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### **BENGALLA MINE EXPANSION APPROVED**

Thermal coal production capacity from the 40 per cent Wesfarmers-owned Bengalla Mine in New South Wales, will increase from 7.8 million tonnes per annum (mtpa) Run of Mine (ROM), to 9.3mtpa ROM following today's approval to expand the mine by the Bengalla Joint Venture.

The Bengalla Joint Venture comprises Coal and Allied (40 per cent), Wesfarmers (40 per cent), Mitsui (10 per cent) and Taipower (10 per cent). Coal and Allied manages the operation of the mine on behalf of the Bengalla Joint Venture.

The expansion, based on existing mine reserves, will include: a throughput capacity upgrade of the Coal Preparation Plant including the introduction of two-stage washing; the purchase of additional mining equipment; and associated upgrades of mine infrastructure, at a capital cost to Wesfarmers of \$56 million (40 per cent basis). The expansion is scheduled for completion in the first quarter of calendar year 2012.

Wesfarmers Resources Managing Director, Mr Stewart Butel, said that the expansion of the Bengalla mine would provide significant benefits to all stakeholders.

"The strong relationship we have with our Joint Venture partners was a very important factor in our consideration of this expansion. I'm very pleased that the Joint Venture has made this decision to invest in the future of the Bengalla mine," Mr Butel said.

Rail and port capacity has been secured to support the increase in export thermal coal sales, with incremental sales to be allocated primarily to Bengalla's existing portfolio of power utility customers.

A feasibility study for a second stage expansion to the currently consented rate of 10.7mtpa ROM is currently underway.

The project further reinforces Wesfarmers' commitment to realising the potential of existing assets, and generating long term satisfactory returns for its shareholders.

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