Wesfarmers Limited
ABN 28 008 984 049

NEWS

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COAL PRICE NEGOTIATIONS

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

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

Coking coal (hard and semi-hard coal) prices will decline in the coming year, while PCI prices will increase. The sales mix is expected to remain unchanged from previous indications.

This results in a weighted average price decline for Curragh metallurgical coal of approximately 13.6 per cent.

The Managing Director of Wesfarmers Coal, Stewart Butel, said the company was satisfied with the result of the major customer negotiations with Curragh's hard coking coal prices maintaining market price relativity.

"Curragh metallurgical sales volumes for the 2006/07 financial year are expected to be in the previously stated range of 6.2 to 6.5 million tonnes, with first half sales consistent with the upper end of this range. Demand from customers in the second half remains strong."

"Sales will continue to be constrained due to rail infrastructure upgrades that are expected to be completed in July 2007."

For further information: Stewart Butel
Managing Director, Wesfarmers Coal
0419 027 337