



30 January 2013

JANUARY TO MARCH 2013 QUARTER COAL PRICE NEGOTIATION

Price negotiations for the January to March 2013 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 to March 2013 quarter, the weighted average US\$FOB for new contract prices of Curragh metallurgical coal (hard coking, semi-hard coking and PCI) will increase by approximately two per cent as compared to the October to December 2012 quarter prices, subject to actual contract deliveries for the quarter.

Managing Director of Wesfarmers Resources Mr Stewart Butel said the coal pricing outcome for Curragh's range of metallurgical coals was in line with recent market price settlements. Approximately 90 per cent of the January to March 2013 quarter sales tonnage is forecast to be at the new contract prices with the balance at carry over prices.

"In response to continuing low metallurgical coal prices and the high Australian dollar, Curragh's immediate focus remains on cost reduction and control," Mr Butel said.

"Sales of metallurgical coal in the first half of the 2013 financial year were affected by a scheduled mine shutdown in December and lower short term demand from traditional North Asia customers. Recent high rainfall and localised flooding experienced in the aftermath of Cyclone Oswald has, in late January, affected mine site production and rail and port availability.

As a result, Curragh's metallurgical coal sales volume is forecast to be in the range of 7.5 to 8.0 million tonnes for the 2013 financial year. This revised forecast is subject to no further significant wet weather and the satisfactory recommencement of rail and port operations."

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APPENDIX ONE – QUARTERLY PRICE SETTLEMENTS

Quarterly Pricing Settlements ¹	Units	FY12	FY13		
		Apr – Jun 2012	Jul – Sep 2012	Oct – Dec 2012	Jan – Mar 2013
Weighted average ² price movement (quarter on quarter)	per cent ³	(12)	4	(26)	2
Curragh hard coking coal benchmark price	US\$ FOB per metric tonne ³	201	220	165 ⁴	160

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 Limited 2012 Full Year Results Supplementary Information released to the ASX on 16 August 2012.
2. Weighted average pricing for Curragh metallurgical coal (hard coking, semi-hard coking and PCI).
3. Price settlements are approximate.
4. Based on highest price for Curragh hard coking coal in the quarter.