



29 November 2016

ASX: WSA

News Release

NEW OFFTAKE CONTRACT EXECUTED WITH BHP BILLITON NICKEL WEST

Western Areas Ltd (**ASX:WSA, “Western Areas” or the “Company”**) is pleased to announce that it has negotiated and entered into an Offtake Contract (**Contract**) with BHP Billiton Nickel West Pty Ltd (**Nickel West**).

This is a new contract and not an extension of the previous arrangement, which will be completed on 31 January 2017. The key terms of the Contract include:

1. **Contract Period** – The earlier of three years from 1 February 2017 or the completion of the aggregate quantity;
2. **Quantity** – up to 10,000 tonnes of nickel contained in concentrate per annum with a 30,000 tonne aggregate limit; and
3. **Delivery** – Bulk logistics to Kambalda

Other commercial terms of the Contract are in line with industry custom.

The Company is pleased that Nickel West and Western Areas have agreed an outcome which benefits both companies, whilst delivering value to Western Areas shareholders.

Western Areas Managing Director, Dan Lougher, commented the agreement with Nickel West was an excellent outcome given the Company’s long relationship which results in customer, geographic and market diversity following the offtake contract with Tsingshan announced yesterday.

“Western Areas has a strong fundamental belief in the long term sustainability of nickel production in Western Australia and the execution of this three year contract demonstrates our vision of a positive future.

Nickel West is a quality partner and the relationship developed over the prior seven years is stronger than ever. Both parties will benefit from this new Contract, due to the high reliability, quality and consistency of supply from our Forrester operations,” said Mr Lougher.

The Contract with Nickel West will require no changes to the existing bulk logistics infrastructure already in place.

Completion of Tender Process

The Contract with Nickel West completes the offtake tender process for Western Areas. The combination of the Tsingshan and Nickel West contracts will result in Western Areas realising a greater return from nickel produced in concentrate, versus the incumbent contracts that are due to expire on 31 January 2017. This impact will begin to be recorded partially for FY17 and fully for FY18 onwards.

WESTERN AREAS LTD



From 1 February 2017, the offtake expiry profile will be as follows:

1. **Tsingshan Group** – 10,000 tonnes per annum of contained nickel expiring around 31 January 2020 (see announcement dated 28 November 2016);
2. **BHP Billiton Nickel West Pty Ltd** – up to 10,000 tonnes per annum of contained nickel expiring around 31 January 2020; and
3. **BHP Billiton Nickel West Pty Ltd** – 2,000 tonnes per annum of contained nickel expiring around 30 June 2019 (commonly referred to as the Lounge Lizard Agreement)

-ENDS-

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FORWARD LOOKING STATEMENT

This release contains certain forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs.

This announcement does not include reference to all available information on the Company and should not be used in isolation as a basis to invest in Western Areas. Potential investors should refer to Western Areas' other public releases and statutory reports and consult their professional advisers before considering investing in the Company.