

NEWS

30 June 2005

WESFARMERS AND ALINTA AGREE LPG SUPPLY ARRANGEMENTS

Wesfarmers LPG Pty Ltd ("Wesfarmers") and Alinta Sales Pty Ltd ("Alinta") today executed a deed amending and restating the agreement for the supply of gas by Alinta to Wesfarmers LPG's extraction plant at Kwinana. The plant has been operating since August 1988 with Alinta, and its predecessors, supplying 100 per cent of its feedstock and fuel gas requirements.

The arrangements agreed today with Alinta provide Wesfarmers with a continuation of firm transportation capacity and exclusive LPG extraction rights to gas in the Dampier to Bunbury Natural Gas Pipeline ("DBNGP") over the next 10 years.

After 1 July 2005, producers of gas into the DBNGP will no longer be required to supply gas with a minimum LPG content and the future content of gas delivered by Alinta to Wesfarmers' plant is likely to fall. It is expected, however, that LPG content will remain high enough to underpin the plant's operation for some years, after which additional LPG supplies may need to be obtained from existing and new gas producers. The arrangements announced today have been structured to ensure that Wesfarmers has the flexibility, when needed, to negotiate with producers to enhance the LPG content of gas in the DBNGP.

The Managing Director of Wesfarmers Energy, David Robb, said these arrangements with Alinta provided a long-term basis for Wesfarmers to continue optimising production from its Kwinana LPG plant.

"Importantly, these arrangements are expected to underpin ongoing domestic supply of LPG to the Western Australian market, thus avoiding the need for significant imports."

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