



Wesfarmers
NEWS

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APRIL 2012 TO JUNE 2012 QUARTER COAL PRICE NEGOTIATION

Price negotiations for the April 2012 to June 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 April 2012 to June 2012 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 11 per cent as compared to the January 2012 to March 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 April 2012 to June 2012 quarter at approximately US\$201 per metric tonne FOB Queensland. Approximately 92 per cent of the April 2012 to June 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 preparation plant at Curragh continues with project completion expected during the second quarter of this calendar year. Delay in project completion is principally due to processing throughput and yield issues. Due to this delay, metallurgical coal sales for Curragh are forecast to include approximately 0.35 million tonnes of unwashed 12% (high ash) PCI which is being sold into the spot seaborne PCI market. Sales mix for the 2012 financial year is now forecast to be 39 per cent hard coking coal, 21 per cent semi-hard coking coal and 40 per cent PCI.

"Curragh's metallurgical coal sales are forecast to be in the previously announced range of 6.8 to 7.2 million tonnes for the 2012 financial year, subject to satisfactory commissioning of the new coal preparation plant, no significant wet weather, and satisfactory rail and port operations," Mr Butel said.

For further information contact:

Luca Pietropiccolo, Manager
Investor Relations and Planning
Ph: +61 8 9327 4416

Stewart Butel, Managing Director
Wesfarmers Resources
Ph: +61 7 3031 7794

APPENDIX ONE – QUARTERLY PRICE SETTLEMENTS

Quarterly Pricing Settlements ¹	Units	FY12			
		Jul – Sep 2011	Oct – Dec 2011	Jan – Mar 2012	Apr – Jun 2012
Weighted average ² price movement (quarter on quarter)	per cent ³	(10)	(9)	(19)	(12)
Curragh hard coking coal price	US\$ FOB per metric tonne ³	310	280	230	201

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 2012 Half Year Results Supplementary Information released to the ASX on 16 February 2012.
2. Weighted average pricing for Curragh metallurgical coal (hard coking, semi-hard coking and PCI).
3. Price settlements are approximate.