



# Western Plains Petroleum Ltd.

## Western Plains Announces 1st Quarter 2011 Results

### For Immediate Release

**June 29, 2011 - Calgary, Alberta** - Western Plains Petroleum Ltd. (TSXV:WPP) (“**Western Plains**” or the “**Company**”) is pleased to announce that it has filed its Unaudited Interim Financial Statements and Management’s Discussion and Analysis (MD&A) for the first quarter ended March 31, 2011 on SEDAR. The documents can be accessed through SEDAR’s website at [www.sedar.com](http://www.sedar.com), or on the Company’s website at [www.westernplainspetroleum.com](http://www.westernplainspetroleum.com).

### *Selected Quarterly Financial & Operating Highlights*

The following table provides a summary of key financial and operating results for the three month periods ended March 31, 2011 and 2010:

<b>Financial &amp; Operating Highlights</b> (Cdn\$ except shares, per share and per bbl amounts)	<b>Three Months Ended March 31, 2011</b>	<b>Three Months Ended March 31, 2010</b>
Average daily sales volume (bbls/d)	122	68
Petroleum revenue	647,728	393,933
Loss from operations	(50,687)	(11,516)
Net income (loss)	957	59,284
Net income (loss) per share <sup>(1)</sup>	0.00	0.00
Revenue per bbl	58.89	64.67
Operating netback per bbl <sup>(2)</sup>	23.36	20.94
Total assets <sup>(3)</sup>	7,521,062	2,392,955
Weighted average basic shares	55,101,153	31,928,663
Basic shares outstanding	55,101,153	32,137,274

#### Notes:

(1) Net income (loss) per share – basic and diluted.

(2) Operating netback represents revenue per bbl less royalties expense per bbl and production and transportation expense per bbl.

(3) Includes property & equipment and exploration & evaluation assets.

### *Development Activities*

The Company continued to expand its asset base in Q1 2011, completing an arms-length farm out agreement for two LSDs on 2 different sections in the Standard Hill and Buzzard areas of Saskatchewan. Upon the payment of \$40,000 to the farmor, the Company earned 50% of the farmor’s interests in the land and is required to pay 100% of the costs to drill and complete (or cap and abandon) one test well on each the 2 LSDs to earn the remaining 50% of the farmor’s interests, subject to a non-convertible 6% gross overriding royalty on any resulting production to the farmor. One of the locations has been drilled in May 2011 and is producing 50 (50 net) bbls per day.

On March 30, 2011, the Company acquired, from an arm's length party, a 100% working interest in petroleum and natural gas rights (320 acres) located immediately adjacent to the Company's existing property in the Maidstone area of west-central Saskatchewan for a purchase price of \$750,000. The acquired property included 10 heavy oil wells (9 vertical and 1 horizontal) of which 1 was producing 15 bbls per day at the date of acquisition. The property also has 1 horizontal water injection well. To date, the Company has reactivated 5 (5 net) of the shut-in wells increasing aggregate production from this property to 85 bbls per day.

One (0.33 net) successful oil well was drilled in Q1 11 which commenced production in early April 2011. This followed the drilling of five wells (2.5 net) in Q4 10. Production was consistent between Q1 11 and Q4 10 with production averaging 122 bbls net per day and 135 bbls net to WPP, per day respectively. This is a significant increase over the average production for Q1 10 of 68 bbls per day and Q3 10 average production of 37 bbls per day. The increase reflects the active development program in Q4 10. Revenue for Q1 11 was \$648,000 compared to \$394,000 for Q1 10 with the increase driven by the volume increase.

The Q1 11 production is lower than earlier projections due to three factors:

- Curtailment of production by a total of approximately 100 bbls per day for the six new wells drilled in the second half of 2010. Curtailed production over the first year or two optimizes long term production.
- The harsh winter led to lost production and down wells amounting to approximately 40 bbls per day. Spring break up does not allow the Company to move service rigs to restore the down wells.
- Limited availability of drilling rigs in the Lloydminster area has delayed new drilling in Q1 2011. Winter is the peak drilling season in the north.

## **OUTLOOK**

Western Plains estimates current production to be 290 bbls per day as 3 (1.83 net) wells have been drilled in 2011 with 1 (0.33 net) well on production in early April, 1 (1 net) well on production in early June and 1 (0.50 net) well on production in late June. Several wells were off production for a portion of the harsh winter and were repaired or otherwise reactivated following break up. Unusually wet weather and seasonal maintenance at sales delivery points during the month of June may impact on sales volumes of the Company in the short term.

Western Plains has identified 25 (12.7 net) potential drilling locations for 2011 and beyond. The Company is the operator for all these locations. Several locations are licensed and others in the process of being licensed. The 2011 capital budget is \$2.7 million and includes drilling 12 (5.67 net) wells and the continued acquisition of properties and mineral rights. Capital costs are budgeted to be approximately \$400,000 to \$425,000 gross for each well, including drilling, completion and equipping.

Increased production leads to economies of scale on both production and transportation costs per bbl and general and administrative costs per bbl. The Company expects to continue to finance its growth in 2011 from its working capital, cash flows, well-financed and motivated working interest partners and remaining credit facilities with a Canadian chartered bank.

### **About Western Plains Petroleum Ltd.**

Western Plains is a Lloydminster, Alberta, based junior heavy oil producer with interests located in the Lloydminster area in both Saskatchewan and Alberta. The common shares of Western Plains trade on the TSX Venture Exchange under the symbol WPP. For more information, please contact:

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**Reader Advisory**

Certain information in this Press Release is forward-looking within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions. This forward-looking information includes, among other things, information with respect to Western Plains' beliefs, plans, expectations, anticipations, estimates and intentions, including the completion of Western Plains' acquisition of petroleum and natural gas interests through Farm-out arrangements, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, general economic conditions, availability of required equipment and services and prevailing commodity prices. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this Press Release describes Western Plains' expectations as of the date of this Press Release.

Material factors which could cause actual results or events to differ materially from such forward-looking information include, among others, risks arising from general economic conditions and adverse industry events, risks arising from operations generally, changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations; reliance on contractual rights such as licenses and leases in the conduct of its business, reliance on third parties, reliance on key personnel, possible failure of the business model or business plan or the inability to implement the business model or business plan as planned, competition, environmental matters, and insurance or lack thereof.

Western Plains cautions that the foregoing list of material factors is not exhaustive, is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. When relying on Western Plains forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Western Plains has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events.

The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.