



NEWS

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2010 COAL PRICE NEGOTIATION UPDATE

Price negotiations for metallurgical coal exports from Wesfarmers Resources' Curragh mine in Queensland's Bowen Basin have now been concluded with all major customers.

In line with public reports by other coal exporters, the majority (approximately 75 per cent) of Curragh's contracted tonnage has moved to a quarterly pricing mechanism. For the April 2010 to June 2010 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 70 per cent as compared to current prices.

Approximately 25 per cent of Curragh's contracted tonnage remains under the annual pricing mechanism. The weighted average US\$FOB contract prices of all qualities of Curragh metallurgical coal (hard coking, semi-hard coking and PCI) under annual pricing will increase by approximately 78 per cent from April 2010 as compared to current prices.

The Managing Director of Wesfarmers Resources, Mr Stewart Butel, said "the company was satisfied with the result of its negotiations under the new quarterly pricing system, which resulted in improved market price relativity for Curragh's hard coking coal with price settlements for the April to June quarter at approximately US\$200 per metric tonne FOB Queensland."

"Curragh's metallurgical coal sales volume forecast for the 2009/10 fiscal year is at the lower end of the previously stated range of 6.3 to 6.8 million tonnes, due to wet weather and rail constraints experienced in the third quarter. Current demand from customers continues to remain strong."

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