

NEWS

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OCTOBER 2010 TO DECEMBER 2010 QUARTER COAL PRICE NEGOTIATION

Price negotiations for the October 2010 to December 2010 quarter for metallurgical coal exports from Wesfarmers Resources' Curragh mine in Queensland's Bowen Basin have now been concluded with the majority of customers.

As previously stated, approximately 75 per cent of Curragh's contracted tonnage has moved to a quarterly pricing mechanism. For the October 2010 to December 2010 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 11 per cent as compared to the July 2010 to September 2010 quarter prices.

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 October 2010 to December 2010 quarter at approximately US\$205 per metric tonne FOB Queensland.

"Recent unseasonal wet weather conditions in Central Queensland are significantly impacting Curragh's metallurgical coal production", Mr Butel said.

"Curragh's metallurgical coal sales volume is now forecast to be in the range of 6.2 to 6.7 million tonnes for 2010/11 fiscal year compared to previous forecast of 6.5 to 7.0 million tonnes."

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