WESTERN AREAS NL

A.C.N. 091 049 357

Level 1, 11 Ventnor Avenue
West Perth, WESTERN AUSTRALIA, 6005
Ph: (08) 9486 7855 Fax: (08) 9486 7866
Website: www.westernareas.com.au
Email: jhanna@westernareas.com.au

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HIGH CONVERSION TO INDICATED RESOURCES AT FLYING FOX T5 DEPOSIT AND ENCOURAGING INTERSECTION AT T1, NORTH OF THE DOLERITE DYKE

Flying Fox - drilling

1. 83% of the first Inferred Mineral Resource estimate for the T5 deposit announced on 4 July has been converted to the higher category of Indicated Mineral Resource. This reflects the exceptional consistency in the majority of the deposit seen in the recent infill drilling program. 523,700 tonnes @ 6.7% nickel at T5 has now been converted to Indicated Mineral Resource.

2. The first drill hole to test for extensions to the T1 deposit north of the dolerite dyke (FFD 170) has intersected 3.7m of massive and stringer sulphides. Although assay results are required to confirm the sulphides contain nickel, this is considered to be very encouraging. The Outokumpu mine produced approximately 30% of it's ore from north of the dolerite dyke.

3. The three drill rigs on site are now testing for potential extensions to the resources at Flying Fox targeting 60m below T5, 80m above T5 and north of the dolerite dyke at T1. A fourth drill rig is expected to start on site in mid September. Nine priority targets are listed in this release.

Flying Fox – mine development

Due to the good ground conditions encountered in the Flying Fox decline, mining contractor Barminco will proceed with a trial using an alternative ground support system. The current mesh and bolting will be replaced by in-cycle fibre-creting which is expected to increase the advance rate significantly. The increased costs are likely to be offset by the potential benefits from accessing the T1 orebody earlier.

Main decline heading showing the mesh and bolt type ground support

Flying Fox - T5 resource upgrade

The first Indicated Mineral Resource estimate for T5 is:

523,700 tonnes @ 6.7% nickel using a 2% nickel lower cut-off grade

This represents conversion of approximately 83% of the tonnes of the previously announced Inferred Mineral Resource (630,000 tonnes @ 6.9% nickel). The excellent conversion rate reflects the high level of confidence in the interpretation of geological continuity for the majority of T5.

Minor additional infill drilling and further assay results from recent drill holes (including one intersection of 8m of massive sulphides outside the resource) are required before the remaining Inferred Mineral Resource can be converted to Indicated Mineral Resource category.

The T5 Indicated Mineral Resource estimate is required for the Stage Two Bankable Feasibility Study.

Table of Indicated Resource estimation parameters

Item	Details	Comments
Cell Size	5m (X) x 5m (Y) x 5m (Z)	Sub-cell to honour wireframes.
Interpolation Method	Inverse Distance	Power = 2.
Search Radii	30m x 45m x 5m (1st Pass)	Empirically determined. Three (3) passes (2nd x2 and 3rd x2.5). Validated with variography ranges.
Ellipse Orientation	Strike: Various; Dip: Various	Empirically determined. Validated with variography axes directions.
Nominal Drill Hole Spacing	~25m x ~25m	Average actual distance approximately 25m.
Check Estimations	Micromine polygonal and Datamine Ordinary Kriging	Close correlation between all estimates with respect to tonnes and grade.

Note: The tonnes and grade figures have been rounded to reflect the precision of the calculations.

Resource Parameters: The Flying Fox T5 mineralised zones were modelled as discrete wire frames. A block model was created using 'Datamine' software filling the wire frames with cells and sub-cells. Geological continuity of the mineralisation in T5 is very good with average true widths of 4m and a maximum true width of approximately 10m. The average dip is 75 to 80 degrees and the strike length tested to date is up to 300m.

Surface diamond drill hole collar surveys used differential GPS; downhole surveys used a gyroscopic instrument; comprehensive density database; high assay confidence with systematic QA/QC procedures; validated acQuire database.

Forrestania Drilling Program and Exploration Targets

Western Areas recently announced a goal to increase the resources at Flying Fox by 50% (to 100,000 tonnes of contained nickel) by August 2006. Three drill rigs are currently testing for extensions to the Flying Fox resources. A fourth drill rig is scheduled to start in mid September.

Drilling is planned to test nine targets during the next few months (not listed in order of drilling).

1. T1: test for possible extensions north of the dolerite dyke
2. T1: test above T1 towards the Outokumpu mine at 200m depth
3. T4: resource infill drilling to follow up an intersection of 4.3m @ 8.4% nickel
4. T5: test above the current resource and north of the dolerite dyke
5. T5: test for possible extensions below and south of the current resource
6. Diggers South: test for possible extensions below the current resource
7. Daybreak: test the down hole EM anomaly below the current resource
8. Mt Hope: test two surface EM anomalies near disseminated nickel zone
9. Cosmic Boy: test several anomalies along strike from the Cosmic Boy mine

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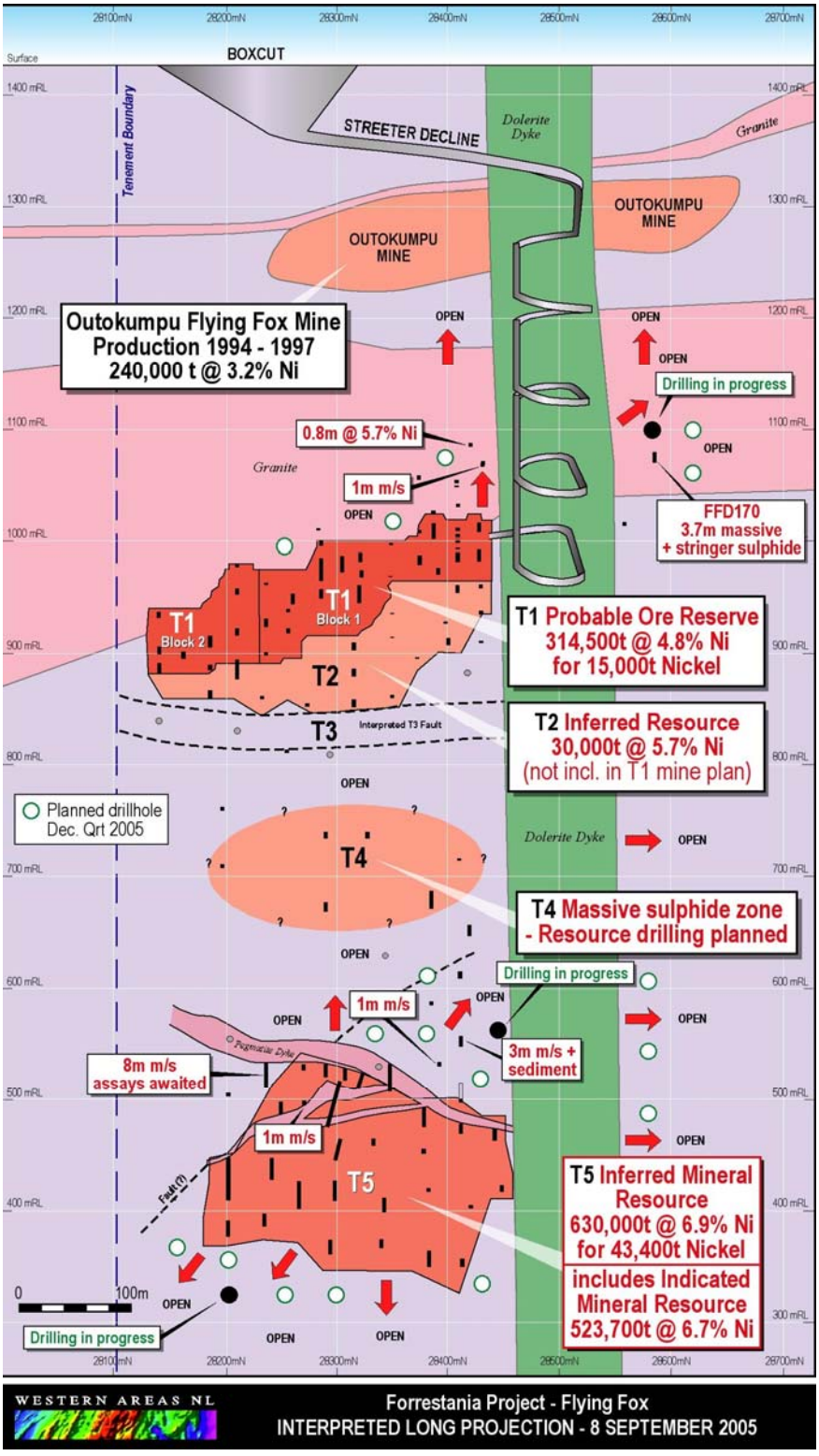

Julian Hanna, Managing Director 8 September 2005

DISCLAIMER

This announcement does not include reference to all available information on the 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 ASX releases and statutory reports and consult their professional advisers before considering investing in the Company.

The information within this report as it relates to geology was compiled by Mr Julian Hanna and Mr Adrian Black from Newexco. The information in this report as it relates to Mineral Resources is based on information compiled by Mr. Peter Kitto who is a Fellow of The Australasian Institute of Mining and Metallurgy and is a consultant to the Company. Mr Kitto has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Hanna, Mr Black and Mr Kitto consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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