



# Western Plains Petroleum Ltd.

## Western Plains Continues Growth in Land Base and Production

**For Immediate Release**

**June 20, 2011**

CALGARY, ALBERTA – Western Plains Petroleum Ltd. (TSXV:WPP) (“**Western Plains**” or the “**Company**”) is pleased to announce it has entered into two (2) farm-out agreements with an arm’s length private oil and gas company (the “**Farmor**”), which, subject to satisfying the terms thereof, Western Plains will earn a 50% undivided interest in certain petroleum and natural gas interests located in the Lashburn and Carruthers areas of west-central Saskatchewan.

### **Farmout Agreements**

#### *Lashburn, Saskatchewan Area*

Western Plains and a Calgary-based heavy oil producer, as farmees, entered into a farm-out agreement with the Farmor, pursuant to which the farmees will earn a 100% interest (as to a 50% undivided interest each) in the petroleum and natural gas rights upon the drilling, completion and equipping of a test well on a 40 acre parcel located in the Lashburn area of west-central Saskatchewan, subject to a sliding scale (10% minimum - 15% maximum) non-convertible, overriding royalty on production to the Farmor (the “**Lashburn Farm-out**”). Under the terms of the Lashburn Farm-out, the test well is to be drilled on or prior to August 15, 2011, subject to rig availability, surface access and regulatory approvals. Western Plains will be the operator in respect of test well operations, and it is expected that the Sparky formation, the main heavy oil producing zone in this area will be targeted with the vertical test well.

#### *Carruthers, Saskatchewan Area*

Western Plains entered into a second farm-out agreement, together with another Calgary-based private oil and gas company, with the Farmor in respect of petroleum and natural gas interests in the Carruthers area of Saskatchewan, south-east of Lloydminster (the “**Carruthers Farm-out**”). The Carruthers Farm-out will be conducted jointly by Western Plains and the private oil and gas company, as farmees, to earn a 100% interest (as to a 50% undivided interest each) in the petroleum and natural gas rights located on the W/2 of Section 36-44-23 W3M and two (2) legal subdivisions in the E/2 of Section 36-44-23W3M upon the drilling, completion and equipping of a test well, subject to a sliding scale (10% minimum - 15% maximum) non-convertible overriding royalty on production to the Farmor. The Carruthers Farm-out further provides the farmees with the option to drill, complete and equip additional wells on the E/2 of Section 36-44-23W3M, to earn a 100% interest (as to a 50% undivided interest to each) in two

(2) LSDs in the E/2 of Section 36-44-23W3M, including the LSD upon which the option well is drilled and one other contiguous LSD in the E/2 of Section 36-44-23W3M. Any production by the farmees from the option wells will also be subject to a sliding scale (10% minimum - 15% maximum) non-convertible overriding royalty to the Farmor. Under the terms of the Carruthers Farm-out, the test well is to be drilled on or prior to July 15, 2011, subject to rig availability, surface access and regulatory approvals. Western Plains will be the operator in respect of drilling the test well and any option wells under the Carruthers Farm-out.

## **Operational Update**

### *Standard Hill and Buzzard areas of Saskatchewan*

The Company has brought on production its previously announced (June 1, 2011 press release) completed well located on section 28-49-22 W3M in the Standard Hill area of west central Saskatchewan. The well, currently producing at an average rate of approximately 50 bbls/d net to Western Plains, was drilled under the terms of a farmout agreement, entered into with a Calgary-based private oil and gas company, covering two 40 acre parcels located on each of Section 28-49-22 W3M and Section 10-47-26 W3M in the Standard Hill and Buzzard areas of Saskatchewan (the “**Lands**”). Western Plains earned 50% of the farmor's interest in the Lands through the cash payment of \$40,000, and paid 100% of the costs to drill and complete this first test well to earn the remaining 50% interest of the farmor in that portion of the Lands, to now hold a 100% interest in the Standard Hill portion of the Lands. All production from any test wells completed by Western Plains under the terms of the farmout are subject to gross overriding royalty of 6% to the farmor.

### *Landrose Property - Lloydminster area of Saskatchewan*

As an update to the Company's June 1, 2011 press release, the re-completed standing cased well on section 6-50-25 W3M on the Company's Landrose property east of Lloydminster, Saskatchewan, has been brought on production at an average rate of approximately 40 bbls/d (20 bbls/d net to the Company). The Company acquired a 50% net undivided interest in the 240 acres (120 net acres) Landrose property in May 2010.

With the added production from these new drills and re-completed well, the Company expects to exit June 2011 at a production rate of approximately 315 bbls/day.

## **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.

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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.