



Wesfarmers Limited

ABN 28 008 984 049

18 June 2007

Ms E Harris
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

By Facsimile: (08) 9221 2020

Dear Elizabeth,

PRICE QUERY

We refer to your letter dated 18 June 2007 and respond as follows:

- 1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

No, the company is not aware of any such information concerning it that has not been released to the ASX.

In relation to the article in "The Australian" newspaper on 14 June 2007, we confirm that Wesfarmers Limited continues to evaluate the opportunity to acquire Coles Group Limited and the components of any offer, including the scrip component. A determination on this issue is expected to be made in the coming weeks.

Attached is an extract from an investor briefing lodged with the ASX on 17 May 2007 referring to the scrip component. There has been no change in Wesfarmers' position since this date.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

Not applicable

3. *Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?*

Three analysts have increased coal price assumptions significantly from 2008 onwards which in some cases has changed their recommendations with respect to Wesfarmers shares. For example, Merrill Lynch changed its rating from "sell" to "neutral" and Southern Cross Equities last week issued a report with a 12 month price target of \$47.


There have been indications that some institutional investors may be reweighting portfolios to Wesfarmers on the basis that if Wesfarmers acquires Coles they would be materially underweight Wesfarmers.

4. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

We confirm that the Company continues to be in compliance with Listing Rule 3.1.

Please do not hesitate to contact me if you have any further queries.

Yours sincerely



L J KENYON
COMPANY SECRETARY

Enc

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Just on your comments on the scrip regarding Coles, it sounds like it's possible it could go higher than 25% on remaining shares at the moment.

Gene Tilbrook

We're looking at ways to make it a bit higher, but can't say too much about it. There are a lot of issues around the structure and it will depend, among other things, on what we find when we get in the data room.

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Thank you.

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