

ASX and Media Release

Excellent early results from Peculiar Knob drilling program

Western Plains Resources Ltd (ASX:WPG) commenced a resource definition drilling program at its Peculiar Knob direct shipping iron ore (DSO) project in South Australia on 15 January 2007. This \$1 million program forms part of the project's \$1.6 million feasibility study. Assays from the first four holes drilled in the current program are now available. Intersections included 48m averaging 65.1% Fe in hole PK-76, 48m at 65.6% Fe in PK-70, 26m at 65.9% Fe in PK-65 and 13m at 64.4% Fe in PK-79. WPG regards these results as highly encouraging.

Peculiar Knob is a high grade haematite deposit with very low levels of impurities. To date, some 19 RC percussion holes for a total of approximately 2,200m and five diamond holes for a total of approximately 680m have been completed in the current round of drilling. The objectives of the 7,900m program are to upgrade the status of the existing inferred mineral resource estimate of 14 million tonnes averaging 63.2% Fe to the measured and indicated status, to explore for additional tonnage at depth, and to obtain core samples for metallurgical and geotechnical testing. The existing inferred resource estimate, to a depth of approximately 120m, was made in 1997 when some 16 holes only had been drilled.

The full suite of assays for the four new holes for which results are now available are set out in the following table:

Hole	Easting m	Northing m	Depth m	From m	To m	Length m	Fe %	SiO ₂ %	Al ₂ O ₃ %	P ₂ O ₅ %	LOI %
PK-65	9900.0	9930.0	105.0	11	37	26	65.9	6.78	0.54	0.09	0.28
PK-70	10000.0	9965.0	160.0	58	106	48	65.6	6.19	0.29	0.02	0.40
PK-76	10150.0	9970.0	97.0	28	76	48	65.1	5.09	0.20	0.07	0.38
PK-79	10200.0	10012.0	109.0	75	88	13	64.4	4.49	0.28	0.03	0.44

On 30 September 2006 WPG released iron assays for intersections in holes drilled in 2005 by another company at Peculiar Knob but not previously assayed. WPG collected the drill samples and submitted them for analysis. The full suite of analyses for these holes is set out in the table overleaf.

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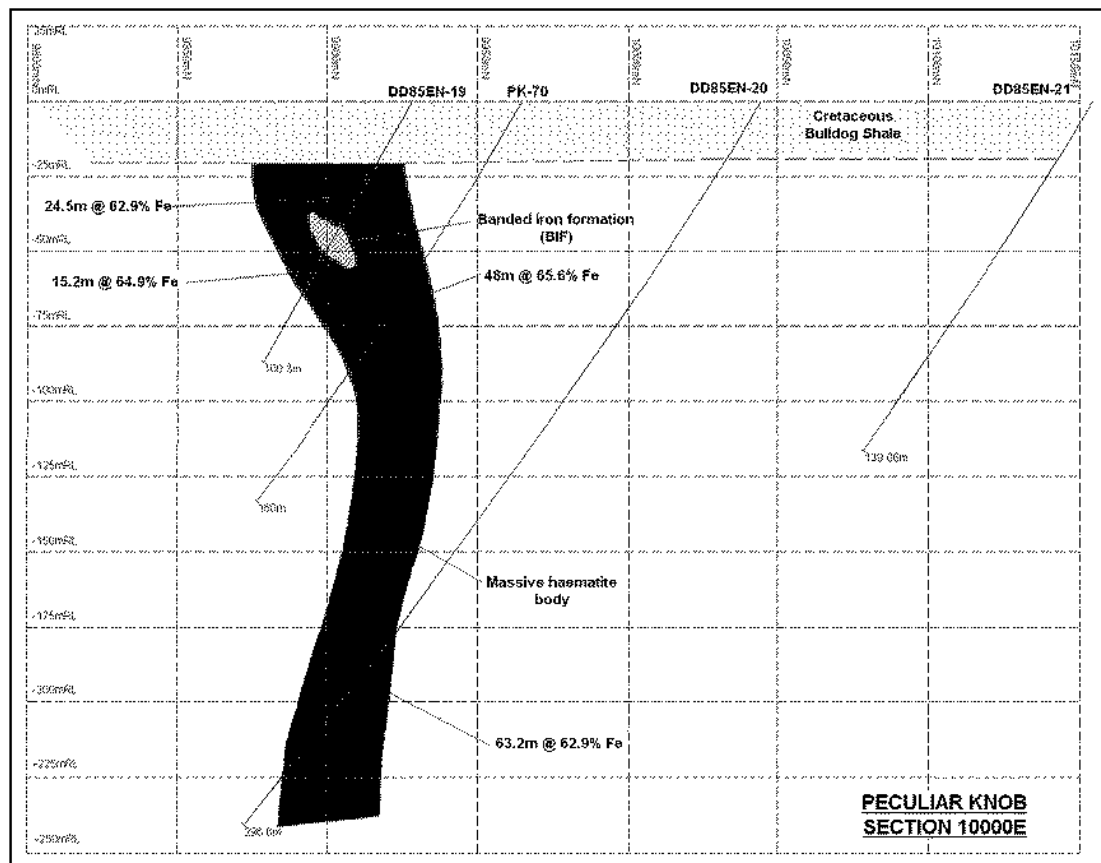
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Hole	Easting m	Northing m	Depth m	From m	To m	Length m	Fe %	SiO ₂ %	Al ₂ O ₃ %	P ₂ O ₅ %	LOI %
PK-35	10286.2	10045.9	120.0	43	49	6	62.5	8.94	0.24	0.02	0.76
PK-36	10075.4	9959.1	60.0	29	32	3	61.6	9.03	0.50	0.05	1.38
PK-37	10073.1	10004.7	160.0	55	71	16	63.0	8.77	0.47	0.02	0.25
PK-37	10073.1	10004.7	160.0	89	118	29	65.8	5.39	0.08	0.02	0.16
PK-38	9897.8	9956.5	138.0	48	130	82	65.3	6.32	0.04	0.02	0.18
PK-39	9890.8	9991.9	216.0	137	182	45	61.8	9.82	0.15	0.01	0.13
PK-40	9695.3	9972.5	100.0	47	61	14	64.0	8.03	0.00	0.02	0.23
PK-41	9698.7	10010.5	144.0	97	113	16	65.4	5.50	0.19	0.02	0.39

Note: to convert from percentage P₂O₅ as shown in the above two tables to percentage P multiply P₂O₅ grades by 0.4364.

The iron grades shown in the two tables above are very high, and the level of impurities, particularly phosphorous and alumina, are extremely low. Loss on ignition is also low. **WPG believes Peculiar Knob ore will be highly sought after in the market place for these reasons.**

A cross section through line 10,000mN based on the results of previous and current drilling activities is shown in the drawing below.



WPG notes that the continuity of mineralisation shown in the diagram above is good, the iron grades are high, and that the deposit extends to a depth of more than 250 metres on this section.

The drilling program is expected to continue until late March 2007. By then, a total of some 80 holes will have been drilled at Peculiar Knob over a strike length of approximately 1,400 metres.

On completion of the Peculiar Knob drilling program WPG will commence a 2,300 metre drilling program at its nearby Hawks Nest iron ore project. Hawks Nest contains the Buzzard DSO haematite deposit with a total measured and indicated resource of 6.7 million tonnes at an average grade of 60% iron, together with a number of magnetite deposits for which the total resource estimate is 569 million tonnes at an average grade of 35% iron. The focus of the Hawks Nest drilling program will be to explore for DSO deposits in the Kestrel, Kite, Eagle and other prospect areas. The budget for this program is some \$0.4 million, and is in addition to the Peculiar Knob feasibility study budget.

Competent Person

The review of exploration activities and results contained in this report is based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of the Company and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further Information

For further information please contact WPG's Executive Chairman Bob Duffin, on (02) 9251 1044 or 0412 234 684, or Gary Jones, on (+647) 854 0453 or 0410 358 280.