



30 September 2011

OCTOBER 2011 TO DECEMBER 2011 QUARTER COAL PRICE NEGOTIATION

Price negotiations for the October 2011 to December 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.

For the October 2011 to December 2011 quarter, the weighted average US\$FOB for new contract prices of Curragh metallurgical coal (hard coking, semi-hard coking and PCI) will decrease by approximately nine per cent as compared to the July 2011 to September 2011 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 October 2011 to December 2011 quarter at approximately US\$280 per metric tonne FOB Queensland. Approximately 90 per cent of the October 2011 to December 2011 quarter sales tonnage is forecast to be at the new contract prices, with the balance at carry over prices from the previous quarter.

"Consistent with previous guidance Curragh metallurgical coal sales volume is forecast to be within the range of 6.8 to 7.2 million tonnes for the 2012 financial year, subject to no significant wet weather and satisfactory rail and port operations," Mr Butel said.

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APPENDIX ONE – QUARTERLY PRICE SETTLEMENTS

Quarterly Pricing Settlements ¹	Units	FY11		FY12	
		Jan to Mar 2011	Apr – Jun 2011	Jul – Sep 2011	Oct – Dec 2011
Weighted average ² price movement (quarter on quarter)	per cent ³	12	53	(10)	(9)
Curragh hard coking coal price	US\$ FOB per metric tonne ³	221	328	310	280

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 2011 Full Year Results Supplementary Information released to the ASX on 18 August 2011.
2. Weighted average pricing for Curragh metallurgical coal (hard coking, semi-hard coking and PCI).
3. Price settlements are approximate.