



Wesfarmers Limited

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NEWS

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COAL PRICE NEGOTIATIONS

Annual price negotiations for metallurgical coal exports from the Wesfarmers-owned Curragh mine in Queensland's Bowen Basin have now been concluded with major customers.

Outcomes are generally in line with publicly-reported settlements by other exporters of similar quality products.

Coking coal (comprising hard coking coal and semi-hard coking coal) prices are down about 15 per cent on average versus the previous year and PCI coal contracts have been settled at prices around 35 per cent lower than last year. This results in a weighted average price decline for Curragh metallurgical coal of about 25 per cent.

The Managing Director of Wesfarmers Energy, David Robb, said the company was satisfied with the result of the major customer negotiations.

"Curragh maintains, and in many cases has extended as part of these negotiations, long term contracts to supply world-leading steelmakers in Asia and Europe," he said.

Mr Robb said that, as mentioned in the quarterly production statement released by Wesfarmers today, recent developments regarding rail system constraints will have an impact on production and sales levels. Possible port capacity constraints, resulting from a four to six month delay in the completion of the third rail dump station, may also impact on sales levels.

"As we have always said, projected outputs from Curragh are reliant on satisfactory mine, rail and shipment performance.

"Mine performance continues to improve but given the constraints referred to above, it is likely that full year sales of export metallurgical coal from the mine will be approximately 6.2 million tonnes in the 2005/06 financial year, an increase of about 35 per cent on the previous year. Should this situation continue, 2006/07 sales will also be affected. When the rail and port capacity outlook for next year becomes clearer we will provide more detailed guidance on expected sales volumes."

For further information:

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