



26 July 2012

JULY 2012 TO SEPTEMBER 2012 QUARTER COAL PRICE NEGOTIATION

Price negotiations for the July 2012 to September 2012 quarter for metallurgical coal exports from Wesfarmers Resources' Curragh mine in Queensland's Bowen Basin have now been concluded with the majority of customers.

For the July 2012 to September 2012 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 4 per cent as compared to the April 2012 to June 2012 quarter prices. All of Curragh's contracted tonnage for this quarter is under the quarterly pricing mechanism.

The Managing Director of Wesfarmers Resources, Mr Stewart Butel, said the company was satisfied with the result of its negotiations for Curragh's hard coking coal, with price settlements for the July 2012 to September 2012 quarter at approximately US\$220 per metric tonne FOB Queensland. Approximately 95 per cent of the July 2012 to September 2012 quarter sales tonnage is forecast to be at the new contract prices, with the balance at carryover prices from the previous quarter.

Commissioning of the new coal handling and preparation plant was successfully completed during the April 2012 to June 2012 quarter. Curragh's \$286 million mine expansion up to 8.5 million tonnes of export metallurgical coal capacity has now achieved project completion.

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APPENDIX ONE – QUARTERLY PRICE SETTLEMENTS

Quarterly Pricing Settlements ¹	Units	FY12			FY13
		Oct – Dec 2011	Jan – Mar 2012	Apr – Jun 2012	Jul – Sep 2012
Weighted average ² price movement (quarter on quarter)	per cent ³	(9)	(19)	(12)	4
Curragh hard coking coal price	US\$ FOB per metric tonne ³	280	230	201	220

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 Wesfarmers Limited Strategy Briefing Day presentation released to the ASX on 30 May 2012.
2. Weighted average pricing for Curragh metallurgical coal (hard coking, semi-hard coking and PCI).
3. Price settlements are approximate.