



Wesfarmers Limited

ABN 28 008 984 049

NEWS

26 September 2006

WESFARMERS ANNOUNCES DOMESTIC LIQUEFIED NATURAL GAS PLANT

Wesfarmers Limited today announced an investment of up to \$138 million to construct a 175 tonne-per-day liquefied natural gas (LNG) plant in Western Australia, together with associated distribution infrastructure and two remote power stations, resulting in a new vertically integrated energy project.

LNG is an alternative fuel to diesel and the production plant will significantly expand its availability in Western Australia as a fuel for the heavy-duty vehicle (HDV), industrial gas and remote power generation markets.

Construction of the plant by Linde (Australia) Pty Ltd, to be built at Wesfarmers LPG's existing site in Kwinana, is expected to begin in November 2006, with commissioning scheduled for the end of the first quarter of 2008. It is expected that the project will contribute to divisional earnings in 2008/09.

Wesfarmers has also successfully concluded long-term gas supply and pipeline access arrangements with Santos Ltd and Dampier Bunbury Pipeline respectively, underpinning this investment, which value-adds to Western Australia's natural gas resources.

Wesfarmers Energy Managing Director, Tim Bult said that a large proportion of the plant's future LNG production had been contracted for remote power generation to AngloGold Ashanti's Sunrise Dam and Barrick's Darlot gold mines, and to Western Australian-based HDV customers.

"This project is the result of considerable time and innovation applied over several years to prove the commercialisation of LNG through the operation of up to 70 trucks running on LNG and collectively traveling over 12 million kilometres throughout Australia," said Mr Bult.

"It has involved establishment of a pilot plant, commercial customer trials with equipment manufacturers applying LNG as a diesel substitute and ensuring the HDV engine technology was adapted to suit Australian standards.

"Going forward we see the potential to further expand our LNG network elsewhere in Australia. Development work to date has included demonstrating the product, understanding customer requirements, assessing supply locations and demand requirements.

“We wish to recognise the involvement and commitment of Mitchell Corp, Sands Fridge Lines, Regional Haulage and the Victorian-based Murray Goulburn Co-operative. Through their early support, these organisations have assisted in the development and introduction of LNG as a diesel alternative within the transport industry. We are also appreciative of the active role played by the Federal Government in supporting alternative fuels and the Western Australian state and local governments in the project approval process.”

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