Western Areas Announces March 2012 Quarterly Activities Report

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Record Concentrate Sales and the Purchase of Lounge Lizard

PERTH, WESTERN AUSTRALIA -- (Marketwire - April 23, 2012) - Western Areas NL (TSX:WSA) (ASX:WSA) The March Q was another outstanding operational period with record sales of 8,154 tonnes of nickel in concentrate, bringing year to date sales of 19,392 nickel tonnes. Concentrate sales for the 2nd half are expected to track towards 15,000 contained nickel tonnes, being 25% higher than the first half. This is a direct outcome of improved shipping logistics with reduced container turnaround time, resulting in a drawdown of concentrate stockpiles from the December Q.

The Company completed the purchase of Kagara Limited's nickel assets for A$68m which includes the high grade Lounge Lizard deposit and nearly 300sqkm of exploration tenements at Forrestania. This acquisition provides important longevity to Flying Fox, with expected mine life now approaching 8 years. The reported results for the Quarter include Lounge Lizard production from 1 March 2012. Lounge Lizard will form part of the Flying Fox numbers going forward.

Total mine production was 7,602 tonnes of nickel in ore at an average grade of 4.7%. Total nickel in concentrate from the mill was 6,266 tonnes with an average recovery of 93%. The new Jinchuan offtake agreement commenced in March and is expected to operate for 12 months.

During February the Spotted Quoll open pit was completed having delivered 28,502 tonnes of nickel in ore, well above the initial ore reserve estimate of 19,900 tonnes. Given the outstanding result, acknowledgement should be given to the Western Areas operations team, Newexco (who originally discovered Spotted Quoll) and to the company's mining contractor, MACA. Whilst this was one of the most significant high grade open pit nickel discoveries, we are now encouraged by the sheer size of the Spotted Quoll underground mineral resource which currently stands at around 177,000 tonnes of nickel whilst still being open in all directions.

March Q 2012 Highlights

1. Combined mine production was 7,602 tonnes (16.8M lbs) nickel at an average grade of 4.7% nickel.

2. Flying Fox mine production (excluding Kagara ore for Jan and Feb) was 81,143 tonnes of ore mined at 5.3% for 4,278 tonnes (9.4M lbs) contained nickel.

3. Production from the Tim King Pit at Spotted Quoll was 57,204 tonnes of ore mined at 4.0% for 2,280 tonnes (5.0M lbs) of contained nickel for the quarter.

4. Spotted Quoll underground mine production was 23,651 ore tonnes at 4.5% for 1,044 tonnes (2.3M lbs) of contained nickel.

5. Cash and receivables increased by A$30m, pre cash used in the purchase of Kagara's nickel assets (see page 14).

6. Average cash cost (before smelting/refining charges) of nickel in concentrate was A$2.48/lb as production was completed from the low cost Tim King Open Pit.

7. Total nickel sales during the March Q were 57,363 tonnes of concentrate containing a record 8,154 tonnes (14.3M lbs) nickel.

8. Mine optimisation plans progressed well for a potential to increase production at Spotted Quoll up to 15,000tpa nickel and increase capacity of the nickel concentrator.

9. Major exploration drilling programs are underway in between New Morning and Spotted Quoll deposits

with encouraging early results. In addition, a new six month underground drilling program has commenced at the recently purchased Lounge Lizard deposit.

The full activities report can be viewed at the Company's website www.westernareas.com.au.

QA-QC STATEMENT:

Mr Adrian Black from geological consultants Newexco Services Pty Ltd ("Newexco") and Mr Charles Wilkinson from Western Areas are responsible for the verification and quality assurance of the Company's exploration data and analytical results from the Forrestania Nickel Project. Surface diamond drill hole collar surveys used differential GPS, downhole surveys employed a north seeking gyroscopic instrument together with a comprehensive density database; high assay confidence with systematic QA/QC procedures; and validated database. Samples of quarter core from the drill holes described in this release are prepared and analysed by ALS Chemex Ltd laboratory in Perth for nickel, copper, cobalt and other elements. Core samples are crushed and pulverised to 90% passing 75 microns then analysed for nickel by ore grade determination using the ALS OG-62 method. Assays standards are routinely inserted in the sample stream by Newexco for quality control.

The information within this report as it relates to mineral resources, ore reserves and mine development activities is based on information compiled by Mr John Haywood, Mr Tim Peters, Mr Dan Lougher and Mr Julian Hanna of Western Areas NL. Mr Haywood and Mr Lougher are members of AusIMM and are full time employees of the Company. Mr Peters and Mr Hanna are members of AusIMM and are consultants to Western Areas. Mr Haywood, Mr Peters, Mr Lougher and Mr Hanna have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Haywood, Mr Peters, Mr Lougher and Mr Hanna consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements including nickel production targets. 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 "Concentrate sales for the 2nd half are expected to track towards 15,000 contained nickel tonnes", and "Mine optimisation plans progressed well for a potential to increase production at Spotted Quoll up to 15,000tpa nickel and increase capacity of the nickel concentrator", and "the acquisition of Lounge Lizard provides potential for significant mine life extensions to the Flying Fox operation", and "The 334 RL diamond drill drive cuddy continues to be utilised as an optimal position to delineate potential extensions to the lower T5 and T6/T7 ore zones", and "FinnAust considers the central Finnish region may represent a major metal province with potential to host multiple base metal deposits".

This announcement does not include reference to all available information on the Company or the Forrestania Nickel Project or the Regional Nickel Projects of FinnAust Mining Plc 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.

For Purposes of Clause 3.4 (e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

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