



Western Plains Petroleum Ltd.

Western Plains 1st Quarter 2012 Financial Results

For Immediate Release

May 30, 2012 - Calgary, Alberta - Western Plains Petroleum Ltd. (TSXV:WPP) (“**Western Plains**” or the “**Company**”) is pleased to announce the filing of its Unaudited Interim Condensed Financial Statements and Management’s Discussion and Analysis for the three month period ended March 31, 2012 on SEDAR. The documents can be accessed through the SEDAR website at www.sedar.com or on the Company’s website at www.westernplainspetroleum.com.

Selected Quarterly Financial & Operating Highlights

The following table provides a summary of key unaudited financial and operating results for the three month periods ended March 31, 2012 and 2011:

Financial & Operating Highlights (Cdn\$ except shares, per share and per bbl amounts)	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Average daily sales volume (bbls/d)	128	122
Petroleum revenue	794,119	647,728
Loss from operations	(79,975)	(50,687)
Comprehensive income (loss)	(95,627)	957
Revenue per bbl	68.89	58.89
Operating netback per bbl ⁽¹⁾	18.70	23.36
Total assets	9,765,737	7,521,062
Basic shares outstanding	55,101,153	55,101,153

Note: (1) Operating netback represents revenue per bbl, less royalty, production and transportation expense per bbl.

HIGHLIGHTS

Revenue and Production

The Company’s average production for Q1 2012 was 128 bbls per day of heavy oil, consistent with Q1 2011 average production of 122 bbls per day, but a decrease from the 178 bbls per day averaged in Q4 2011. The decline in production volume in Q1 2012 from Q4 2011 was the result of wells being off production in January and February 2012 for repairs or work-overs. The shut-down wells were reactivated, and a new well was drilled and brought on production, in late March 2012 improving production to approximately 150 bbls per day for the month of March 2012. This increase of production continued into April 2012 with rates of approximately 190 bbls per day. Production from the successful new (0.5 net) well drilled and completed in March 2012, averaged approximately 122 bbls per day (61 net) during the month of April 2012.

Revenue for Q1 2012 was \$794,119 compared to \$647,728 for Q1 of 2011 with the increase driven primarily by higher prices for heavy oil. The 2011 average realized price per bbl. for Western Plains’ heavy oil was \$58.89 compared to \$68.89 for Q1 2012. The Company was adversely affected by the March 2012 average heavy oil price of approximately \$60.00 per bbl., a result of a higher than expected price differential for heavy oil.

Capital Resources

In February 2012, the Company renewed its revolving credit facility agreement with a Canadian chartered bank for the provision of the following credit facilities:

- a revolving operating facility limit of \$2,200,000 (an increase from \$1,000,000) with interest at bank prime plus 1.5%; and
- a development facility limit of \$300,000 with interest at bank prime plus 2.0%.

The Company drew on the revolving operating facility intermittently throughout 2011 with a draw at March 31, 2012 of \$1,375,000. At March 31, 2012 the Company was in breach of the working capital covenant prescribed in the loan agreement with the bank by approximately \$200,000. The working capital deficiency was a result of the following:

- reactivation costs (both capital and operating expenditures) incurred in Q1 2012 to restore production on down wells;
- capital costs related to drilling, completing and equipping a new well in the second half of March 2012;
- lower production levels in January and February 2012 due to the down wells; and
- an unfavorable heavy oil price differential in March 2012.

The working capital covenant obligates Western Plains to maintain a working capital ratio of 1:1. As at March 31, 2012, the working capital ratio was 0.91:1. The Company is proposing to resolve the working capital deficiency by selling certain undeveloped lands for the cash consideration of \$280,000 (see "*Outlook*" below), and has implemented a freeze on further capital spending. The Company's higher average net production of 190 bbls per day in April 2012 has provided sufficient cash inflow to meet obligations as they become due.

Outlook

The Company announced in February 2012 that its Board of Directors had appointed a special committee of independent Board members with a mandate to undertake a process to evaluate the various strategic alternatives available to Western Plains with the goal of maximizing shareholder value. These alternatives may include, but are not limited to, the spinout of certain properties of Western Plains, mergers or other business combinations. In April 2012, the Company announced it had engaged an exclusive financial advisor and agent to assist in identifying and evaluating possible liquidity events. No decision on any particular alternative has been reached at this time.

Western Plains has entered an agreement to sell its 100% undivided working interest in 63.28 hectares of undeveloped petroleum and natural gas interests in the Lloydminster area of west central Saskatchewan to a private Calgary-based limited partnership (the "**Partnership**"), for the cash consideration of \$280,000.00, based on effective date of May 1, 2012. The cash proceeds from the sale of the Company's interests in the Lloydminster property will be applied to the working capital deficiency of the Company. Closing is subject to standard industry conditions, board and regulatory approvals, including that of the TSX Venture Exchange.

The Company's proposed sale of the Lloydminster property is considered a "related party transaction" pursuant to Multilateral Instrument 61-101 ("**MI 61-101**"), as certain executive officers, directors and/or control persons of the Company are also executive officers, directors and/or control persons of the general partner of the Partnership, however, the respective transactions are exempt from requirements of MI 61-101 as the size of each, insofar as it relates to interested parties, is less than 25% of the market capitalization of the Company pursuant to sections 5.5 (a) and 5.7 (a) of MI 61-101.

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.

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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, the success of future drilling and development activities, the completion of Western Plains' sale of undeveloped petroleum and natural gas interests, 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.

All such forward-looking statements involve known and unknown risks and uncertainties, certain of which are beyond the control of the Company. Such risks and uncertainties include, without limitation: risks associated with oil and natural gas exploration, development, exploitation, production, transportation and marketing; general economic conditions in North America and globally; changes in the demand for the Company's products; volatility in market prices for oil and gas, and in particular heavy oil; unanticipated fluctuations or declines in production; the effects of adverse weather conditions; changes in foreign currency exchange and interest rates; changes in tax or environmental laws, royalty rates or other regulatory matters affecting the Company and its operations; inaccurate estimation of the Company's oil and natural gas reserves; ability to attract and retain qualified personnel; increased debt levels or debt service requirements; limited, unfavorable or lack of access to capital markets; and the impact of competitors. The forward-looking statements contained in this news release are made as of the date hereof and the Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Western Plains cautions that the foregoing list of risks and uncertainties 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 Plain's 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 risks and uncertainties 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.