

Western Areas Ltd. Announces Capital Raising

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Positions Balance Sheet for Flexibility

PERTH, AUSTRALIA -- (Marketwired - Feb. 17, 2014) - The Board of [Western Areas Ltd](#) (ASX:WSA) ("Western Areas" or the "Company") is pleased to announce the Company is conducting a fully underwritten ordinary share placement to raise approximately A\$89 million ("Placement"), and a non-underwritten share purchase plan to raise a maximum of A\$15 million ("SPP"). The Placement comprises an issue of approximately 29.5 million ordinary shares in Western Areas and is underwritten at a price of A\$3.00 per share ("Placement Price").

Western Areas is undertaking these raisings to reduce debt and provide greater balance sheet flexibility as it approaches the maturity of the following two convertible bonds totalling A\$235 million:

1. A\$110 million due on 2 July 2014 which attracts a 6.4% coupon
2. A\$125 million due on 2 July 2015 which attracts a 6.4% coupon

Assuming the SPP raises the full A\$15 million, the combined amount of A\$104 million will be raised in total, with the funds raised being set aside for the July 2014 convertible bond maturity. However, depending on prevailing market conditions, the Company may elect in the interim to selectively re-purchase some or all of these bonds on market if it is advantageous to do so.

The retirement of the July 2014 convertible bonds will be materially earnings accretive for Western Areas shareholders. Interest and bond accretion costs will reduce by A\$11.7 million per annum as the repayment is facilitated by cash and not debt. It is the intention of the Board in the coming years to potentially convert the cash portion of these interest savings into a higher sustainable dividend stream.

Following the raisings, and using the 31 December 2013 disclosed consolidated cash balance, Western Areas will have approximately A\$204 million of cash at bank (prior to raising expenses)(1). Combined with the existing fully undrawn debt facility with ANZ Bank of A\$125 million, this equates to over A\$300 million in available facilities and cash at a time when Western Areas' operations remain cash flow positive.

Western Areas Managing Director, Mr Dan Lougher, said that the equity raisings are part of prudent balance sheet management for the Company.

"Ultimately these raisings will be accretive to our shareholders with improved free cashflow and earnings expected going forward," Mr Lougher said.

"Western Areas has displayed exemplary consistency with delivery of operational results and with renewed balance sheet strength we've enhanced our ability to consider minor capital projects designed to improve productivity. One such project includes increasing mill recovery to achieve in excess of 90% recovery through tank leaching. Engineering studies will commence in the next quarter, but early estimates indicate capital expenditure of between A\$15-A\$20 million with a 3-year payback."

Placement Details

The Placement to eligible sophisticated and professional investors will be conducted via a bookbuild today in both Australia and selected international jurisdictions. The Placement Price is underwritten at A\$3.00 per share.

This Placement Price represents a:

- 3.3% discount to the 5 day VWAP of A\$3.10 per share prior to the Placement; and
- 8.5% discount to the closing price of A\$3.28 per share prior to the Placement.

The Placement is fully underwritten by Macquarie Capital (Australia) Limited and UBS AG, Australia Branch as Joint Lead Managers, Underwriters and Bookrunners to the Placement.

The shares issued under the Placement will be within Western Areas' existing placement capacity pursuant to ASX Listing Rule 7.1. Settlement of the Placement is expected to occur on 24 February 2014, with the new shares expected to be allotted through ASX and commence trading on 25 February 2014. The new shares will rank equally with existing shares.

The shares issued pursuant to the Placement and SPP will be eligible for the fully franked interim dividend of 1c per share announced today.

Share Purchase Plan Details

Under the SPP, eligible Western Areas shareholders with registered addresses in Australia or New Zealand will be invited to invest up to a maximum of A\$15,000 per shareholder. The SPP will be capped at A\$15 million ("Cap"), which means eligible applicants may be subject to scale back. In the December 2012 SPP, those shareholders eligible to participate in the SPP made subscriptions in excess of the maximum cap.

Participation in the SPP is optional and will be open to shareholders who are registered holders of Western Areas shares at 7:00pm (Sydney time) on the record date of 17 February 2014, and whose registered address is in Australia or New Zealand.

The issue price under the SPP will be equal to the Placement Price. No brokerage or transaction costs will be payable by subscribing shareholders. Further details on the SPP will be released on the ASX and distributed to eligible Western Areas shareholders shortly.

Further information about the equity raising can be found in a presentation that has been released to the market today.

In Principle Agreement for ANZ Corporate Loan Facility Extension to March 2017

In March 2013, Western Areas refreshed its previous amortising ANZ corporate loan facility with an expiry of March 2016. The terms of the facility included the ability to extend the facility's maturity to March 2017. This extension has now been agreed in principle, with the effect that the facility should now remain in place to March 2017. Finalisation of this extension is expected to occur over the coming weeks.

The extended facility is expected to contain the same terms and provides the Company with substantial funding flexibility going forward. There are no unusual terms or statutory account covenants with regards to the facility and the Board regards the facility fee as a modest cost to provide such flexibility. Importantly the facility provides shareholders with an effective insurance policy for the repayment of the July 2015 convertible bonds.

"Shareholders would be aware that the Company has a long standing and successful relationship with ANZ that has seen our banking facilities be amended and extended to our benefit over many years. The anticipated extension to March 2017 is another example of this beneficial relationship and shareholders can expect in 2015 or 2016 that we may renegotiate again depending on prevailing circumstances," said Mr Lougher.

IMPORTANT NOTICES

This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: "expect", "estimate", "intend", "may" and "designed". Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this release are based on assumptions and contingencies that are subject to change without notice. Forward-looking statements are not a guarantee of future performance and 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.

This release does not include all available information on the Company 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 public releases and statutory reports and consult their professional advisers before considering investing in the Company.

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(1) This balance uses the Company's 31 December 2013 cash balance.

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