



WINDY KNOB RESOURCES LIMITED

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Australian Stock Exchange
Companies Announcement Centre
20 Bond Street
Sydney NSW 2000

TENEMENT ACQUIRED ADJACENT TO WINDY KNOB PROJECT & RIGHTS ISSUE SHORTFALL COMPLETED

TENEMENT ACQUIRED ADJACENT TO WINDY KNOB PROJECT

Windy Knob Resources Limited ('Windy Knob' or 'the Company') is pleased to announce that it has entered into a Binding Terms Sheet with Clinton Dean Hood (the "Vendor") to purchase 100% of exploration licence application E51/1198 in consideration for 500,000 fully paid ordinary shares in the Company. The tenement licence application covers 60 blocks, comprising of approximately 162 km² and adjoins the northern boundary of the existing Windy Knob project approximately 50 km south of Meekatharra and 25 km east of Reedy in Western Australia.

The Windy Knob project lies on the Mt Magnet-Reedy greenstone belt, east of the mining centre of Reedy. The area contains potential for both Gold and Copper-Zinc mineralisation of volcanogenic massive sulphide (VMS) styles. Please see Appendices 1 and 2 for further details.

UPDATE ON WINDY KNOB PROJECT EXPLORATION (Meekatharra, 100% Owned)

The Company is pleased to advise that it has completed a helicopter-borne time domain electromagnetic and magnetic survey over the Company's 100% owned Windy Knob Project.

This survey has shown several new geophysical targets that consist of discrete conductive bodies nearby to the Ridgeback VMS project (currently being explored by Silver Swan Group Ltd: ASX Code: SWN).

The survey also allowed better mapping of the area, with faulting and lithologies more able to be clearly mapped. The Company is currently designing a drill program to target VMS mineralisation styles over this tenement. The presence of interpreted Banded Iron Formations is also planned to be tested by drilling.

RIGHTS ISSUE SHORTFALL COMPLETED

The Company is pleased to advise that it has completed the shortfall of the recent 1-for-1 pro-rata non-renounceable entitlements issue to shareholders (the Entitlements Issue).

The directors have been able to place an additional 8,269,579 shares and 8,269,579 options through the shortfall of the offer to raise a further \$661,566 (before costs of the issue).

The Company has now raised the full amount of \$2,500,000 (before costs of the issue) under the Entitlement Issue.

We refer to ASX's letter dated 20 June 2008 granting conditional approval of quotation of 31,250,005 fully paid ordinary shares (Shares: WKR) and 31,250,005 options exercisable at \$0.20 each on or before 31 December 2009 (Options: WKRO) and provide the following information:

1. An additional 8,269,579 Shares and 8,269,579 Options were allotted and issued on 10th July 2008 pursuant to the Entitlements Issue. They have been allocated into the issuer sponsored sub-register, and quotation of the Shares and Options on ASX is now sought;
2. The issued capital of the Company following the allotment is as follows:
 - 62,500,000 fully paid ordinary shares (WKR) as follows:
 - Quoted on ASX: 58,765,000
 - Unquoted restricted securities: 3,735,000
 - Total fully paid shares on issue: 62,500,000
 - 45,499,995 options exercisable at \$0.20 each on or before 31 December 2009:
 - 39,499,995 quoted options (WKRO) exercisable at 20 cents each on or before 31 December 2009.
 - 6,000,000 unquoted restricted options exercisable at 20 cents each on or before 31 December 2009.
3. See an update of Top 20 and Distribution schedules:
 - a. The 20 largest holders of Shares and the percentage held by each are as follows:

WINDY KNOB RESOURCES LIMITED FULLY PAID SHARES

	<u>HOLDER NAME</u>	<u>DESIGNATION</u>	<u>UNITS</u>	<u>% OF ISSUED</u>
1 *	HUSIF NOM PL	R C LYNTON-BROWN F	2,020,000	3.23%
2 *	CORPORATE & RESOURCE CONS PL		1,800,000	2.88%
3 *	LYNTON-BROWN DARRYL F		1,600,000	2.56%
4	DONGRAY RICHARD S + J	S/F A/C	1,440,000	2.30%
5 *	VIENNA HLDGS PL	RONJEN S/F A/C	1,250,000	2.00%
6	WILD JONATHAN MARK		1,125,000	1.80%
7	FOWLER PAUL TRAVIS		1,125,000	1.80%
8 *	CANON POINT PL		1,000,001	1.60%
9	STOCKWORK KAL PL	STOCKWORK INV A/C	1,000,000	1.60%
10	DOZAK EDWARD MAX		1,000,000	1.60%
11	KASLAM PL		1,000,000	1.60%
12	TINELLE PL	LUNDY S/F PORTFOLI	1,000,000	1.60%
13	KAZAC PL	SVCS ACCOUNT	900,000	1.44%
14 *	RALSTON GARRY		883,600	1.41%
15	EDMONDSON FIONNUALA C		840,000	1.34%
16	SIGMA CHEMICALS 1986 PL		750,000	1.20%
17 *	LEGENDRE BRUCE ROBERT		740,000	1.18%
18	EVERINGHAM ELISSA	P & E EVERINGHAM F	625,000	1.00%
19	FRANCOIS GUY	RW S/F ACCOUTN	625,000	1.00%
20	TALEX INV PL		625,000	1.00%
	*** TOP 20 TOTAL ***		<u>21,348,601</u>	<u>34.14%</u>

** ALL HOLDERS INCLUDED

* - DENOTES MERGED HOLDER

b. The distribution schedule of Shareholders is as follows:

WINDY KNOB RESOURCES LIMITED FULLY PAID SHARES

<u>SPREAD OF HOLDINGS</u>	<u>HOLDERS</u>	<u>UNITS</u>	<u>% OF ISSUED CAPITAL</u>
NIL HOLDING			
1 - 1,000	17	1,680	.00 %
1,001 - 5,000	46	159,417	.26 %
5,001 - 10,000	52	469,012	.75 %
10,001 - 100,000	289	12,584,564	20.14 %
100,001 -	127	49,285,327	78.86 %
TOTAL ON REGISTER	531	62,500,000	100.00 %
TOTAL OVERSEAS HOLDERS	9	2,508,321	4.01 %
<u>ANALYSIS BY LOCATION (EXCLUDES ZERO HOLDERS)</u>			
OVERSEAS	9	2,508,321	4.01 %
AUSTRALIA :			
ACT	1	100,000	.16 %
NSW	72	7,064,578	11.30 %
VIC	42	1,731,601	2.77 %
QLD	15	377,720	.60 %
SA	9	177,250	.28 %
WA	372	50,165,841	80.27 %
TAS	6	321,689	.51 %
NT	2	17,000	.03 %
ADDRESS UNKNOWN	3	36,000	.06 %
	531	62,500,000	100.00 %

** ALL HOLDERS INCLUDED

*** COMMON HOLDERS MERGED INTO ONE HOLDING

c. The 20 largest holders of Options and the percentage held by each are as follows:

WINDY KNOB RESOURCES LIMITED OPTIONS 31/12/09 \$0.20

	<u>HOLDER NAME</u>	<u>DESIGNATION</u>	<u>UNITS</u>	<u>% OF ISSUED</u>
1 *	CORPORATE & RESOURCE CONS PL		1,550,000	3.92%
2 *	VIENNA HLDGS PL	RONJEN S/F A/C	1,187,500	3.01%
3	TALEX INV PL		1,125,000	2.85%
4	MACFAC PL	MCILWAIN FAM S/F A	1,120,000	2.84%
5 *	HUSIF NOM PL	R C LYNTON-BROWN F	1,010,000	2.56%
6	ECKHOF KLAUS		1,000,000	2.53%
7	STOCKWORK KAL PL	STOCKWORK INV A/C	1,000,000	2.53%
8 *	RALSTON GARRY		891,800	2.26%
9 *	LYNTON-BROWN DARRYL F		800,000	2.03%
10	BURFORD MATTHEW DAVID		756,005	1.91%
11	SIGMA CHEMICALS 1986 PL		750,000	1.90%
12	MCNEIL NOM PL		750,000	1.90%
13	EVERINGHAM ELISSA	P & E EVERINGHAM F	625,000	1.58%
14	FRANCOIS GUY	RW S/F ACCOUTN	625,000	1.58%
15	CALM HLDGS PL	TIDE A/C	534,842	1.35%
16	DONGRAY RICHARD S + J	S/F A/C	520,000	1.32%
17 *	CANON POINT PL		500,000	1.27%
18	MONTGOMERY MELISSA JANE		500,000	1.27%
19	WALL STREET NOM PL	BRENNAN S/F A/C	500,000	1.27%
20	DOZAK EDWARD MAX		500,000	1.27%
	*** TOP 20 TOTAL ***		16,245,147	41.15%

** ALL HOLDERS INCLUDED

* - DENOTES MERGED HOLDER

d. The distribution schedule of Option holders is as follows:

WINDY KNOB RESOURCES LIMITED OPTIONS 31/12/09 \$0.20

<u>SPREAD OF HOLDINGS</u>	<u>HOLDERS</u>	<u>UNITS</u>	<u>% OF ISSUED CAPITAL</u>
NIL HOLDING			
1 - 1,000			.00 %
1,001 - 5,000	14	54,237	.14 %
5,001 - 10,000	50	479,635	1.21 %
10,001 - 100,000	178	7,825,462	19.81 %
100,001 -	80	31,140,661	78.84 %
TOTAL ON REGISTER	322	39,499,995	100.00 %
TOTAL OVERSEAS HOLDERS	4	283,988	.72 %
<u>ANALYSIS BY LOCATION (EXCLUDES ZERO HOLDERS)</u>			
OVERSEAS	4	283,988	.72 %
AUSTRALIA :			
ACT	1	100,000	.25 %
NSW	21	4,388,220	11.11 %
VIC	13	1,733,521	4.39 %
QLD	7	247,895	.63 %
SA	5	922,005	2.33 %
WA	269	31,808,966	80.53 %
TAS	2	15,400	.04 %
NT	0		.00 %
ADDRESS UNKNOWN	0		.00 %
	322	39,499,995	100.00 %

** ALL HOLDERS INCLUDED

*** COMMON HOLDERS MERGED INTO ONE HOLDING

Yours faithfully,

David Parker, Company Secretary

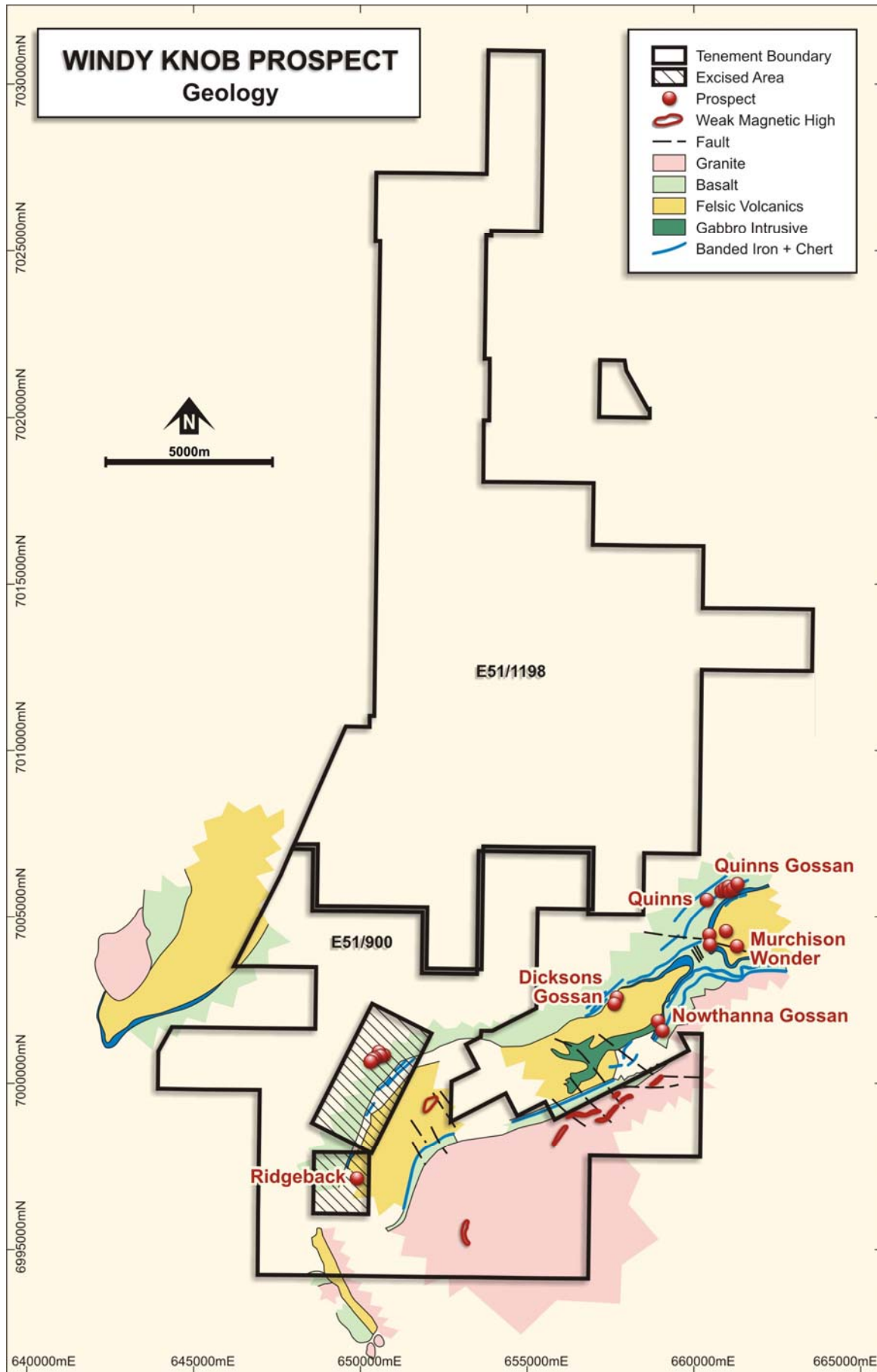
For further information please contact:

David Parker, Company Secretary, Windy Knob Resources Limited, Tel: (08) 6460 4960

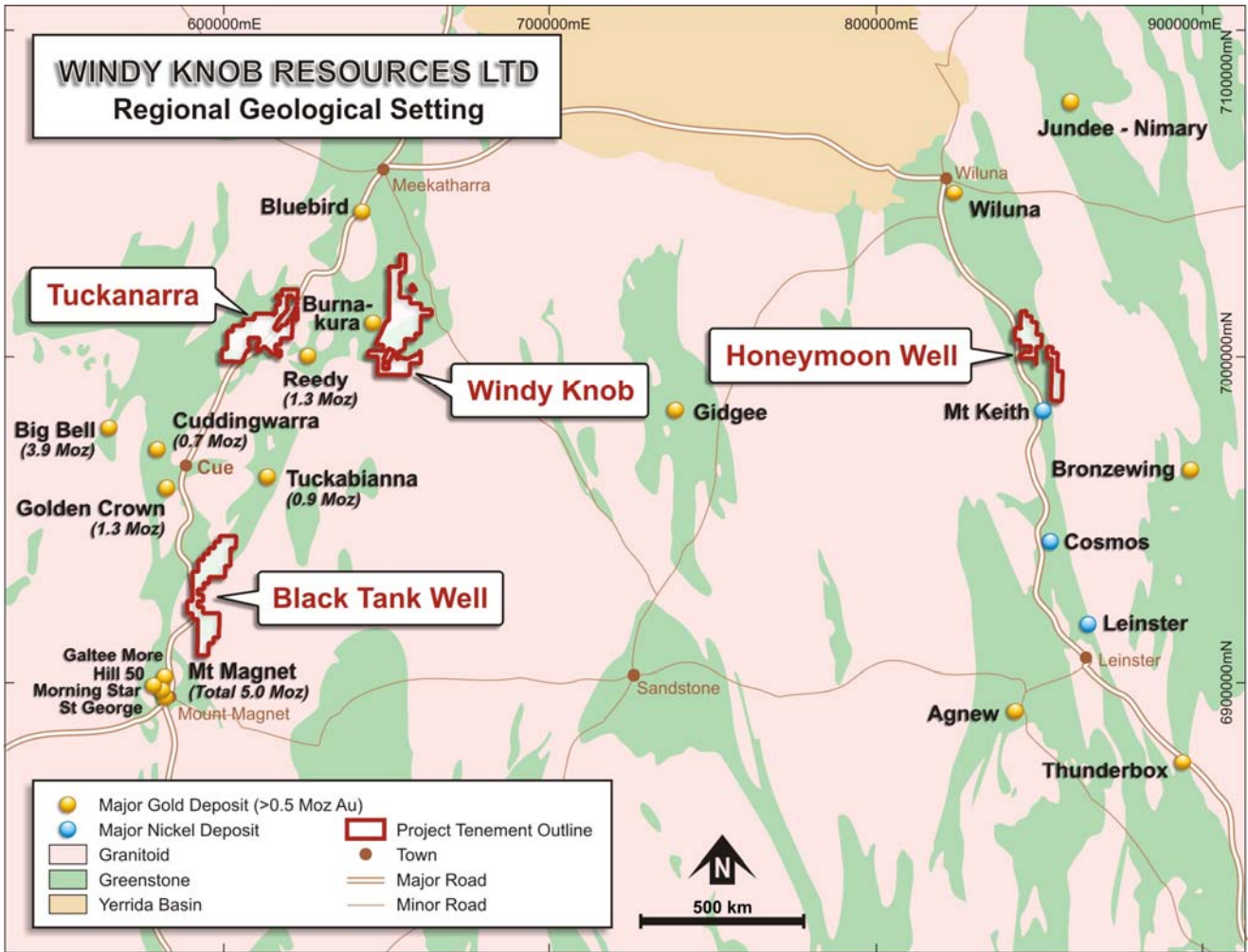
Windy Knob website: www.windyknobresources.com.au

Scientific or technical information in this news release has been prepared under the supervision of Mr Michael Montgomery BApps (Hons), AusIMM, a Consultant of the Company and a Member of the Australian Institute of Mining and Metallurgy. Mr Montgomery has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Montgomery consents to the inclusion in this report of the Information, in the form and context in which it appears.

APPENDIX 1 - WINDY KNOB PROSPECT - GEOLOGY



APPENDIX 2 - WINDY KNOB - REGIONAL GEOLOGICAL SETTINGS



Ends.