



4 January 2011

## **FLOOD WATERS RECEDE AT CURRAGH MINE**

Flood waters from the Mackenzie River in central Queensland are now receding in the vicinity of the Curragh mine. The Mackenzie River peaked on Saturday, 1 January 2011 approximately 1.5m higher than the flood peak observed during the January 2008 floods. It is still expected to be some time before the river returns to normal levels.

Throughout the flood Curragh North mining operations remained protected by the levee system.

Wesfarmers Resources Managing Director Stewart Butel said that all mining operations at Curragh are returning to normal, with the greatest impact of the floods being felt by Curragh North.

“Mining at Curragh North will progressively return to normal by early February 2011 as we are able to get more employees to site and the overland conveyor returns to service. We have quite a bit of dewatering to undertake as a result of the unprecedented rainfall experienced in December 2010. We continue to have follow-up rain.”

Production of metallurgical coal from Curragh for the 2011 financial year will be reduced as a result of this unprecedented flood event.

“Our estimate for full year sales of metallurgical coal is now in the range 5.8 to 6.2 million tonnes, subject to no further significant wet weather and satisfactory rail and port operations. This compares with the pre-flood forecast of 6.0 to 6.5 million tonnes,” Mr Butel said.

Road access to Blackwater remains cut and Curragh is flying in available personnel to site.

Mr Butel said that Queensland Rail has suspended rail operations on the Blackwater line. “Our best estimate for rail operations returning to normal is mid-January 2011 at the earliest,” he said.

Construction activities associated with the expansion of Curragh to 8.0 to 8.5 million tonnes per annum of export coal will resume next week.

The previous force majeure notice issued on Thursday, 2 December 2010 for coal deliveries remains in place.

Mr Butel said that the recent flood emergency had severely affected many communities in the region, with many people losing their homes. “This has been a flood the likes of which we have never seen before in the region and certainly not in the life of the Curragh mine. Our thoughts are with all those people who have been so severely affected by the flood.”

“I would also like to acknowledge the fantastic efforts by all those involved with safe guarding the Curragh mine during this very difficult time. It has been another excellent team effort,” he said.

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