



washington

14 August 2006

The Manager
Company Announcement Office
Australian Stock Exchange Limited
Level 8
2 The Esplanade
Perth WA 6000

Dear Sir,

Re: Sale of shares in Sallies Limited

Washington Resources Limited wishes to announce that it has agreed to sell its entire shareholding (26,572,961 shares) in Johannesburg-listed Sallies Limited registration number 1903/001879/06 by way of an off-market transfer at a price of 0.60 South African Rand per share (15,943,776 South African Rand in total). This equates on current exchange rates to approximately \$3,070,000 for the entire parcel.

The Washington Board believes that it is opportune to take advantage of the strong Sallies share price and that the Company will thereby be in a strong financial position to advance its exploration work at Yarawindah and to take advantage of further exploration opportunities that may arise.

The Company acquired the shareholding in Sallies pursuant to option agreements exercised in February 2006, by which it issued one Washington share for every three Sallies shares that it acquired. It thereby issued 8,858,320 Washington shares in total.

Yours faithfully

Washington Resources Limited