

## ASX RELEASE

The directors of Western Desert Resources Limited (ASX code 'WDR') announce plans for a Shareholder Share Purchase Plan to allow small shareholders the opportunity to increase the value of their holdings and fund an aggressive exploration and project acquisition program.

The recent *in specie* distribution of 10 million shares by TNG Limited resulted in over 1,600 new shareholders in Western Desert Resources Limited with less than a marketable parcel of shares. This offer, open to all shareholders provides an opportunity to build shareholding to marketable levels.

Shareholders will be offered new scrip at 25 cents an ordinary share - a discount of almost 12% on the average market price for Western Desert Resources shares in the five trading days prior to 29 October 2007.

The Shareholder Share Purchase Plan, which is available to all shareholders registered on 29 October 2007, will be limited to a maximum contribution of \$2,500 from each shareholder.

The Offer of a maximum of 19.05 million shares to raise up to \$4.76 million, closes on 19 November 2007.

A copy of the invitation to shareholders of Western Desert Resources Limited follows.

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# WesternDesert

## R E S O U R C E S

29 October 2007

Dear Shareholder

### INVITATION TO PARTICIPATE IN WESTERN DESERT RESOURCES LIMITED SHAREHOLDER SHARE PURCHASE PLAN

CLOSING DATE - 5PM (ADELAIDE TIME) 19 NOVEMBER 2007

The Board of Directors of Western Desert Resources Limited is pleased to invite you, as a shareholder, to participate in the Company's Shareholder Share Purchase Plan ('Plan') enabling all shareholders to participate on an equal basis to purchase ordinary shares in Western Desert Resources Limited ('Western Desert Resources' or the 'Company').

The Plan entitles shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$2,500 worth of shares in the Company ('Shares') at an attractive price, free of all brokerage, commission and stamp duty ('Offer').

Terms of the Plan are enclosed with this letter.

This letter sets out the terms and conditions of the Offer. By agreeing to purchase Shares under the Plan, you will agree to be bound by the terms and conditions set out in this letter.

#### PURPOSE OF THE OFFER

The offer is designed to allow all shareholders, particularly those whose holdings constitute less than a marketable parcel, to build that shareholding. Additionally funds raised from this Offer will be directed towards the Company's exploration projects, and evaluation and acquisition of new projects.

#### INTENTIONS OF DIRECTORS

Each Director intends to take up his full entitlement to Shares under the Offer.

#### PARTICIPATION

Participation in the Plan is open to all persons registered as holders of Shares at close of business, Adelaide time on 29<sup>th</sup> October 2007 ('Record Date') who have an address (as recorded in the Company's register of members) in Australia or New Zealand ('Eligible Members'). This letter will not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

Participation in the Plan is entirely at the discretion of Eligible Members. An Eligible Member may apply for up to a maximum of **two thousand five hundred dollars (\$2,500.00)** worth of Shares, being up to a maximum of 10,000 Shares, in increments of \$1,000.00, \$1,500.00, or \$2,500.00

Offers are non-renounceable, meaning that Eligible Members cannot transfer their entitlement to purchase Shares under an Offer to another person.

If you wish to participate in the Plan, you must complete and lodge the attached Application Form before the **Closing Date at close of business (Adelaide time) on 19 November 2007**. Please refer to the lodgement instructions below, and the instructions on the Application Form.

#### PRICING

As an incentive to Shareholders, the Shares are being offered at an issue price of 25 cents, which is 88% of the weighted average market price for Shares over the last 5 trading days (28.41 cents) on the Australian Stock Exchange ('ASX') to the 26 October 2007.

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You should note, however, that the market price of Shares may rise or fall between the date of this Offer and the date on which Shares are allocated to you. This means that the issue price you pay for the Shares may be greater than or less than the market price of the Shares at the date of allotment of the Shares under the Offer. You should obtain your own financial advice in relation to the Offer prior to lodging your Application Form.

### LIMIT ON PARTICIPATION

In order to comply with ASIC regulations, an Eligible Member may not acquire more than \$5,000 worth of Shares under the Plan in any 12 month period, taking into account all applications including joint and other beneficial interests.

The maximum number of 10,000 Shares, for which each Eligible Member may apply, will apply even if an Eligible Member has received more than one Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under separate share accounts). The Company reserves the right to reject any acceptance where there is non-compliance with this rule or any other term of the Plan.

### SHORTFALLS AND EXCESS SUBSCRIPTIONS

Western Desert Resources has the ability to issue up to 19,050,000 ('Authorised Quantity') under the Plan in accordance with the restriction imposed by ASX Listing Rule 7.1 Exception 15 which allows the Company to issue an additional 30% of securities under a plan of this nature in any 12 month period without shareholder approval.

In the event that the issue is not fully subscribed, the Company will retain the right to place the shortfall at the discretion of the directors.

### ALLOTMENT OF SHARES

Applications will be accepted on a first come, first served basis and it is the Board's intention to issue Shares under the Plan no later than 27 November 2007.

Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of their issue.

Western Desert Resources will, promptly after allotment of Shares under the Plan, apply for the Shares to be quoted on the official list of ASX.

### COSTS OF PARTICIPATION

**No brokerage, commissions, stamp duty or other transaction costs will be payable** by Eligible Members in respect of their application for, and allotment of, Shares under the Plan.

### LODGEMENT INSTRUCTIONS

If you would like to participate in the Offer, please return your completed Application Form, together with your cheque for the purchase price for the number of shares you wish to acquire, to reach **Computershare Investor Services Pty Limited**, using the enclosed reply paid envelope, on or before the **Closing Date of 5pm (Adelaide time) on 19 November 2007**.

Alternatively, you may wish to hand deliver the completed Application Form and cheque to **Computershare Investor Services Pty Limited** at Level 5, 115 Grenfell Street, Adelaide, or mail to GPO Box 1903, Adelaide SA 5001, by the closing date.

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted on the closing date.

### DECLARATION AND ACKNOWLEDGEMENTS

By forwarding a cheque and completing the Application Form, you:

- acknowledge that you have read, understood and agree to be bound by the terms and conditions of the Plan;
- agree to accept any lesser number of Shares than the number of Shares applied for;
- confirm that the total cost of all Shares purchased by you (including through joint and beneficial holdings) does not exceed \$5,000; and

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- agree to be bound by the constitution of Western Desert Resources in respect of the Shares issued to you.

### RISK FACTORS

While your directors have confidence in the future of the company and the attractiveness of the shares offered under this plan it should be noted that owning shares in a mineral exploration company, like Western Desert Resources Limited, is considered a speculative form of investment and that the future price of the Company's shares may rise and fall depending upon exploration success and fluctuations in the stock market generally.

Shareholders should also be aware that there is a risk that the market price of Western Desert Resources Limited shares may change between the date of this offer and the date when new shares are allotted under this Plan. The value of the shares you receive may rise or fall accordingly.

Finally shareholders should note that the offer is not made under a Prospectus, or other disclosure document, and does not require the type of disclosure required under the Corporations Act 2001. Shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on the Australian Stock Exchange. If necessary, consult your professional advisor prior to deciding to accept this offer and participate in the Shareholder Share Purchase Plan.

### ADDITIONAL INFORMATION

The Plan will be administered by the Western Desert Resources Limited Board, which will have an absolute discretion to:

- determine appropriate procedures for administration of the Plan; and
- resolve conclusively any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan whether generally in relation to any participating Eligible Member, or application for Shares, and any such resolution will be binding on all participants and other persons to whom the resolution relates.

The Plan and the terms and conditions of the Plan may be suspended, terminated or amended at any time by the Board.

The Board reserves the right to refuse an application if it considers that the applicant is not an Eligible Member or has not otherwise complied with the terms of the Plan or for any other reason. If an application is refused, application monies received will be refunded without interest.

### COSTS OF THE OFFER

Expenses of the Offer, ASX Listing Fees, share registry expenses, commissions, printing and postage costs have been estimated to be \$20,000.

### ANY QUERIES

If you have any queries concerning the Offer, please contact Computershare Investor Services Pty Limited, telephone 1300 556 161, our Managing Director, Norm Gardner, telephone 08 8274 1288.

Yours sincerely



Mick Billing  
Chairman

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## TERMS OF THE WESTERN DESERT RESOURCES LIMITED SHAREHOLDER SHARE PURCHASE PLAN

### 1. Definitions

ASX	means Australian Stock Exchange Limited;
Board	means the Board of Directors of Western Desert Resources Limited;
Closing Date	means the date specified in such an Offer or such later date as may be determined by the Board;
Company	means Western Desert Resources Limited ACN 104 757 904
Eligible Members	means members of the Company eligible to participate in the Offer as determined under Clause 2
Market Price	has the same meaning as that term is defined in the Listing Rules of the Australian Stock Exchange;
Offer	means a non-renounceable offer of ordinary fully paid shares in the Company to Eligible Members under the Plan from time to time;
Purchase Price	means the subscription price for each Share determined in accordance with Clause 3 and specified in each Offer;
Record Date	means the date specified as such in an Offer made pursuant to the Plan;
Terms	means this document.

### 2. Eligibility to Participate

Those Members of the Company who will be eligible to apply for Shares under an Offer ("the Eligible Members") are those who are recorded in the Company's register of members at close of business on the relevant Record Date for that offer, and have an address (as recorded in the Company's register of members) in a jurisdiction in which it is lawful and practical for the Company to issue Shares under the Plan (in the reasonable opinion of the Board).

An Offer does not constitute an offer in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer.

Eligible Members may apply for up to a maximum of FIVE THOUSAND DOLLARS (\$5,000) worth of Shares in any consecutive twelve (12) month period.

### 3. Calculation of Purchase Price

The Purchase Price of Shares will be determined by the Board, but will not be less than 80% of the average of the closing sale price of the Company's Shares on the ASX over the last five (5) trading days immediately prior to the date on which the Company makes the Offer. By accepting an Offer and applying for Shares under the Plan, each Eligible Member acknowledges that although the Purchase Price may be at a discount to the weighted average sale price of the Company's Shares on the ASX during the period described in Clause 3, the Shares are a speculative investment and the price of the Shares quoted on the ASX may change between the date of the Offer and the date of issue of the Shares and that the value of the Shares received under the Plan may rise or fall accordingly.