

# NEWS

10 November 2009

## **WESFARMERS APPROVES EXPANSION OF CURRAGH MINE**

Export metallurgical coal production capacity from the Wesfarmers-owned Curragh mine in Queensland's Bowen Basin, will increase to up to 8.5 million tonnes per annum ("mtpa") following approval today by the Wesfarmers Board to expand the mine.

A key element of the expansion was reaching an agreement with Stanwell Corporation Limited ("Stanwell") which will underpin the increase in Curragh mine metallurgical coal sales from the current 6.5 – 7.0 mtpa to 8.0 – 8.5 mtpa from late 2011, subject to market conditions.

Under the terms of the agreement, Wesfarmers Curragh will gain access to an additional 46 million tonnes of reserves<sup>1</sup> currently held by Stanwell in the Curragh North mining area. Stanwell will benefit through a new export rebate formula linked to Curragh metallurgical coal sales above 7.0 mtpa.

The Managing Director of Wesfarmers Resources, Mr Stewart Butel, said that the Curragh mine had a relationship with Stanwell dating back to 1981 and this had grown since the mine came under Wesfarmers ownership in 2000.

The expansion will include the construction of a new stand-alone Coal Handling and Preparation Plant as well as mine infrastructure at a cost of \$286 million and is expected to be completed by late 2011.

Mr Butel said that the expansion of Curragh would provide significant benefits to all stakeholders.

"This expansion will further lift the long term prospects for Curragh and ensure that we can take advantage of the forecast increase in seaborne metallurgical coal demand," he said.

"It will provide additional employment at the mine both during the construction phase and in the longer term. Our customers will benefit from increased metallurgical coal supply and the Queensland State Government will receive higher royalty collections."

Wesfarmers has contracted rail and port capacity in place to support the increase in metallurgical coal sales from the Curragh mine. The necessary approvals to operate the mine to facilitate exports at an 8.0 – 8.5 mtpa rate have been granted and all approvals to allow expansion works to commence are in place.

"This project further reinforces Wesfarmers' commitment to maximising the potential of the Curragh mine and generating satisfactory returns for its shareholders," said Mr Butel.

For further information contact:     Stewart Butel  
  Managing Director, Wesfarmers Resources  
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<sup>1</sup> The reference to coal resources or reserves in this report has been produced in accordance with the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves, December 2004 (the 'JORC Code') comprising 43 million tonnes proved reserves and 3 million tonnes probable reserves.

The information in this report is based on information compiled by Paul O'Loughlin (Member AusIMM) and Barry Lay (Member AusIMM) who are full time Employees of Curragh Queensland Mining Pty Ltd, a wholly owned subsidiary of Wesfarmers Curragh Pty Ltd and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined by the JORC Code. Paul O'Loughlin and Barry Lay have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

# Wesfarmers Resources Limited Curragh Mine Expansion

10 November 2009



# Curragh mine expansion

- Expand metallurgical coal exports to 8.0 - 8.5mtpa
- Increase of 1.5 – 2.0mtpa metallurgical coal exports from late CY2011
- Stanwell agreement providing additional 46mt coal reserves, with modified export rebate payment
- Approved capital expenditure of \$286 million:
  - New 1,200tph coal preparation plant
  - Other expansion infrastructure
- Additional overburden removal capacity
- Export rail and port capacity in place
- Strong customer contract base



# Coal reserves

Million tonnes	Proved	Probable	Total	Reserve Quality**		
				Ash (%)	CV (MJ/kg)	Sulphur (%)
<b>Existing Reserves</b> (As at 30 June 2009)	221	2	223	19.9	25.5	0.53
<b>Additional Reserves</b> (Stanwell agreement)	43	3	46	16.8	27.1	0.54
<b>Total:</b>	<b>264</b>	<b>5</b>	<b>269</b>	<b>19.4</b>	<b>25.8</b>	<b>0.53</b>

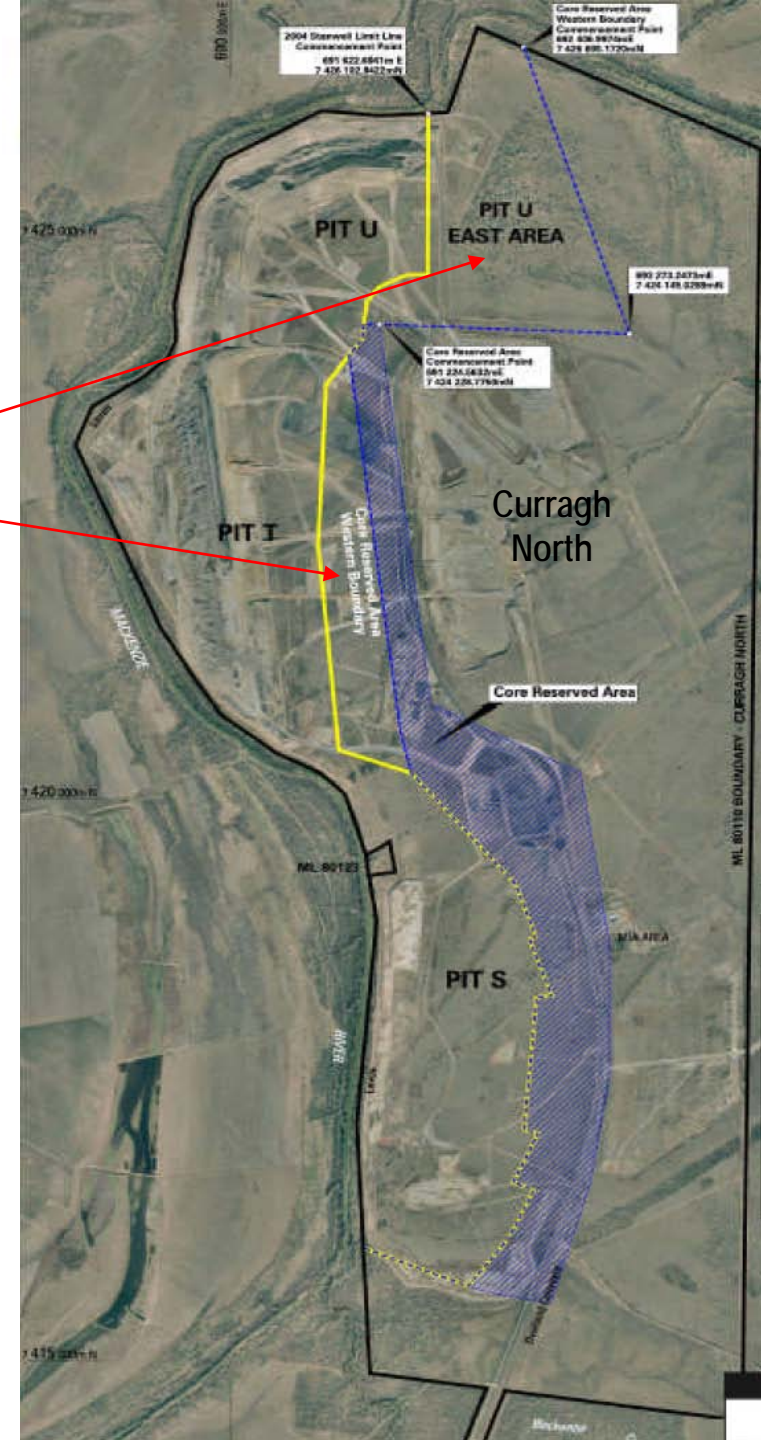
\* Refer to Competent Person Statement at end of this presentation

\*\* Reserve quality inclusive of loss and dilution. Ash is on an as-received basis. CV and sulphur are on an air-dried basis.



# Additional reserves

- Additional 46mt of reserves in Pit T and Pit U East Area
- Located in Curragh North mining lease
- Same coal seams as currently mined
- Mine plan to 2025



# Stanwell agreement

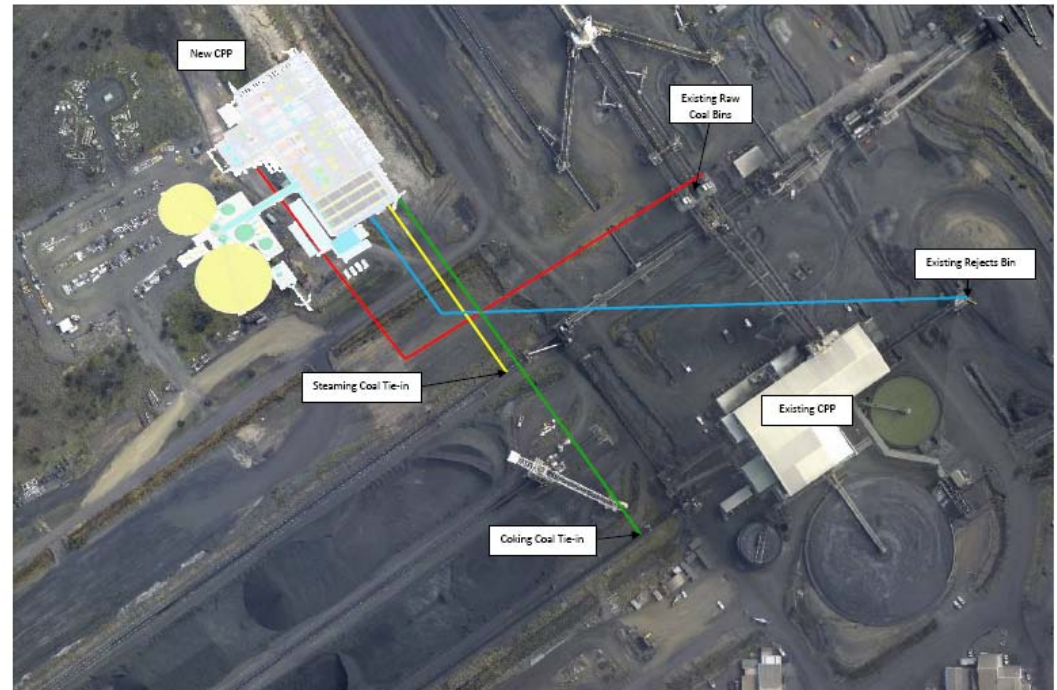
## Modified export rebate payment

- Existing rebate capped at 7.0mtpa exports
  - Payable when semi hard price >A\$62/t FOB approx escalated at 1%pa
  - Rebate 25% of excess over A\$62/t multiplied by total export tonnes
- New rebate for >7.0mtpa exports
  - Payable when semi hard price >A\$93/t FOB approx escalated at 100% CPI
  - Rebate 10% of excess over A\$93/t multiplied by total export tonnes
- New rebates apply from November 2009
- All rebates calculated from a rolling 12 month actual A\$ export price outcome, paid monthly to Stanwell



# New coal preparation plant

- Design and construct contract awarded via competitive tender
- 1200tph nominal capacity
- Located adjacent to existing CPP
- Existing CPP (25 year old) to be de-rated
- Ample capacity to produce 8.0 to 8.5mtpa metallurgical coal
- Product sales mix unchanged



# Curragh expansion timeline



Milestone	Completion
Wesfarmers Board approval	10 Nov 2009
New CPP Design and construction	Q2 CY2011
Commissioning	Q3 CY2011
Operational	Q4 CY2011

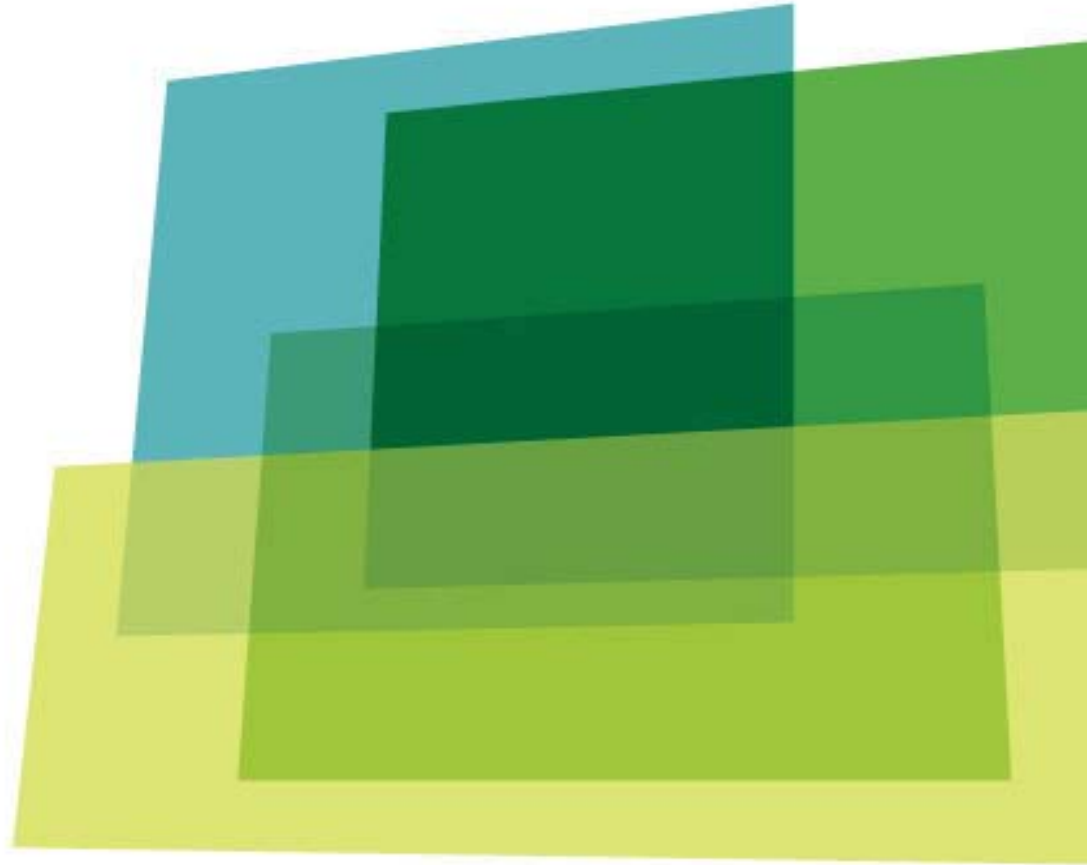
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# Appendix





# Competent person statement

The statement of coal reserves in this presentation has been produced in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, December 2004 (the 'JORC Code').

The information in this presentation relating to coal reserves is based on information compiled by Competent Persons (as defined in the JORC Code and listed below). All competent Persons have at the time of reporting, sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined by the JORC Code. Each Competent Person consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**Mr Paul O'Loughlin**, a full time employee of Curragh Queensland Mining Pty Ltd, a wholly owned subsidiary of Wesfarmers Curragh Pty Ltd. Member of AusIMM.

**Mr Barry Lay**, a full time employee of Curragh Queensland Mining Pty Ltd, a wholly owned subsidiary of Wesfarmers Curragh Pty Ltd. Member of AusIMM.





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