

18 November 2009

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

RENOUNCEABLE RIGHTS ISSUE - LETTERS TO SECURITY HOLDERS.

Pursuant to ASX Listing Rule 15.2.1 Directors of Western Desert Resources Limited ("WDR") (ASX code WDR and WDRO) provide copies of information letters, being issued by mail today, to the holders of WDR securities in respect of its upcoming Renounceable Rights Issue to:-

- Shareholders of fully paid ordinary shares
- Overseas Shareholders
- Option Holders

The holders of company securities are encouraged to read the applicable letters in conjunction with the Offer Memorandum for the Rights Issue which was lodged with ASX on 17 November 2009 and is available to download at both www.asx.com.au using ASX code "WDR" and at WDR's website www.westerndesertresources.com.au.

Laurie Ackroyd
Company Secretary

For further information, contact
Norm Gardner
Managing Director
(08) 8177 8800
info@westerndesertresources.com.au

About Western Desert Resources Limited

Western Desert Resources (WDR) is an ASX listed Australian exploration company with a diversified portfolio of projects in Australia. WDR has identified advanced prospects in iron ore, gold, molybdenum, and tungsten.

Core projects are: the Roper Bar Iron Ore Project in the Northern Territory located close to the Roper River; and the Rover gold/copper project near Tennant Creek, also in the Northern Territory.

18 November 2009

Dear Shareholder

Renounceable Rights Issue

On 17 November 2009, Western Desert Resources Ltd (“WDR”) announced a fully underwritten one (1) for five (5) renounceable pro rata entitlement issue of up to 20,825,019 new shares in WDR based on the undiluted share capital of WDR as at 16 November 2009 (without taking into account the impact of rounding) at an issue price of A\$0.40 per new WDR share (**Rights Issue**).

The issue price represents a discount of approximately 32% to the volume weighted average price of WDR shares during the 5 trading day period to, and including, 4 November 2009 (being the last day on which WDR shares traded on ASX prior to preliminary announcement of the Rights Issue on 9 November 2009).

Patersons Securities Limited (**Underwriter**) has agreed to fully underwrite the Rights Issue. Accordingly, the Rights Issue will raise gross proceeds of approximately \$8.33 million (before costs and expenses of the Rights Issue), subject to the terms of the Underwriting Agreement.

The Rights Issue will be conducted without a prospectus in accordance with the new streamlined offering provisions of the Corporations Act.

Full details of the Rights Issue, including details of the underwriting, are set out in the Offer Memorandum and Appendix 3B lodged with ASX on 17 November 2009. The Offer Memorandum is available to download from both the ASX website (at www.asx.com.au) and WDR’s website (at www.westerndesertresources.com.au) and is expected to be sent out to shareholders on 30 November 2009.

Please note that WDR shares will be quoted on an “ex” basis from 19 November 2009 and therefore any WDR shares bought or sold on market on and from this date will not carry entitlements under the Rights Issue.

Indicative Timetable

The anticipated timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue – announcement of Rights Issue, Offer Memorandum and ASX Appendix 3B lodged with ASX	Tuesday, 17 November 2009
Notice to Shareholders – notice sent to Shareholders containing information required by Appendix 3B	Wednesday, 18 November 2009
Ex date and rights trading commences – the date on which Shares commence trading without the entitlement to participate in the Rights Issue and Rights trading commences	Thursday, 19 November 2009
Record date – the date for determining entitlements of Shareholders to participate in the Rights Issue	Wednesday, 25 November 2009

Offer Memorandum sent to Shareholders – despatch of Offer Memorandum and Entitlement and Acceptance Forms, and lodgment of cleansing notice – Rights Issue opens for acceptances	Monday, 30 November 2009
Last day of rights trading	Monday, 7 December 2009
Securities quoted on a deferred settlement basis	Tuesday, 8 December 2009
Closing Date – The last day for receipt of acceptance forms (5.00pm Adelaide time)	Monday, 14 December 2009
Shortfall notification date	No later than Thursday, 17 December 2009
Despatch date – Allotment of New Shares. Deferred settlement trading ends	No later than noon (Adelaide time) on Tuesday, 22 December 2009
Expected commencement of normal trading in new shares on ASX	Wednesday, 23 December 2009
Despatch of holding statements to persons who accepted the Rights Issue	Tuesday, 29 December 2009

WDR reserves the right to amend this timetable subject to the Listing Rules and the terms of the Underwriting Agreement.

Dealing with Entitlements

Shareholders have the following options available to them in relation to the Rights Issue:

- subscribe for all or part of their entitlement;
- sell all or part of their entitlement on ASX;
- sell all or part of their entitlement other than on ASX;
- allow all or part of their entitlement to lapse; or
- do any combination of the above options.

Information required to be given in accordance with the Listing Rules

Under the ASX Listing Rules, WDR is required to provide you with information required by Appendix 3B of the Listing Rules, which information is set out below.

1. The maximum number of new fully paid ordinary shares in the capital of WDR that may be issued under the Rights Issue is 20,825,019, based on the undiluted share capital of WDR as at the trading day immediately prior to announcement of the Rights Issue, assuming the Rights Issue is fully subscribed and ignoring the impact of rounding of individual shareholder entitlements under the Rights Issue.
2. The new WDR shares to be issued under the Rights Issue will rank equally in all respects from the date of allotment with the existing class of quoted WDR shares on issue.
3. The issue price of the new WDR shares will be \$0.40 per share.
4. WDR will apply for quotation of the new WDR shares on the official list of the ASX.
5. After payment of the costs and expenses of the Rights Issue, the funds raised by the Rights Issue will be applied towards:
 - exploration of WDR's 100% owned Mountain Creek Iron Ore Project, adjacent to WDR's Roper Bar Iron Ore Project;

- further exploration of the Rover Gold/Copper Project, a joint venture with TNG Ltd located south of Tennant Creek in the Northern Territory. WDR is currently earning a 51% interest in this project and has the option to earn 80%;
 - evaluation and assessment of the Roper Bar Iron Ore Project, a joint venture with the ITOCHU subsidiary, IMEA Exploration and Development of Australia Pty Ltd (IEDA). IEDA holds a 20% interest in this project and has the right to earn up to 51%;
 - additional exploration of WDR's other existing gold, uranium and base metals projects;
 - the potential expansion of WDR's iron ore and base metals asset portfolio; and
 - general working capital requirements.
6. It is anticipated that the new WDR shares will be entered into uncertificated holdings on 22 December 2009.
7. The total number and class of all securities quoted on ASX (including the maximum number of shares to be issued under the Rights Issue on an undiluted basis, assuming the Rights Issue is fully subscribed and ignoring the effects of rounding) is as follows:

Number	Class
124,950,110	Ordinary shares
2,363,754	18 cent options to acquire ordinary shares expiring 30 November 2011

8. The securities of WDR not quoted on ASX are as follows:

Number	Class
5,162,500	25 cent options expiring 30 June 2010
1,500,000	25 cent options expiring 30 June 2011
20,000	20 cent employee options expiring 30 June 2011
1,050,000	18 cent employee options expiring 30 September 2011
5,000,000	20 cent Director options expiring 30 November 2013
100,000	18 cent options expiring 30 September 2011
550,000	11 cent options expiring 23 April 2012

9. WDR currently has no dividend policy.
10. No shareholder approval for the Rights Issue is required.
11. The Rights Issue is renounceable. This means that shareholders who do not wish to accept all or part of their entitlement under the Rights Issue may sell that part of their entitlement that they do not wish to accept either on ASX or off-market during the rights trading period, and may sell their entitlement to a third party who need not be another shareholder of WDR.
12. The new WDR shares in the Rights Issue will be offered on the basis of 1 new share for every 5 shares held on the record date being, 25 November 2009.
13. The offer under the Rights Issue relates to fully paid ordinary shares in the capital of WDR.
14. The record date to determine entitlements is 25 November 2009.
15. Holdings on different registers (or sub registers) will not be aggregated for calculating entitlements as WDR has only one register.
16. In determining entitlements of shareholders in the Rights Issue, any fractional entitlement will be rounded up to the nearest whole number.
17. WDR will not be sending an offer under the Rights Issue to any shareholders who are not resident in Australia or New Zealand as at the record date.
18. The closing day for receipt of renunciations is 5.00pm Adelaide time on 7 December 2009.

19. The closing date for receipt of acceptances is 5.00pm Adelaide time on 14 December 2009, or such later date as the Directors may advise.
20. The Rights Issue is fully underwritten by Patersons Securities Limited.
21. The underwriter to the Rights Issue will be paid a fee of 5% of the total amount underwritten by it.
22. Other than Patersons Securities Limited, who has been appointed as lead manager to the Rights Issue, no broker has been appointed who will receive a handling fee for acceptances or renunciations lodged by them on behalf of security holders.
23. The Offer Memorandum for the Rights Issue and accompanying Entitlement and Acceptance Form is expected to be sent to you on 30 November 2009.
24. WDR sent a notice to option holders on 11 November 2009 notifying them of their right to participate in the Rights Issue upon exercise of their options.
25. Rights trading will begin at commencement of trading on 19 November 2009.
26. Rights trading will end at the close of trading on 7 December 2009.
27. If you wish to sell all of your entitlement on the ASX, you will need to contact and instruct your stockbroker as soon as possible and follow their instructions. You must deal with your entitlement before close of trading on ASX on 7 December 2009, when rights trading ceases.
28. If you wish to sell part of your entitlement on the ASX and accept for the balance, you will need to contact and instruct your stockbroker as soon as possible and follow their instructions, complete an Entitlement and Acceptance Form in respect of that part you decide to accept and forward the completed form along with payment of the appropriate application monies (in the manner provided in the Offer Memorandum) to WDR's share registry, Computershare Investor Services Pty Ltd, by no later than 5.00pm on 14 December 2009, or such later date as the Directors advise. You must deal with that part of your entitlement which you do not intend to accept by close of trading on ASX on 7 December 2009, when rights trading ceases.
29. If you wish to transfer all or part of your entitlement to another person other than on market using the ASX, you will need to forward the following to the Company's share registry, Computershare Investors Services Pty Ltd:
 - a completed standard renunciation and transfer form (obtainable from your stockbroker or the Company's Share Registry) by no later than 5.00pm Adelaide time on 7 December 2009; and
 - an Entitlement and Acceptance Form completed by the transferee, together with payment of the appropriate application monies (in the manner provided in the Offer Memorandum) by no later than 5.00pm Adelaide time on 14 December 2009 or such later date as the Directors advise.
30. The latest time for despatch of certificates or entry of the securities into your security holdings is noon Adelaide time on 22 December 2009.

You are encouraged to read the Offer Memorandum lodged with ASX on 17 November 2009 in full before making a decision in respect of the Rights Issue. If you have any queries about the Rights Issue, you should consult your stockbroker or other professional adviser or WDR's Share Registry – Computershare Investor Services Pty Ltd on 1300 651 474 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely,

Laurie Ackroyd
Company Secretary

18 November 2009

Dear Overseas Shareholder

Renounceable Rights Issue

On 17 November 2009 Western Desert Resources Ltd (“**WDR**”) announced a fully underwritten one (1) for five (5) renounceable pro rata entitlement issue of up to 20,825,019 new shares in WDR based on the undiluted share capital of WDR as at 16 November 2009 (without taking into account the impact of rounding) at an issue price of A\$0.40 per new WDR share (**Rights Issue**).

The Offer Memorandum for the Rights Issue was lodged with ASX on 17 November 2009 and is available to download at both www.asx.com.au using ASX code “WDR” and at WDR’s website www.westerndesertresources.com.au.

WDR has determined, pursuant to the *Corporations Act 2001* (Cth) and Listing Rule 7.7.1(a) of the Listing Rules of the Australian Securities Exchange (**ASX Listing Rules**), that it would be unreasonable to make offers under the Rights Issue to Shareholders with a registered address in a place outside of Australia and New Zealand. Accordingly, in compliance with ASX Listing Rule 7.7.1(a) and the Corporations Act, WDR wishes to advise that it will not be extending the Rights Issue to Shareholders and potential investors with registered addresses outside of Australia or New Zealand as at the record date, being 25 November 2009 (**Record Date**).

WDR has appointed Patersons Securities Limited (**Nominee**), on normal commercial terms, as nominee for foreign shareholders to sell the entitlements they would have been offered under the Rights Issue had they been eligible to participate in the Rights Issue (**Rights**). The Nominee will have the absolute and sole discretion to determine the timing, price and manner of sale of the Rights. The net proceeds (if any) of the sale (in Australian dollars) of the Rights will be distributed to foreign shareholders pro rata in proportion to their respective shareholdings as at the Record Date (after deducting the costs of the sale and the costs of distributing the proceeds). There is no guarantee that the Nominee will be able to sell the Rights and foreign shareholders may receive no value for the Rights. Neither WDR nor the Nominee will be subject to any liability for failure to sell the Rights or to sell them at a particular price.

If, in the Nominee’s reasonable opinion, there is not a viable market for the Rights that would have been offered to foreign shareholders were they eligible to participate in the Rights Issue, or a surplus over the expenses of the sale cannot be obtained for the Rights, then the Rights will be allowed to lapse and they will form part of the shortfall in subscriptions under the Rights Issue.

If you have any queries about the Rights Issue please contact WDR’s Share Registry – Computershare Investor Services on +61 3 9415 4000 or the Nominee on +61 8 9263 1111.

Yours sincerely

Laurie Ackroyd
Company Secretary

18 November 2009

Dear Option Holder,

Renounceable Rights Issue

Western Desert Resources Limited (ASX: “**WDR**”) (WDR) refers to its letter to you dated 11 November 2009 informing you that WDR intended to formally announce a fully underwritten one (1) for five (5) renounceable pro rata entitlement issue of up to 20,825,019 new shares in WDR priced at \$0.40 per new WDR share (**Rights Issue**) on 13 November 2009.

Due to delays in finalising the documentation for the Rights Issue, WDR was not in a position to make formal announcement of the Rights Issue and lodge the Offer Memorandum with ASX until Tuesday, 17 November 2009. This has had a consequential effect on the anticipated timetable for the Rights Issue, including the record date for the Rights Issue which has been delayed to 6:30pm Adelaide time on 25 November 2009 (**Record Date**).

The revised indicative timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue – announcement of Rights Issue, Offer Memorandum and ASX Appendix 3B lodged with ASX	Tuesday, 17 November 2009
Notice to Shareholders – notice sent to Shareholders containing information required by Appendix 3B	Wednesday, 18 November 2009
Ex date and rights trading commences – the date on which Shares commence trading without the entitlement to participate in the Rights Issue and Rights trading commences	Thursday, 19 November 2009
Record date – the date for determining entitlements of Shareholders to participate in the Rights Issue	Wednesday, 25 November 2009
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Closing Date – The last day for receipt of acceptance forms (5.00pm Adelaide time)	Monday, 14 December 2009
Shortfall notification date	No later than Thursday, 17 December 2009

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R E S O U R C E S

Despatch date – Allotment of New Shares. Deferred settlement trading ends	No later than noon (Adelaide time) on Tuesday, 22 December 2009
Expected commencement of normal trading in new shares on ASX	Wednesday, 23 December 2009
Despatch of holding statements to persons who accepted the Rights Issue	Tuesday, 29 December 2009

WDR reserves the right to amend this timetable subject to the Listing Rules and the terms of the underwriting agreement with Patersons Securities Limited.

To be eligible to participate in the Rights Issue in respect of the WDR shares to be issued on exercise of the WDR options you hold, you must exercise those options and be registered as the holder of the underlying WDR shares as at 6:30pm Adelaide time on 25 November 2009.

To exercise some or all of your WDR options you will need to give notice, in writing, to WDR in accordance with the terms and conditions of issue of those WDR options together with payment of the exercise price for each WDR option exercised.

You are encouraged to read the Rights Issue Offer Memorandum lodged with ASX on 17 November 2009 fully before exercising any of your WDR Options. If you have any queries in relation to the exercise of your WDR Options and the Rights Issue, you should consult your stockbroker or other professional adviser.

Please call the Share Registry, Computershare Investor Services Pty Ltd, on 1300 651 474 if you have any questions.

Yours sincerely,

Laurie Ackroyd
Company Secretary