



5 January 2012

JANUARY 2012 TO MARCH 2012 QUARTER COAL PRICE NEGOTIATION

Price negotiations for the January 2012 to March 2012 quarter for metallurgical coal exports from Wesfarmers Resources' Curragh mine in Queensland's Bowen Basin have now been concluded with the majority of customers.

For the January 2012 to March 2012 quarter, the weighted average US\$FOB for new contract prices of Curragh metallurgical coal (hard coking, semi-hard coking and PCI) will decrease by approximately 19 per cent as compared to the October 2011 to December 2011 quarter prices. All of Curragh's contracted tonnage for this quarter is under the quarterly pricing mechanism.

The Managing Director of Wesfarmers Resources, Mr Stewart Butel, said the company was satisfied with the result of its negotiations for Curragh's hard coking coal, with price settlements for the January 2012 to March 2012 quarter at approximately US\$230 per metric tonne FOB Queensland. Approximately 95 per cent of the January 2012 to March 2012 quarter sales tonnage is forecast to be at the new contract prices, with the balance at carry over prices from the previous quarter.

Commissioning of the new coal preparation plant at Curragh has commenced, with practical completion estimated to occur at the end of first quarter calendar year 2012.

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APPENDIX ONE – QUARTERLY PRICE SETTLEMENTS

Quarterly Pricing Settlements ¹	Units	FY11	FY12		
		Apr – Jun 2011	Jul – Sep 2011	Oct – Dec 2011	Jan – Mar 2012
Weighted average ² price movement (quarter on quarter)	per cent ³	53	(10)	(9)	(19)
Curragh hard coking coal price	US\$ FOB per metric tonne ³	328	310	280	230

1. Wesfarmers Resources, in its ordinary course of business, enters into forward foreign exchange contracts to protect the division from adverse currency fluctuations. Further details in relation to the hedging profile can be found in the Wesfarmers 2011 Full Year Results Supplementary Information released to the ASX on 18 August 2011.
2. Weighted average pricing for Curragh metallurgical coal (hard coking, semi-hard coking and PCI).
3. Price settlements are approximate.