

23 December 2008

Company Announcements Office
ASX Securities Limited
20 Bridge Street
SYDNEY NSW 2000

**ROPER BAR NT IRON ORE PROJECT
ITOCHU FARMIN AND JOINT VENTURE DOCUMENTS EXECUTED**

HIGHLIGHTS

- **A\$2.0 MILLION SALE TO ITOCHU OF 15% INTEREST IN ROPER BAR IRON ORE PROJECT**
- **\$15.0 MILLION JV FARM-IN ARRANGEMENT**

The two-tiered arrangement under the Memorandum Of Understanding between Western Desert Resources " (ASX code "WDR") and the ITOCHU subsidiary, Itochu Minerals and Energy of Australia Pty Ltd (IMEA) as announced on 29 September, 2008, and designed to explore and develop the highly prospective Roper Bar iron ore project in the Northern Territory, has been cemented via the execution of formal agreements between the parties in Adelaide.

IMEA's subsidiary IMEA Exploration and Development of Australia Pty Ltd (IEDA) and WDR have executed detailed farm-in, and joint venture agreements along with various subsidiary documents. Tenements affected (refer Attachment 2) are exploration licences EL26759, EL25672, EL24307, EL24944, EL24665, and ELA26992.

Pursuant to the Farm-in agreement IEDA will acquire a 15% interest in the project tenements for a cash consideration of A\$2.0 million. Documents for the transfer to IEDA of a 15% interest in the tenements subject to the agreement have been lodged with the NT Department of Regional Development, Primary Industry, Fisheries and Resources, with IEDA to pay the sum of A\$2.0 million to WDR before 31 December 2008.

The Farm-in agreement provides for IEDA to expend up to A\$15.0 million over the next six years to earn up to a maximum 51% equity in the project, in addition to the initial A\$2.0 million acquisition.

"We are delighted that Itochu has confirmed its intention to participate in the Roper Bar project," Chairman of Western Desert, Mr Mick Billing, said today. "We look forward to participating with Itochu in exploring and developing this exciting iron ore opportunity."

The Roper Bar project is only 30 kilometres west of the Gulf of Carpentaria and just 240 kilometres east of the Alice Springs to Darwin rail corridor.

For further information please contact

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Chairman

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Fabray who is a member of the Australasian Institute of Mining and Metallurgy. Mr Fabray is a full time employee of Western Desert Resources Ltd and has sufficient experience relevant to the styles of mineralisation under consideration and to the subject matter of the report to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Fabray consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

Information in this report describing historical production figures and assays has been derived from open file company reports in the public domain.

About Western Desert Resources Limited

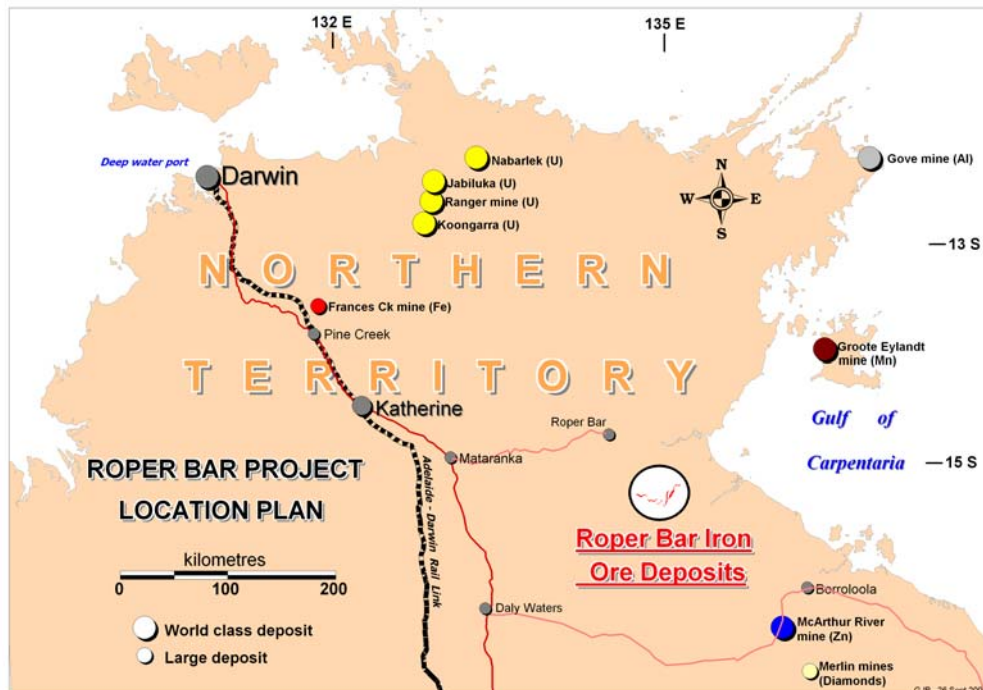
Western Desert Resources is an ASX listed Australian exploration company with key mineral projects in Australia with a strategic focus on minerals that supply the steel and construction sectors. Western Desert has identified advanced development prospects in iron ore, manganese and molybdenum.

Core projects are: the Roper Bar Iron Ore Project in the Northern Territory, highly prospective for iron ore with low phosphorous and other impurities and located close to the Roper River

Western Desert has acquired a strategic 16.7% stake in Thor Mining Plc, which is co-listed on the UK AIM market. Thor Mining owns the Molyhill Molybdenum / Tungsten project, located north east of Alice Springs. An off-take agreement is in place with CITIC, China's leading energy and base metal producer.

The Company's portfolio also includes interests in copper and gold targets and manganese projects. Western Desert can earn up to an 80% interest in the Roper Gold/Base Metals Joint Venture, south-west of Tennant Creek in the Northern Territory, and a 45% interest in manganese projects in Queensland and the Northern Territory.

Attachment. 1 Roper Bar Project Location Plan



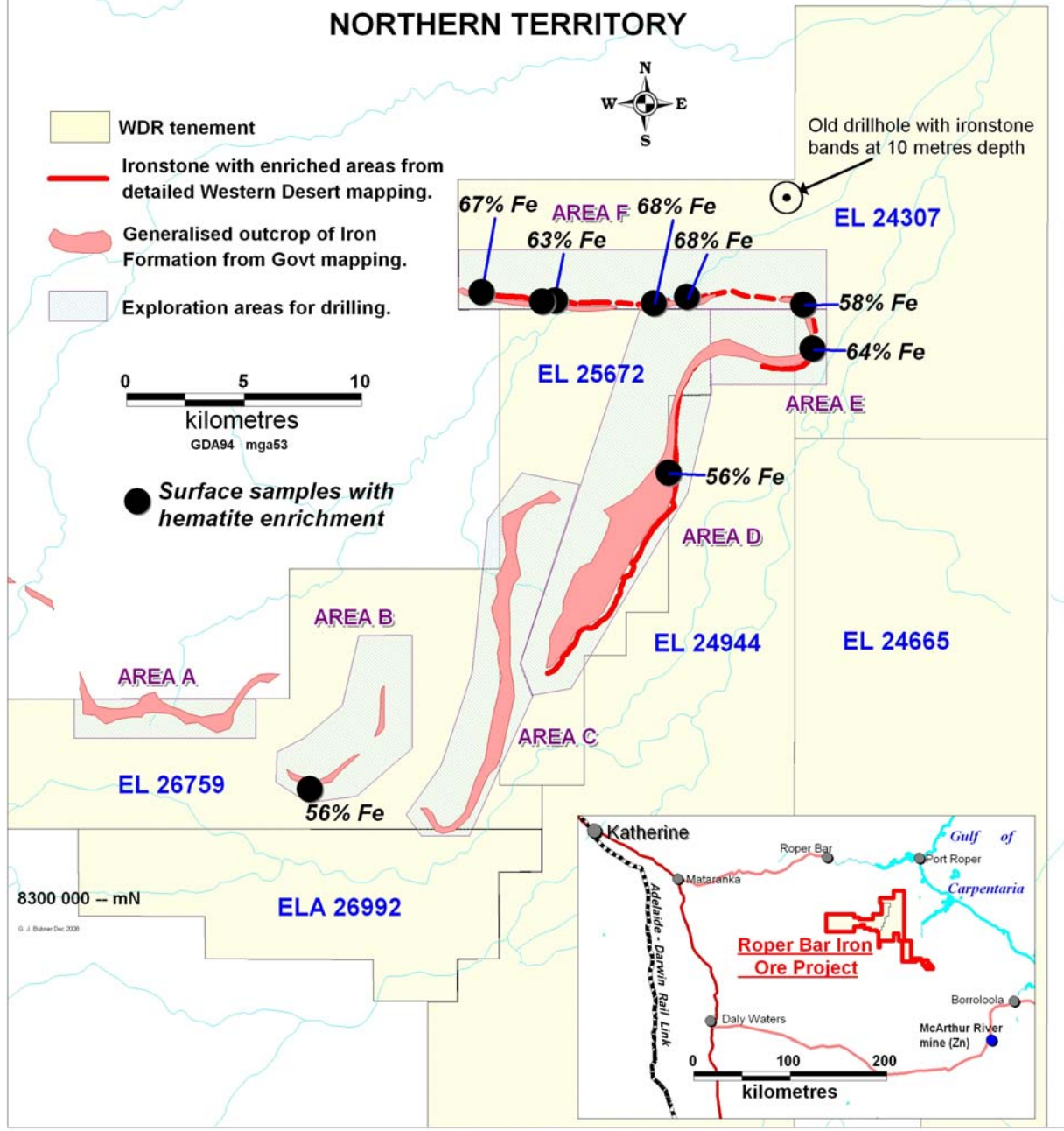
Attachment 2. Roper Bar Project tenement map

WESTERN DESERT RESOURCES LIMITED &
IMEA EXPLORATION & DEVELOPMENT OF AUSTRALIA PTY LTD.

ROPER BAR IRON ORE PROJECT

NORTHERN TERRITORY

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