

**21 December 2015****ASX: WSA****News Release****WESTERN AREAS REDUCES STANDBY FINANCE COSTS ON UNDRAWN BANK FACILITY**

Western Areas Ltd (ASX:WSA, “Western Areas” or the “Company”) is pleased to advise that, at the Company’s request, agreement has been reached with the Australian and New Zealand Banking Group (“ANZ”) to modify the current undrawn corporate loan facility (“facility”) in order to minimise ongoing bank fees associated with maintaining the facility.

The currently undrawn A\$125m facility was originally established to provide a committed line of finance for the Company and ensure a repayment back stop for the convertible bond debt. Following full retirement of the final A\$125m convertible bond on 2 July 2015, an undrawn roll over backstop is no longer required. Consequently, the size of the facility has now been reduced at the request of Western Areas to minimise commitment fees associated with maintaining the larger facility limit, whilst ensuring that significant financial flexibility is maintained.

Under the altered facility arrangements the available limit has been set at A\$50m and a discount to the current interest rate margin, applicable on future drawn amounts (if required), has been agreed. While the existing margin was considered competitive, a further discount was agreed in light of current market conditions for this style of facility and in recognition of the strength of Western Areas’ balance sheet. The remaining terms and conditions are consistent with the original facility agreement.

The security position held by ANZ will be maintained, providing the ability to upsize the facility quickly and efficiently should the Company identify growth opportunities that require additional capital.

Maintaining committed financial flexibility is a key element of the Company’s capital management plan and discussions with ANZ were outlined in the September quarterly report. This forms part of the Company’s ongoing focus to reduce costs and identify efficiencies across all areas of the group. The Company monitors all available sources of funding to ensure that the previously announced deferred capital and exploration programs can be quickly restarted as market conditions permit.

-ENDS-

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# WESTERN AREAS LTD



## **FORWARD LOOKING STATEMENT:**

This release contains certain forward-looking statements including nickel production targets. 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.

These 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.

Examples of forward looking statements used in this report include: “The security position held by ANZ will be maintained, providing the ability to upsize the facility quickly and efficiently should the Company identify growth opportunities that require additional capital”.

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. 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.