

18 January 2017

First Half Earnings Update and Quarterly Statement of Production, Development and Exploration

FIRST HALF EARNINGS UPDATE

The Resources business is expected to report earnings before interest and tax (EBIT) of between \$135 million and \$140 million for the first half of the 2017 financial year, exceeding previous guidance provided in October 2016 of a broadly breakeven EBIT for the half.

The better than expected earnings result reflects strong production in the second quarter resulting from the implementation of recommendations from the productivity review, a new mine plan and opportunistic use of contract fleet to further increase volumes to take advantage of attractive coal pricing. This increase in production supported higher than expected sales volumes aided by improved shipping timing and higher realised prices for both Curragh and Bengalla. The result for the half also benefitted from provision adjustments due to the settlement of the Stanwell litigation, related to the interpretation of the reference coal price used in determining the export rebate payable by the Curragh mine.

CURRAGH

Production

Overburden removal for the quarter ended 31 December 2016 was 5.2 per cent higher than the previous quarter, driven by the successful commissioning of additional overburden removal equipment during the period and improved weather conditions following the wet weather impact on mine operations in the previous quarter.

Coal production for the quarter was 3,203,000 tonnes, 22.5 per cent higher than the previous quarter. Metallurgical coal production of 2,272,000 tonnes was 37.9 per cent higher than the previous quarter and steaming coal production of 931,000 tonnes was 3.8 per cent lower than the previous quarter. The increase in production primarily reflected the impact of wet weather conditions on mine operations in the previous quarter.

For the 12 months to 31 December 2016, metallurgical coal production decreased by 14.4 per cent to 7,249,000 tonnes and steaming coal production decreased by 1.9 per cent to 3,371,000 tonnes.

Development

There was no significant development activity during the quarter.

Exploration

There was no significant exploration activity during the quarter.

BENGALLA

Production

Wesfarmers' share of coal production for the quarter was 902,000 tonnes, 11.1 per cent above the previous quarter due to mine sequencing. For the 12 months to 31 December 2016, Wesfarmers' share of coal production increased by 2.7 per cent to 3,417,000 tonnes.

Development

There was no significant development activity during the quarter.

Exploration

There was no significant exploration activity during the quarter.

For further information:

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ATTRIBUTABLE PRODUCTION

Quarterly Production

Mine	Ownership	Equity Interest	Coal Type	Quarter ended ('000 tonnes)			Change	
				Dec 15	Sep 16	Dec 16	2Q17 v 2Q16	2Q17 v 1Q17
Curragh	Wesfarmers Curragh Pty Ltd	100%	Metallurgical	1,617	1,647	2,272	40.5%	37.9%
			Steaming	850	968	931	9.5%	(3.8)%
Bengalla	Wesfarmers Bengalla Limited	40%	Steaming	866	812	902	4.2%	11.1%

Rolling-Twelve Month Production

Mine	Ownership	Equity Interest	Coal Type	Year ended ('000 tonnes)			Change
				Dec 14	Dec 15	Dec 16	Yr to Dec 16 v Yr to Dec 15
Curragh	Wesfarmers Curragh Pty Ltd	100%	Metallurgical	9,361	8,472	7,249	(14.4)%
			Steaming	3,301	3,435	3,371	(1.9)%
Bengalla	Wesfarmers Bengalla Limited	40%	Steaming	3,424	3,326	3,417	2.7%