



30 January 2013

ASX: WSA

News Release

WESTERN AREAS AGREES IMPROVED TWO YEAR OFFTAKE CONTRACT WITH JINCHUAN

Western Areas Ltd (ASX:WSA, "Company") is pleased to announce that following a competitive tender process, the Company has agreed key terms with Jinchuan Group Ltd (Jinchuan) to sell up to 26,000 tonnes of nickel in concentrate (FOB Port of Esperance) over an approximate two year period.

Both companies are now finalising documentation based on the existing contract which will accordingly require minimal change.

Western Areas Managing Director, Mr Daniel Lougher, said that the Company was pleased to continue the strong relationship already forged with China's largest nickel company.

"We have been selling nickel concentrate to Jinchuan since July 2010. The new contract commences in February 2013 and contains improved payability terms for Western Areas over the existing agreement," said Mr Lougher.

The detailed terms of the new agreement with Jinchuan remain confidential. The tender process attracted bids from a number of major global operating, investing and trading companies.

"Western Areas was encouraged by the strong competition for its nickel sulphide concentrate, which supports our view that there is a looming shortage of quality nickel concentrates in the market. Our concentrate has particular characteristics which make it very attractive for end users to smelt or blend with concentrates of lower quality," said Mr Lougher.

Western Areas currently produces between 25,000t and 26,000t of nickel in concentrate per annum and sells to BHP Billiton Nickel West in Australia and Jinchuan in China.

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FORWARD LOOKING STATEMENT:

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 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.