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ASX & TSX: WSA

**News Release**

**NEWEXCO WINS DISCOVERY OF THE YEAR AWARD FOR SPOTTED QUOLL**

The Board of Western Areas is pleased to announce that exploration consultants Newexco have won the “Discovery of the Year” award for discovering the Spotted Quoll deposit in October 2007. The award was presented at the Excellence in Exploration & Mining Conference held in Sydney last week.

Western Areas and Newexco won the same award in 2005 for the discovery of Flying Fox. In addition, Western Areas won the “Digger Award” for the discovery and development of the Flying Fox mine at the Diggers and Dealers Conference in Kalgoorlie in August 2008.

Western Areas Managing Director Mr. Julian Hanna, said “We would like to congratulate the Newexco team for their outstanding contribution which has resulted in another high grade nickel discovery at the 90km long Forrestania Nickel Belt. We are optimistic that there will be further nickel discoveries along this belt from the ongoing exploration program”.

**About Spotted Quoll**

Spotted Quoll has a current mineral resource of >1.0Mt @ 7.2% Ni containing 75,100t nickel to only 300m vertical depth. The deposit is located on the northern margin of the Willy Willy lava channel, 6 km south of Flying Fox and 3 km south of the New Morning. Western Areas has moved rapidly to bring Spotted Quoll into production with the following announcements:

1. discovery of Spotted Quoll deposit. (announced 16 October 2007)
2. initial mineral resource of 545,600t at 6.3% nickel containing 34,500t nickel. (18 April 2008)
3. results of a scoping study for an initial open pit which could produce 8,000t nickel pa at an estimated cash costs of approximately US\$1.50/lb nickel. (announced 16 May 2008)
4. doubling of mineral resource to 1,045,900 tonnes at 7.2% nickel containing 75,100t nickel. The majority of the mineral resource (88%) is in the high confidence Indicated Mineral Resource category. (announced 2 September 2008)

Western Areas is already considering the early development of an underground mine at Spotted Quoll which could produce ore concurrently with the latter stages of the open pit. In this event, production could significantly exceed the initial target of 8,000tpa nickel.

A mining proposal for the Spotted Quoll open pit has been lodged and assuming this is approved by the end of 2008, ore production is expected to commence in the September Quarter 2009. Spotted Quoll remains open at depth and open along strike and further mineral resource upgrades are likely as drilling continues between 300m and 600m vertical depth. Three diamond drill rigs are currently drilling extensions to this large deposit and another drill rig is testing similar targets associated with a number of lava channels south of Spotted Quoll.

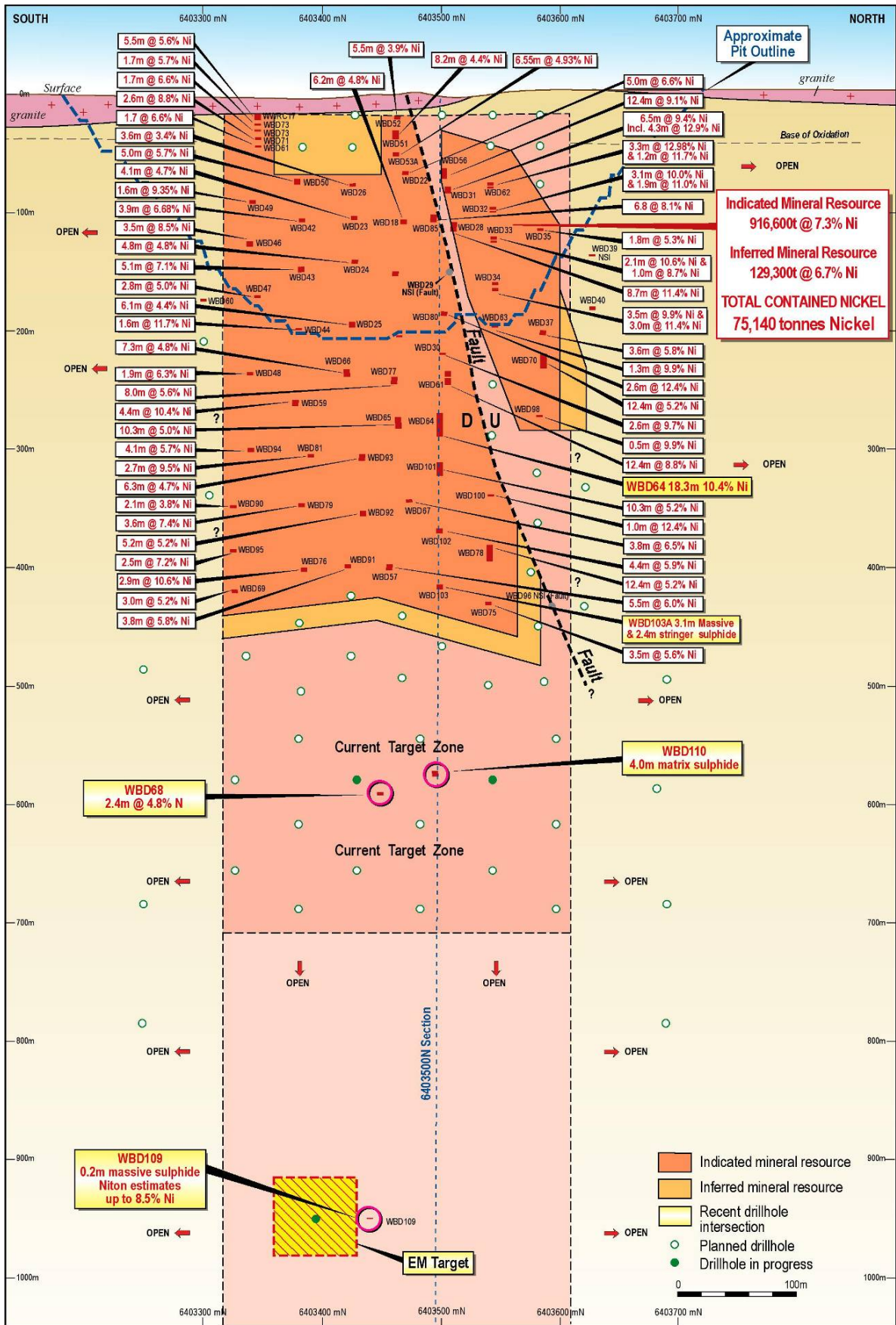


Figure 1: Long Projection (plane of vein) for Spotted Quoll showing current Mineral Resource (Note: drill hole intersections are shown as down hole widths)

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**QA-QC STATEMENT:**

Note: The nickel grade estimates for drill hole WBD 109 quoted in this release are indicative only and have been estimated from systematic readings using a NITON XLt 592 portable analyser which requires confirmation by laboratory analysis.

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, downhole surveys employed a north seeking gyroscopic instrument; comprehensive density database; high assay confidence with systematic QA/QC procedures; and validated database. Samples of quarter core from the drill holes described in this release are prepared and analysed by ALS Chemex Ltd laboratory in Perth for nickel, copper, cobalt and other elements. Core samples are crushed and pulverised to 90% passing 75 microns then analysed for nickel by ore grade determination using the ALS OG-62 method. Assays standards are routinely inserted in the sample stream by Newexco for quality control.

The information within this report as it relates to mineral resources and mine development activities is based on information compiled by Mr John Haywood and Mr Julian Hanna of Western Areas NL. Mr Haywood and Mr Hanna are members of AusIMM and are full time employees of the Company. Mr Haywood 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 Haywood 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 include: "We are optimistic that there will be further nickel discoveries along this belt from the ongoing exploration program", and "Western Areas is already considering the early development of an underground mine at Spotted Quoll which could produce ore concurrently with the latter stages of the open pit. In this event, production could significantly exceed the initial target of 8,000tpa nickel", and "Further mineral resource upgrades are likely as drilling continues between 300m and 600m vertical depth." 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, the Spotted Quoll deposit or the Forrestania Nickel Project 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.