

July to September 2015 Quarter Coal Price Negotiation

15 July 2015

Price negotiations for the July to September 2015 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 July to September 2015 quarter, the weighted average US\$FOB for new contract prices of Curragh metallurgical coal (hard coking, semi coking and PCI) will decrease by approximately 15 per cent as compared to the April to June 2015 quarter prices.

Approximately 70 per cent of deliveries in the July to September 2015 quarter are forecast to be at the new contract prices with the balance at carry over prices, and subject to actual contract deliveries for the July to September 2015 quarter.

Wesfarmers Resources Managing Director, Stewart Butel, said the coal pricing outcome for Curragh's range of metallurgical coals was in line with recent market price settlements, which have been impacted by a downturn in the Chinese steel industry.

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APPENDIX ONE – QUARTERLY PRICE SETTLEMENTS (CURRAGH)

Quarterly Pricing Settlements ^{1,3}	Units	FY15			FY16
		Oct – Dec 2014	Jan – Mar 2015	Apr – Jun 2015	Jul – Sep 2015
Weighted average ² price movement (quarter on quarter)	per cent	(1)	(1)	(6)	(15)
Hard coking coal benchmark price ⁴	US\$ FOB per metric tonne ³	110	111	104	88

1. Wesfarmers Resources, in its ordinary course of business, enters into forward foreign exchange contracts to protect the division from adverse currency fluctuations. Further detail in relation to the hedging profile can be found in the Wesfarmers Limited 2015 Strategy Briefing Day released to the ASX on 20 May 2015.
2. Weighted average pricing for Curragh metallurgical coal (hard coking, semi coking and PCI).
3. Price settlements are approximate.
4. Based on highest price for Curragh hard coking coal in the quarter.