

30 April 2013

Western Mining Network Signs MOU to Explore Thermal Coal Tenements

The Board of Western Mining Network Limited (“WMN” or the “Company”) is pleased to announce that it has entered into a Memorandum of Understanding (“MOU”) whereby WMN has the exclusive right to explore and if warranted mine, potentially high calorific value thermal coal tenements in South Kalimantan which are 100% owned by PT. Pancareka Utama Engineering (“PUE”).

On 30 April 2013, WMN signed a MOU to conduct due diligence and detailed exploration for a period of 90 days on PUE’s Exploration Licences:

- IUP No. 545/011/IUP-E/D.PE/2010 issued by the Regent of Tanah Bumbu, with a total area of 5,149 hectares (“ha”), for a period of 7 years, ending 25 January 2017; and
- 545/017/IUP-E/D.PE/2010 issued by the Regent of Tanah Bumbu, with a total area of 398.8 ha, for a period of 7 years, ending 26 January 2017.

Within Exploration License IUP No. 545/011/IUP-E/D.PE/2010, PUE is currently producing thermal coal under Production Licence IUP No. 188.45/467/DISTAMBEN/2012, which has a total area of 198.3 ha. The allocated area which WMN has the right to explore and if warranted mine is adjacent to but does not include this existing Production area.

PUE is currently producing approximately 15,000 tonnes of thermal coal per month and targeting to reach approximately 30,000 tonnes per month on Production License IUP No. 188.45/467/DISTAMBEN/2012 with typical coal specifications based on production to date as follows: CV (adb) 6,957 Kcal/kg, Total Moisture 7.7%, Inherent Moisture 4.8%, Sulphur 0.75%, Ash 11%, Fixed Carbon 41.7% and Volatile Matter 42%.

Should the Company and PUE be satisfied with the results from the detailed exploration, PUE shall upgrade the IUP Exploration Licences to IUP Production Licences and both WMN and PUE shall execute the Joint Production and Coal Sale Agreement.

WMN’s Executive Chairman Christopher J. Clower said “This MOU with PUE is another major step forward for the Company and is a progression of the Company’s strategy to obtain exposure to highly prospective and scalable coal projects. We are excited to have secured an area with significant exploration upside adjacent to an existing mining operation which offers the potential for rapid commencement of mining with no forestry or infrastructure issues.”



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44.7M Ordinary Shares

29.3M Listed Options

5.5M Unlisted Options

BOARD OF DIRECTORS

Christopher Clower
Executive Chairman

Paulus Irawan
Executive Director

Kent Hunter
Non-Executive Director

David Palumbo
Company Secretary



KEY TRANSACTION HIGHLIGHTS

Exploration IUP's are next to an Operating Mine with Open Pit mining approach:

- Availability of geological data and drilling results in the operating mine provide excellent guidelines for exploration in the larger area of the Exploration IUP's

High coal quality potential and Clean and Clear Status:

- Demonstrated high coal quality and specifications on PUE's existing Production IUP
- PUE's tenements hold exploration and/or production licences which are all on the Clean and Clear List

Accessible Logistics and Shipment Route:

- Existing haulage road, river jetty and barging operation to the off-take mother vessel
- The area has simple logistics and transportation needs, requiring 60 – 65 km road hauling on an existing haulage road, followed by short barging to the Anchorage point as well as easy accessibility for exploration and operations
- The Batulicin Project comprises the adjacent mining business areas located approximately 260 km southwest in a direct line from Banjarmasin in the province of South Kalimantan, Borneo Island

Favourable deal structure:

- Under the deal structure, WMN will pay no upfront consideration
- WMN has 90 days sole exclusivity and the rights to conduct detailed exploration and due diligence to decide whether the tenements are attractive and have coal resources and reserves potential
- Pay per tonne of coal produced aligns the risks and rewards with favorable back-ended profit sharing approach

PROJECT AREA INFORMATION

The PUE tenements are located in Tanah Bumbu Regency, South Kalimantan, Indonesia approximately 70km west from Batulicin, the capital of Tanah Bumbu Regency. The distance from Banjarmasin to Batulicin can be travelled by light vehicle in around 5-6 hours and from Batulicin to the concessions in around 2 hours.

The area is free of protected forest restrictions, with all the concession area falling within the category of production forest.

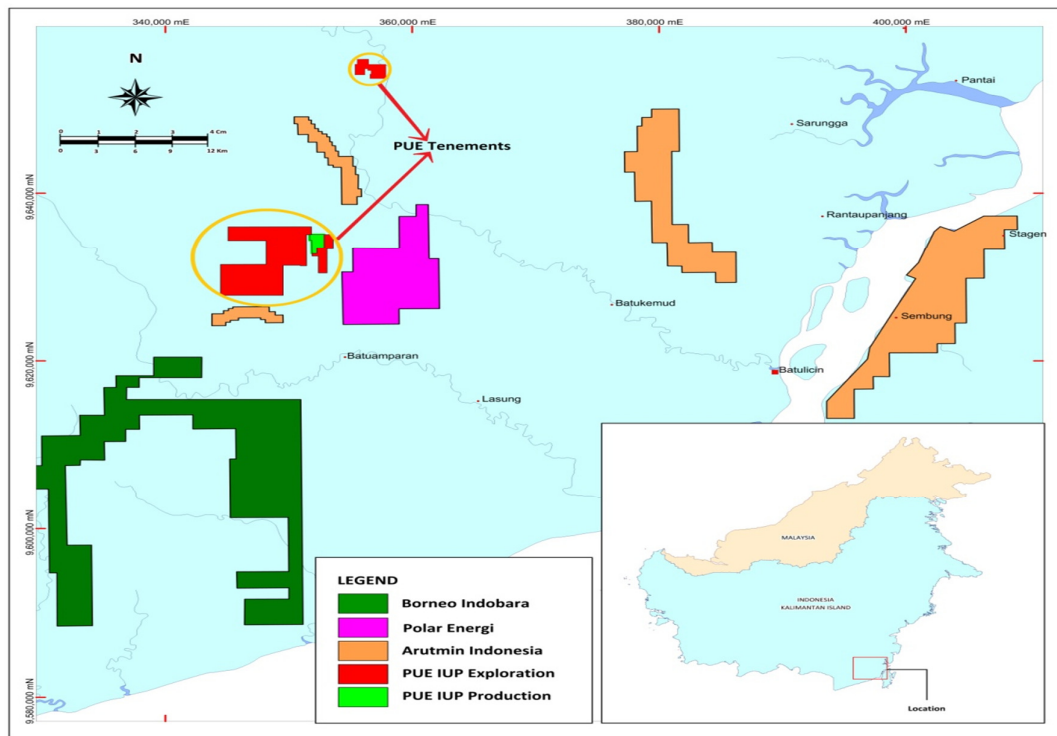


Figure 1: PUE Tenements and the Surroundings

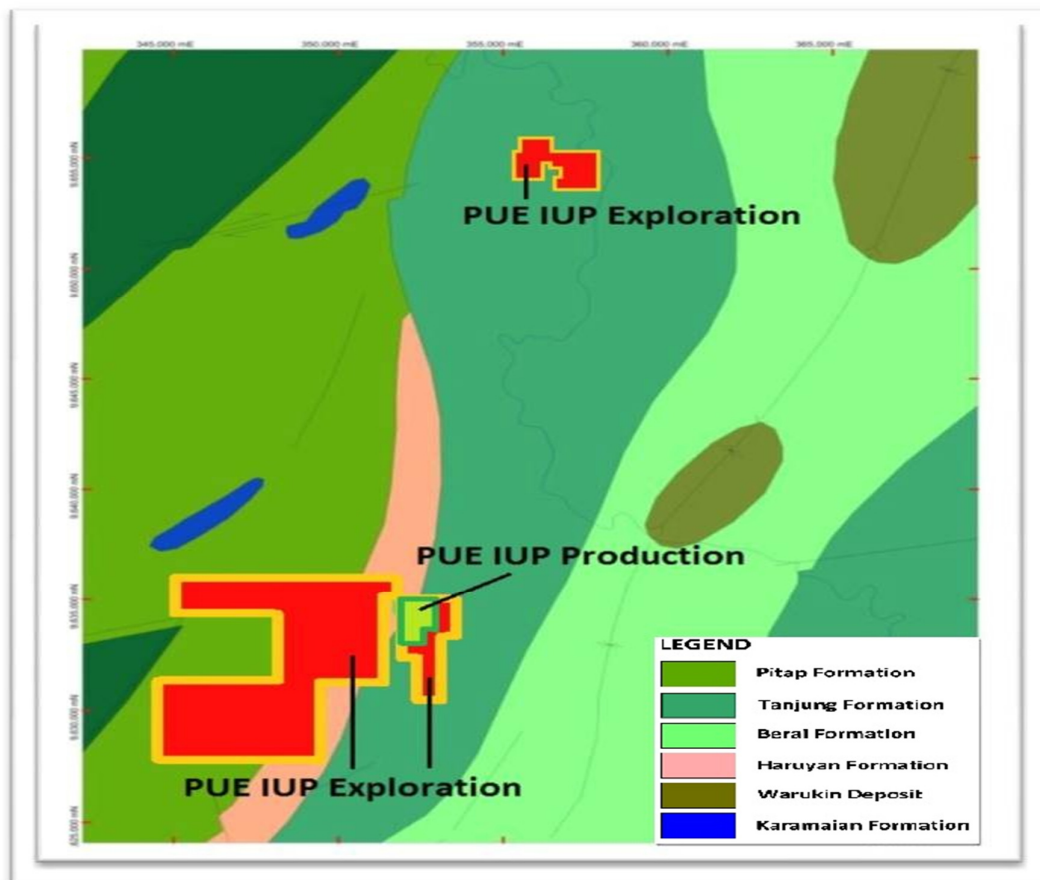


Figure 2: PUE Tenements Formation Map

TANJUNG FORMATION DESCRIPTION

- The Tanjung Formation comprises very fine to coarse grain size sandstone, conglomerate, claystone, coal, and shale.
- The age of this formation is Paleocene to Eocene.
- The Tanjung Formation was deposited in a shallow marine to terrestrial environment.
- Multiple thin to thick width seams.
- High calorific value 5,500 – 7,000 kcal/kg GAD.
- Low moisture (TM) 5 - 20%.
- Low sulphur < 1%.
- Coal bearing formation status.

COAL OUTCROPS

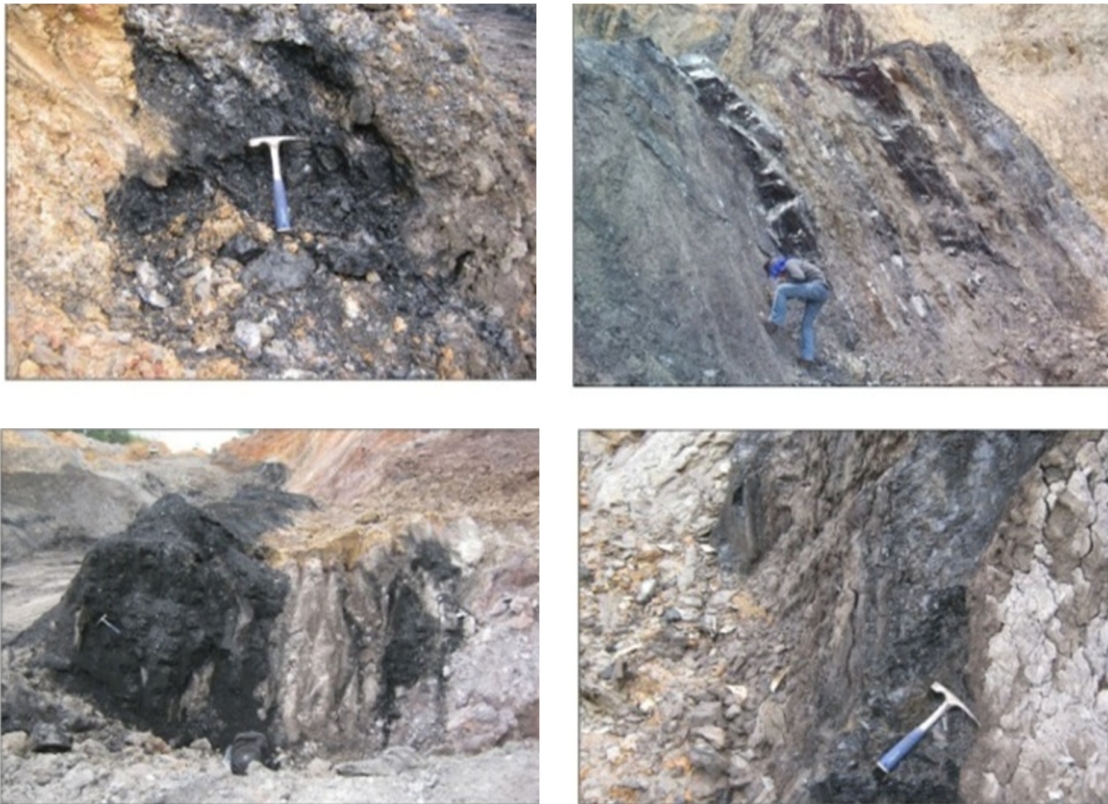


Figure 3: Outcrop Pictures from PUE's Exploration Area

LOGISTICS

Hauling road distance is approximately 60 - 65 km from the concession to Batulicin or Serongga Jetty area. Coal can be transported by barges up to 320 feet size. The trans-shipment distance is approximately 50 km to the vessels at Tanjung Pemancingan Anchorage (Figure 4).

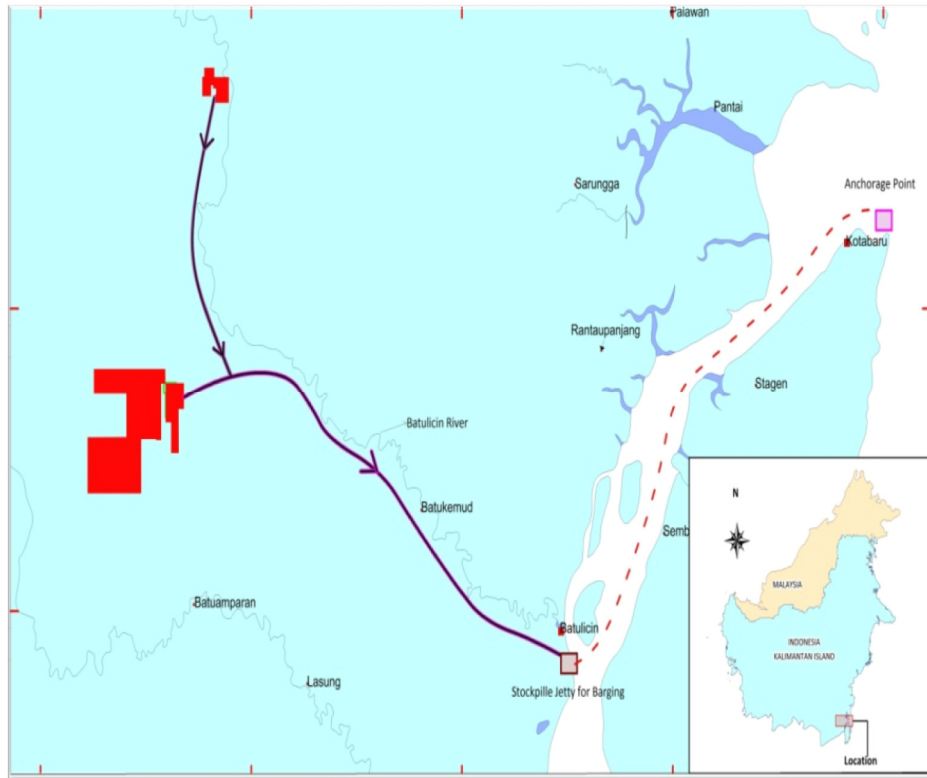


Figure 4: PUE Hauling Road and Trans-shipment to Local Anchorage

MINING OPERATION ON PUE'S PRODUCTION IUP

The mining operation in PUE's site has three fleets for overburden removal and one fleet for coal recovery. Overburden removal is done using a Komatsu PC400 loader paired with 20-tonne capacity dump trucks. The distance from the coal recovery area to the overburden disposal is approximately 1 km, hence only one excavator; a Komatsu PC200 is needed as a loader. Coal from the quarry is then transported using an 8-tonne capacity truck to the stockroom.

Coal in PUE's production area is distributed unevenly in small open cuts. Each zone of coal seams is a small final mining pit that leads to smaller working areas for mining thus requiring small fleets.



Figure 5: The above stockpile is from PUE's existing mining operations (which WMN is not a party to, but illustrates the commercial capability of the immediate area to where WMN will explore and mine if and when it is feasible)



Figure 6: Current Mining Progress on PUE's Production IUP

SAMPLING / ANALYSIS

The following is the sample analysis of PUE production area taken by Sucofindo Banjarmasin and Geoservices Batulicin Branches:

No	Sample Code	Sample Weight (kg)	Top Size	TM	IM	ASH	VM	FC	TS	GCV		HGI
				%	%	%	%	%	%	kal/kg		
			Mm	AR	ADB	ADB	ADB	ADB	ADB	ADB	ARB	
1	Sample 1	6.38	50	7.7	4.8	11.0	42.0	41.7	0.75	6957	6458	48
2	PUE OC - 01	6.698	50	8.06	5.06	10.47	42.88	41.78	0.89	6566	6317	41
3	PUE OC – 02	6.58	50	8.0	5.5	3.4	44.7	46.4	0.75	7108	6920	44
4	PUE OC – 03	7.35	50	7.3	4.7	7.0	43.3	45.0	0.97	6932	6743	49
5	PUE OC – 04	8.07	50	10.3	6.3	7.2	42.2	44.3	0.64	6549	6269	45
6	PT PUE	12.03	ROM	7.7	4.8	11.5	42.0	41.7	0.75	6657	6454	46

PROPOSED EXPLORATION PROGRAM

Over the coming months WMN intends to execute an extensive exploration program including comprehensive mapping and drilling to identify the areas with the highest potential. The main exploration objective will be to focus on the Tanjung Formation. The methods of exploration shall be:

- Detailed geological mapping
- Geological modeling
- Drilling to a sufficient spacing (100-150m) with the aim to outline Indicated and Measured resources
- Coal quality analysis
- Acquisition of topographic data by ground survey or Lidar.

TRANSACTION DETAILS

- WMN has signed a MOU to explore and if warranted mine PUE's Exploration Licences for thermal coal in Tanah Bumbu region, South Kalimantan, Indonesia.
- WMN has exclusive rights to explore and conduct due diligence for a period of 90 days. WMN shall start due diligence exploration and field work immediately.
- If WMN decides to pursue the transaction after completion of the due diligence, PUE shall upgrade the IUP Exploration Licences to IUP Production Licences and both WMN and PUE shall execute the Joint Production and Coal Sale Agreement, which will govern the final terms and conditions of this transaction.
- Under the terms of the MOU, WMN shall pay a fee on per metric tonne of coal produced to PUE.

On behalf of the board of directors,

Paul Irawan

Executive Director

For further information visit our website at www.westernmining.net or email info@westernmining.net

COMPETENT PERSON STATEMENT

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member both of the Australasian Institute of Mining & Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG") and independent consultant to the Company.

Mr Maynard is a consultant of Al Maynard & Associates Pty Ltd and has 35 years of experience in exploration and mining in a variety of mineral deposit styles. Mr Maynard has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.