



# Western Plains Petroleum Ltd.

## Western Plains Petroleum Closes Asset Transactions with Nordic and Alberta Star

**For Immediate Release**

**August 26, 2010**

CALGARY, ALBERTA – Western Plains Petroleum Ltd. (TSXV:WPP) (“**Western Plains**” or the “**Company**”) announces that it has closed the acquisition of a 66 2/3% interest in Nordic Oil and Gas Ltd.’s (“**Nordic**”) heavy oil assets located in the Lloydminster, Alberta area (the “**Nordic Assets**”). Contemporaneously with closing of this transaction, Western Plains spun-off a 50% interest in the Nordic Assets to Alberta Star Development Corp. (“**Alberta Star**”). Western Plains, Nordic and Alberta Star now each hold a 33 1/3% interest in the Nordic Assets.

The purchase price for the Nordic Assets was \$2.933 million, subject to standard industry adjustments, based on an effective date of April 12, 2010, and was paid by Western Plains through (i) the payment and/or assumption of approximately \$2.229 million of Nordic’s trade payables and (ii) the cash payment to Nordic of approximately \$600,000. In addition thereto, Western Plains previously paid Nordic a \$100,000 non-refundable cash deposit.

At closing of the Nordic transaction, secured trade creditors of Nordic received cash payments aggregating approximately \$1.435 million. The remaining \$790,000 of trade payables are proposed to be satisfied by the issuance of approximately 3,328,363 common shares of Western Plains at a price of \$0.15 per share representing a deemed value of approximately \$499,250, with Western Plains assuming the remaining trade payables of approximately \$290,000, such amount expected to be paid out in cash over the next 12 months. In order to raise sufficient funds for the cash payments contemplated under the Nordic Transaction, the Company spun-off a 50% interest in the Nordic Assets to Alberta Star for \$1.467 million. Western Plains also closed on a previously announced private placement issuing 266,667 common shares at a price of \$0.15 per share for gross proceeds of \$40,000. All common shares of Western Plains issued in connection with the sale of the Nordic Assets and the private placement will be subject to a 4 month hold period in accordance with applicable securities legislation and the policies of the TSX Venture Exchange (“**Exchange**”). The purchase of the Nordic Assets is subject to filing final documentation with the Exchange.

In early August 2010, Alberta Star acquired a 50% interest in all of Western Plains’ petroleum and natural gas interests in the Lloydminster Alberta and Saskatchewan areas, and the Maidstone area in Saskatchewan for the cash consideration of \$1.7 million. Alberta Star is the Company’s 50/50 partner in its drilling program of up to 5 in-fill development wells proposed to be spudded in September 2010 on section 6 - 50 - 25 W3M, such properties acquired by the Company in June 2010. The in-fill wells will be adjacent to the Company’s well that was also drilled on section 6 - 50 - 25 W3M in July 2010 in accordance with a farm-out agreement between the Company and Arctic Hunter Uranium Inc. The farmout well is currently producing approximately 80 bbls/d gross of heavy oil (4 bbls/d net BPO, 20 bbls/net APO). Drilling, completion and equipping costs for the proposed in-fill development wells are budgeted at approximately \$400,000 per well.

## **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 the Company trade on the TSX Venture Exchange under the symbol WPP. For more information, please contact:

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***Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the Policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

### **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' 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.

The common shares issued have not been registered under the U.S. Securities Act of 1933 as amended or any state securities laws, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements. This Press Release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.