



11 January 2011

JANUARY 2011 TO MARCH 2011 QUARTER COAL PRICE NEGOTIATION

Price negotiations for the January 2011 to March 2011 quarter for metallurgical coal exports from Wesfarmers Resources' Curragh mine in Queensland's Bowen Basin have now been concluded with the majority of customers.

As previously stated, approximately 75 per cent of Curragh's contracted tonnage has moved to a quarterly pricing mechanism. For the January 2011 to March 2011 quarter, the weighted average US\$FOB for new contract prices of Curragh metallurgical coal (hard coking, semi-hard coking and PCI) will increase by approximately 12 per cent as compared to the October 2010 to December 2010 quarter prices.

The Managing Director of Wesfarmers Resources, Mr Stewart Butel, said the company is satisfied with the result of its negotiations for Curragh's hard coking coal, with price settlements for the January 2011 to March 2011 quarter at approximately US\$221 per metric tonne FOB Queensland.

"Recent severe flooding in Central Queensland is significantly impacting Curragh's metallurgical coal production and QR National's Blackwater line with rail operations on this line not expected to resume before mid January 2011 at the earliest. Force majeure remains in place for export and domestic contracts," Mr Butel said.

"As advised on 4 January 2011, Curragh's metallurgical coal sales volume is now forecast to be in the range of 5.8 to 6.2 million tonnes for the 2011 financial year, subject to no further significant wet weather and satisfactory rail and port operations. This compares to a pre-flood forecast of 6.0 to 6.5 million tonnes."

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APPENDIX ONE – FINANCIAL YEAR 2011 QUARTERLY PRICE SETTLEMENTS

Quarterly Price Settlements ¹	Units	Jul to Sep 2010	Oct to Dec 2010	Jan to Mar 2011
Weighted average ² price movement (quarter on quarter)	per cent ³	11	(11)	12
Curragh hard coking coal price	US\$ FOB per metric tonne ³	225	205	221

1. Wesfarmers Resources, in its ordinary course of business, enters into forward foreign exchange contracts to protect the division from adverse currency fluctuations. Further details in relation to the hedging profile can be found in the Management Briefing on the Curragh Mine Operations released to the ASX on 3 November 2010.

2. Weighted average pricing for Curragh metallurgical coal (hard coking, semi-hard coking and PCI).

3. Price settlements are approximate.