



February 27, 2009

ASX & TSX: WSA

APPENDIX 4D - HALF YEAR ENDED 31 DECEMBER 2008

Reporting Period

The reporting period is the half year ended 31 December 2008. The previous corresponding period is the 31 December 2007.

Results for announcement to the market

		% Change		Amount \$'000
Revenue from ordinary activities	Up	302%	To	40,792
Profit/(loss) from ordinary activities after tax attributable to members of Western Areas NL	Up	25%	To	(12,342)
Net profit/(loss) after tax attributable to members of Western Areas NL	Up	25%	To	(12,342)

No dividend was paid or declared for the half year ended 31 December 2008.

The Company had gross profit from operations of \$4.3m (2007 \$0.4m). However, the Group Net Loss after Tax was negative \$12.3m (2007 negative \$15.4m). Nickel Sales revenue was significantly higher at \$40.8m due to the continuing ramp up of production from the Flying Fox mine. Gross profit for the six months ended, while higher, was affected by the significant 44% fall in nickel prices since July 2008.

Net Tangible Asset Backing

The net tangible assets per security for the half year end 31 December 2008 was \$0.89. (31 December 2007 \$0.79)

Investments in Controlled Entities

There were no entities in which control was gained or lost during the period.

Wholly Owned Subsidiaries of Western Areas NL:

- Western Platinum NL
- Australian Nickel Investment Pty Ltd



Investments in Associates & Joint Ventures

Associates of Western Areas NL did not contribute to the result of the consolidated group for the half year ended 31 December 2008.

Associates of Western Areas NL:

- Mustang Minerals Inc. 18.15% (Canadian Entity)
- Polar Gold Pty Ltd 78% (Australian Entity)

AOA Kola Mining (Russian Entity) was deregistered during the current reporting period. Western Areas NL had a 75% interest in this Associate.

Western Areas NL does not have an interest in any Joint Venture Entities.

Audit Review & Accounting Standards

This report is based on Consolidated Financial Statements that have been subject to a full Audit by the Companies Auditor.

All entities incorporated into the Consolidated Group's result were prepared under AIFRS

Date: 27 February 2009

Craig Oliver

Finance Director & Company Secretary

WESTERN AREAS NL



ABN 68 091 049 357

INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED
31 DECEMBER 2008

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INTERIM FINANCIAL REPORT DIRECTORS' REPORT

The directors submit the financial report of the consolidated entity for the six months ended 31 December 2008.

The consolidated financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001, AASB 134 "Interim Financial Reporting", Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the 30 June 2008 annual financial report and any other public announcements made by Western Areas NL during the year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The financial report covers Western Areas NL and its controlled entities (the "Consolidated Entity"). Western Areas NL is a listed public company, incorporated and domiciled in Australia. The accounting policies adopted are consistent with those of the previous financial year.

The effective date of this report is 27 February, 2009.

All amounts in this discussion are expressed in Australian dollars unless otherwise identified.

Forward Looking Statements

The following Directors report may contain forward-looking statements that involve numerous risks and uncertainties. Actual results of the Company could differ materially from those discussed in such forward-looking statements as a result of the risks and uncertainties inherent in the business.

The Company disclaims any intention or obligation to update or revise the forward looking statements whether as a result of new information or change in business circumstance.

Directors

The names of the company's directors in office during the six months ended and until the date of this report are as below. Unless noted, directors were in office for this entire period.

Terence Streeter	Non Executive Chairman
David Cooper	Non Executive Director
Robin Dunbar	Non Executive Director
Julian Hanna	Managing Director and Chief Executive Officer
Craig Oliver	Finance Director
Dan Lougher	Director of Operations

Company Secretaries

Craig Oliver, Joseph Belladonna

REVIEW OF OPERATIONS

During the half year, significant progress was made towards achieving Western Areas goal to become Australia's second largest and lowest cost nickel producer. The single most important outcome from the half was the December quarter reduction in cash costs at Flying Fox to US\$1.36/lb nickel in concentrate, probably the lowest in Australia. In addition, major capital infrastructure was completed in the December quarter to enable the Company to focus on expanding low cost nickel production in 2009.

Highlights from the half year were:

1. 8,114 tonnes of nickel from first full year production at Flying Fox
2. US\$1.36/lb nickel cash costs for Flying Fox, down 47% since Sept quarter
3. Mine development extended down to the Flying Fox T4 deposit
4. The high grade resources at Spotted Quoll was upgraded to 125,460t nickel
5. Surface site works completed at the planned Diggers South mine
6. Previous mine portal exposed at the planned Cosmic Boy mine
7. Construction of the Cosmic Boy nickel concentrator completed
8. Upgrade of the accommodation village to 465 rooms
9. Very high safety and environmental standards maintained at mine site

The half year saw the nickel price drop from US\$22,549/tonne (US\$10.23/lb) on 30 June to US\$10,800/tonne (US\$4.9/lb) on 31 December. Despite these challenging market conditions, your Company is in a very strong position and is on track to achieve its goal to become one of Australia's premier nickel producers. Western Areas has set a number of targets for 2009. These are to:

- Expand low cost production and ore reserves at Flying Fox mine
- Commence open pit production at the high grade Spotted Quoll mine
- Commission the Cosmic Boy nickel concentrator
- Increase revenue by negotiating improved nickel offtake terms
- Reduce costs by negotiating new contracts and reducing drilling budget
- Discover another Spotted Quoll or Flying Fox type deposit in 2009

Flying Fox

- All major development work at the high grade Flying Fox T1 ore body is complete and stoping of the two main ore blocks is meeting all expectations. The decline has advanced behind T4 with first production expected in April 09. Production from the large T5 ore body is on track to commence in early 2010.
- Invoiced production from T1 during the half year was 106,143 tonnes of ore at an average mined grade of 4.3% nickel for a total 4,144 tonnes contained nickel. (Table 1)

Spotted Quoll

- Mineral resource increased to >2.0Mt at an average grade of 6.2% nickel for 125,460t nickel to 640m depth. Spotted Quoll is already larger than Flying Fox only 15 months since discovery and remains open at depth.
- The first ore reserve was released on the 12 Feb 2009. Permitting is progressing for an initial open pit planned to be in production in the December quarter 09. Scoping studies have commenced for a long life underground mine.

Exploration

Systematic exploration is focused along 25km Western Nickel Belt with the objective to discover another Spotted Quoll or Flying Fox type nickel deposit in 2009. Only 3 of 9 known lava channels.

For a full briefing on the Company's activities for the half please refer to the September and December quarterly reports.

Production Statistics - Flying Fox				
	Sep Qtr	Dec Qtr	Total	
Flying Fox - Ore Tonnes Mined				
T1	40,854	71,740	112,594	
Ni %	4.1%	4.3%	4.3%	
T Zero	2,959	-	2,959	
Ni %	4.0%	0.0%	4.0%	
Tn's	43,813	71,740	115,554	
Ni %	4.1%	4.3%	4.3%	
Ni Tonnes Mined				
	1,812	3,116	4,928	
Flying Fox - Ore Tonnes Invoiced				
T1	44,789	61,355	106,143	
Ni %	3.9%	4.6%	4.3%	
Recovery	91.1%	91.7%	91.5%	
	1,571	2,573	4,144	
T Zero	3,616	-	3,616	
Ni %	3.8%	0.0%	3.8%	
Recovery	85.0%	0.0%	85.0%	
	117	-	117	
Tn's	48,405	61,355	109,759	
Ni %	3.8%	4.6%	4.3%	
Ave. Recovery	90.6%	91.7%	91.3%	
Ni Tonnes in Concentrate				
	1,688	2,573	4,261	

Note. Grade and recovery estimates are subject to change until the final assay data is received in accordance with the OTCPA agreement.

Financial Statistics - Flying Fox				
	Sep Qtr	Dec Qtr	Total	
Group Cost/lb				
Mining Cost (*)	A\$/lb	2.28	1.46	1.79
Haulage	A\$/lb	0.23	0.20	0.21
Milling	A\$/lb	0.33	0.29	0.31
Admin	A\$/lb	0.13	0.13	0.13
By Product Credit	A\$/lb	(0.06)	(0.05)	(0.06)
Cash Cost Ni in Con (***)	A\$/lb	2.91	2.03	2.38
Cash Cost Ni in Con/lb (***)	US\$/lb (**)	2.59	1.36	1.85

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements
 (**) US\$ FX for Relevant Quarter is RBA ave daily rate (Dec Qtr = A\$1:US\$0.67)
 (***) Payable terms are not disclosed due to confidentiality conditions of the offtake agreement. Cash costs excludes royalties.

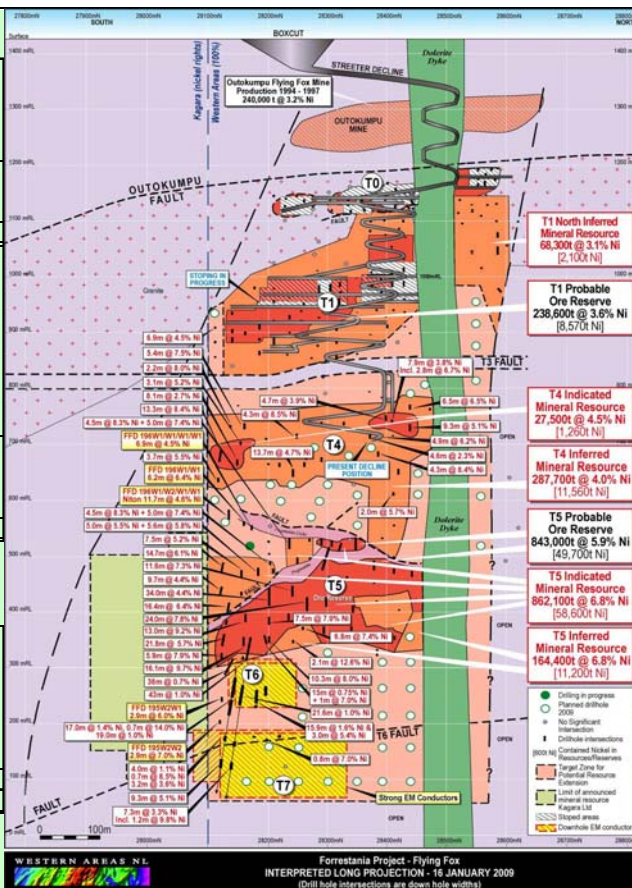


Figure 1: Interpreted longitudinal projection of Flying Fox Mine

Table 1: Production Statistics

CORPORATE AND FINANCING

Financial Result

The Company had gross profit from operations of \$4.3m (2007 \$0.4m). However, the Group Net Loss after Tax was negative \$12.3m (2007 negative \$15.4m). Nickel Sales revenue was significantly higher at \$40.8m due to the continuing ramp up of production from the Flying Fox mine. Gross profit for the six months ended, while higher, was affected by the significant 44% fall in nickel prices since July 2008.

Bond Cash Settlement and Share Buyback

On 2 July 2007 Western Areas issued a \$A225.0M 8% 5 Year Convertible Bond at a 45% premium. The Bonds are quoted in the Singapore Stock Exchange. Please refer to the Western Areas release dated 29 June 2007 for the Bond Conditions.

At 30 June 2008 Western Areas announced that it had bought back 50 out of 900 Bonds and that it will continue to monitor the market. Since 30 June 2008 Western Areas has bought back a further 16 Bonds. Accordingly at 31 December 2008 there remains 834 Bonds with the principal amount owing reduced from \$A225.0M to \$A208.5M.

At 31 December Western Areas had not bought back any shares in the Company.

ANZ Debt Facility and Cash Balance

At 31 December 2008 Western Areas has \$A65M in cash and the ANZ Facility is drawn to \$A62M.

Hedging

Western Areas has entered into foreign exchange collars of \$US10M (\$US2.5M for each of March, June, September and December 2009 quarters) with a cap of \$0.75 and a floor of \$0.57. Western Areas will look to secure further short dated currency and nickel price hedging going forward.

Subsequent Events

On the 16th of February 2009 Western Areas announced a major restructure of the Ore Tolling and Concentrate Purchase Agreement (“OTCPA”) between the Company and Norilsk Nickel Australia (“NNAU”).

The main features of the restructure are as follows:

1. NNAU’s obligations to toll treat Western Areas’ Forresteria ore at NNAU’s Lake Johnston concentrate plant will cease on 1 March 2009.
2. Western Areas retains the right to sell Flying Fox nickel concentrate produced through the Cosmic Boy nickel concentrator to NNAU on the existing terms, however:
 - a. Western Areas will have an option but not the obligation to remove 40% of Flying Fox concentrate from the existing OTCPA from 1 April 2009
 - b. Western Areas will have a second option but not an obligation to remove 100% of Flying Fox concentrate from the existing OTCPA from 1 January 2010
 - c. In the event Western Areas exercises the second option, the OTCPA will cease and both parties will have no ongoing obligations or liabilities.
3. The concentrate grade required to be supplied to NNAU under the existing terms of the OTCPA will be reduced from 16% to 14% nickel in concentrate. This should further improve metallurgical recoveries through the new Cosmic Boy plant.
4. Western Areas will acquire surplus plant items owned by NNAU at no cost. These items include a ball mill, thickener and flotation cells which are key lead time items required for any future upgrade of the Cosmic Boy plant.

The restructure has no effect on the results for the half year ended.

Significant Accounting Estimates

Management is required to make various estimates and judgements in determining the reported amounts of assets and liabilities, revenues and expenses for each period presented and in the disclosure of commitments and contingencies. The significant areas where management uses estimates and judgments in preparing the consolidated financial statements are the determination of carrying values and impaired values of exploration assets.

Internal Controls

The company has made no change to its internal controls over financial reporting since 30 June 2008 that have materially affected, or are reasonably likely to materially affect, the company’s internal control over financial reporting.

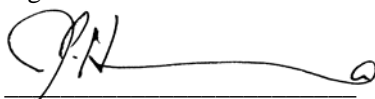
Rounding of Amounts

The amounts contained in this report and in the half year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Auditors Independence Declaration

A copy of the Auditors Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Signed in accordance with a resolution of the Board of Directors.



Julian Hanna
Managing Director

Perth, 27 February 2009

AUDITORS INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Western Areas NL for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK HORWATH PERTH AUDIT PARTNERSHIP

A handwritten signature in black ink, appearing to read "Cyrus Patel".

CYRUS PATELL
Principal

Perth, WA

Dated this 27th day of February 2009

Total Financial Solutions



Horwath refers to Horwath International Association, a Swiss entity.
Each member of the Association is a separate and independent legal entity.

Member Horwath International

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A WHK Group firm

CONSOLIDATED INCOME STATEMENT
For The Six Months Ended 31 December 2008

	Notes	Consolidated Entity	
		Six months ended 31 December	
		2008 \$'000	2007 \$'000
Sales	2	40,792	13,546
Cost of sales		(36,442)	(13,162)
Gross profit		4,350	384
Other revenue	2	3,570	7,623
Finance costs	3	(9,953)	(8,951)
Administration expenses	3	(4,590)	(2,671)
Employee benefits expenses		(1,879)	(1,246)
Foreign exchange adjustments		(3,432)	-
Share based payments		(3,717)	(2,074)
Unrealised movement in market value of derivatives		264	7,316
Impairment of non-current assets		(882)	(661)
Realised derivative losses	3	-	(25,555)
Operating earnings/(loss) before income tax		(16,269)	(25,835)
Income tax benefit		3,927	10,466
Earnings / (Loss) for the period		(12,342)	(15,369)
Basic loss per share (cents per share)		(7.41)	(9.22)
Diluted loss per share (cents per share)		(7.41)	(9.22)

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET
As At 31 December 2008

	Notes	Consolidated Entity	
		31 Dec 2008 \$'000	30 Jun 2008 \$'000
Current Assets			
Cash and cash equivalents		64,536	144,710
Trade and other receivables		4,104	11,412
Inventories		3,655	1,719
Other financial assets		264	-
Total Current Assets		72,559	157,841
Non-Current Assets			
Property, plant & equipment		75,874	38,915
Exploration & evaluation		68,835	54,587
Mine development		149,633	136,519
Deferred tax assets		24,261	20,334
Other financial assets		1,704	7,034
Total Non-Current Assets		320,307	257,389
Total Assets		392,866	415,230
Current Liabilities			
Trade and other payables		30,099	47,812
Short term borrowings		2,068	12,206
Short term provisions		880	453
Total Current Liabilities		33,047	60,471
Non-Current Liabilities			
Long term borrowings		245,644	227,744
Long term provisions		1,252	1,211
Total Non-Current Liabilities		246,896	228,955
Total Liabilities		279,943	289,426
Net Assets		112,923	125,804
Equity			
Issued capital		154,600	153,087
Reserves		49,018	51,070
Accumulated losses		(90,695)	(78,353)
Total Equity		112,923	125,804

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Six Months Ended 31 December 2008

	Issued Capital \$'000	Prospectus Expenses \$'000	Option Reserve \$'000	Hedge Reserve \$'000	Investment Reserve \$'000	Convertible Note Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
Total Equity at 1 July 2007	157,044	(8,305)	2,030	(48,933)	5,327	23,647	(23,446)	107,364
Shares issued during the year	513							513
Share issue expenses incurred								
Share based payments expense			2,074					2,074
Cash flow hedge adjustment				37,747				37,747
Movements in the market value of investments					(116)			(116)
Loss attributable to the members of the parent entity							(15,369)	(15,369)
Total Equity at 31 December 2007	157,557	(8,305)	4,104	(11,186)	5,211	23,647	(38,815)	132,213
Total Equity at 1 July 2008	161,392	(8,305)	5,931	-	(39)	45,178	(78,353)	125,804
Shares issued during the year	1,513							1,513
Share based payments expense			3,717					3,717
Movements in the market value of investments					(5,329)			(5,329)
Equity value of convertible note issue						(440)		(440)
Loss attributable to the members of the parent entity							(12,342)	(12,342)
Total Equity at 31 December 2008	162,905	(8,305)	9,648	-	(5,368)	44,738	(90,695)	112,923

The accompanying notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
For The Six Months Ended 31 December 2008

	Six Months Ended 31 December	
	2008 \$'000	2007 \$'000
Cash Flows From Operating Activities		
Cash receipts in the course of operations	42,868	12,609
Cash payments to suppliers & employees	(27,054)	(14,649)
Royalties paid	(3,125)	(1,114)
Interest received	3,727	6,615
Finance costs	(12,947)	(11,438)
Other receipts	367	258
Derivative settlement	-	(25,555)
Net Cash Received from Operating Activities	3,836	(33,274)
Cash Flows From Investing Activities		
Purchase of Plant & Infrastructure	(37,846)	(4,567)
Mine development expenditure	(27,796)	(11,737)
Exploration & evaluation activities	(24,397)	(7,787)
Investment in other entities	-	(2,361)
Net Cash Used in Investing Activities	(90,039)	(26,452)
Cash Flows From Financing Activities		
Proceeds from borrowings	8,307	229
Proceeds from employee option conversion	1,513	514
Proceeds from issue of shares	-	-
Finance leases	153	(72)
Borrowing costs	(164)	(585)
Convertible bond repayments	(3,780)	-
Net Cash From Financing Activities	6,029	86
Net increase / (decrease) in cash held	(80,174)	(59,640)
Cash at beginning of financial period	144,710	237,003
Cash as at 31 December	64,536	177,363

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Six Months Ended 31 December 2008

Note 1: Basis of Preparation

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001, AASB 134 “Interim Financial Reporting”, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the 30 June 2008 annual financial report and any other public announcements made by Western Areas NL during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The financial report covers the Consolidated Entity of Western Areas NL and its controlled entities (the “Consolidated Entity”). Western Areas NL is a listed public company, incorporated and domiciled in Australia.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

This half year report has been prepared on an accrual basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Note 2: Revenue

- Sales
- Quotation period adjustment
- Interest received
- Other
- Profit / (Loss) on disposal of asset

Total Income

Consolidated Entity	
31 Dec 2008	31 Dec 2007
\$'000	\$'000
51,930	16,850
(11,138)	(3,304)
3,169	7,270
959	353
(558)	-
44,362	21,169

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Six Months Ended 31 December 2008

Note 3: Loss from Ordinary Activities

	Consolidated Entity	
	31 Dec 2008	31 Dec 2007
	\$'000	\$'000
The following expense items are relevant in explaining the financial performance for the interim period:		
- Depreciation of non-current assets	1,325	771
Depreciation deferred to capital	(231)	(486)
Depreciation included in Consolidated Income Statement	1,094	285
- Amortisation	18,114	1,013
- Rental expenditure - operating leases	181	105
- Impairment of non-current assets	-	661
- Realised derivative losses	-	25,555
- Finance costs expensed:		
Interest expense - borrowings	10,966	11,219
Interest expense - finance leases	3	5
Other financing costs	172	400
Total financing costs	11,141	11,624
Less: interest expense capitalised	(1,057)	(2,273)
Less: borrowing costs capitalised	(131)	(400)
Total Financing Costs Expensed	9,953	8,951

Note 4: Dividends

No dividends have been declared or paid during this six months ended.

Note 5: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Six Months Ended 31 December 2008****Note 6: Subsequent Events**

On the 16th of February 2009 Western Areas announced a major restructure of the Ore Tolling and Concentrate Purchase Agreement (“OTCPA”) between the Company and Norilsk Nickel Australia (“NNAU”).

The main features of the restructure are as follows:

1. NNAU’s obligations to toll treat Western Areas’ Forresteria ore at NNAU’s Lake Johnston concentrate plant will cease on 1 March 2009.
2. Western Areas retains the right to sell Flying Fox nickel concentrate produced through the Cosmic Boy nickel concentrator to NNAU on the existing terms, however:
 - a. Western Areas will have an option but not the obligation to remove 40% of Flying Fox concentrate from the existing OTCPA from 1 April 2009
 - b. Western Areas will have a second option but not an obligation to remove 100% of Flying Fox concentrate from the existing OTCPA from 1 January 2010
 - c. In the event Western Areas exercises the second option, the OTCPA will cease and both parties will have no ongoing obligations or liabilities.
3. The concentrate grade required to be supplied to NNAU under the existing terms of the OTCPA will be reduced from 16% to 14% nickel in concentrate. This should further improve metallurgical recoveries through the new Cosmic Boy plant.

Western Areas will acquire surplus plant items owned by NNAU at no cost. These items include a ball mill, thickener and flotation cells which are key lead time items required for any future upgrade of the Cosmic Boy plant.

Note 7: Statement of Operations by Segments

The Consolidated Entity operated in the nickel production and mineral exploration industry in Australia.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTERN AREAS NL AND ITS CONTROLLED ENTITIES**

We have audited the accompanying financial report of Western Areas NL and its controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2008, and the Income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion, the financial report of Western Areas NL and its controlled entities is in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
Principal

Perth, WA
Dated this 27th day of February 2009

Total Financial Solutions



Horwath refers to Horwath International Association, a Swiss entity.
Each member of the Association is a separate and independent legal entity.

Member Horwath International

WHK Horwath Perth Audit Partnership ABN 96 844 819 235
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GPO Box P1213 Perth WA 6844 Australia
Telephone +61 8 9481 1448 Facsimile +61 8 9481 0152
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A WHK Group firm


DIRECTORS' DECLARATION

The directors of the company declare that:

- 1) The financial statements and notes, as set out on pages 8 to 14:
 - (i) give a true and fair view of the economic entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date; and
 - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001;
- 2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



Julian Hanna
Director

Dated 27 February 2009