL. Mr Hanna is a member of AusIMM and is a full time employee of Western Areas. Mr Hanna has sufficient experience which is relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hanna consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

**DISCLAIMER:** This release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933 ("Securities Act")) ("U.S. Persons"). The securities to be issued in the ordinary share placement have not been and will not be registered under the Securities Act. Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, unless the securities have been registered under the Securities Act, or in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

**FORWARD LOOKING STATEMENT:** This release contains certain forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. Forward-looking statements include: "The success of this placement will support Western Areas' rapidly expanding nickel production and help underpin the Company's growth strategy to achieve its goal to become Australia's second largest and lowest cost nickel miner" and "Current bank debt and convertible bonds will mature in mid 2012 and the Board may look at ways to extend these dates out further than the current three years as additional Ore Reserves are added at Forrestania."

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. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this news release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this news release. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements. This announcement does not include reference to all available information on Western Areas NL 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.

### ***About Western Areas NL***

*Western Areas owns two of the world's highest grade and lowest cost nickel deposits (Flying Fox and Spotted Quoll) at the Forrestania Nickel Project, 400km east of Perth. Flying Fox is in its second year of full scale production and Spotted Quoll is scheduled for development in the second half 2009. Initial surface development has been completed for two additional planned underground mines (Cosmic Boy and Diggers South) and potential exists to develop the high grade New Morning underground mine depending on improved nickel prices.*

*The Company has completed commissioning of Stage One of the Forrestania nickel concentrator. Western Areas plans to upgrade the nickel concentrator (with current capacity of approximately 300,000tpa ore) in two stages to a target of 750,000tpa ore. All other major infrastructure items including a high quality accommodation village for 460 people, grid power, roads, water, tailings disposal, airstrip etc are already established.*

*The site operations are managed by an experienced technical and management team. In 2008, Western Areas' exploration consultants Newexco were awarded the 'Australian Explorer of the Year Award' for the discovery of the Spotted Quoll deposit. Western Areas was also awarded the prestigious 'Digger of the Year Award' at the Diggers and Dealers conference in August 2008 for the successful development of the Flying Fox mine.*

*Western Areas is one of Australia's most active nickel explorers and is targeting to increase the total of high quality mineral resources at Forrestania.*