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News Release

Wesfarmers

26 October 2016

Quarterly Statement of Production, Development and Exploration, and First Half Resources Update

CURRAGH

Production

Overburden removal for the quarter ended 30 September 2016 was 13.8 per cent higher than the previous quarter. The increase in overburden removal was driven by a higher strip ratio, resulting from a change to mine sequencing, with preparatory work undertaken to increase pre-strip of overburden to support expected increases in coal exposure and coal production in the coming quarter.

Coal production for the quarter was 2,615,000 tonnes, 11.8 per cent lower than the previous quarter. Metallurgical coal production of 1,647,000 tonnes was 23.0 per cent lower than the previous quarter and steaming coal production of 968,000 tonnes was 17.2 per cent higher than the previous quarter. The decline in coal production resulted primarily from wet weather conditions, with rainfall during the quarter being 57 per cent higher than the prior quarter and six times higher than the first quarter of the 2016 financial year. Furthermore, during the quarter, Curragh's Coal Handling and Preparation Plant underwent a seven day shutdown for routine maintenance.

Development

There was no significant development activity during the quarter.

Exploration

There was no significant exploration activity during the quarter.

BENGALLA

Production

Wesfarmers' share of coal production for the quarter was 812,000 tonnes, 3.3 per cent above the previous quarter due to mine sequencing. For the 12 months to 30 September 2016, Wesfarmers' share of coal production increased by 3.0 per cent to 3,382,000 tonnes.

Development

There was no significant development activity during the quarter.

Exploration

There was no significant exploration activity during the quarter.

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FIRST HALF UPDATE

In line with previous guidance, export metallurgical coal sales volumes at Curragh for the 2017 financial year are expected to be between 8.0 and 8.5 million tonnes. Due to the production disruptions experienced during the quarter, these sales volumes are expected to be weighted towards the second half of the financial year. Furthermore, approximately 50 per cent of Curragh's export metallurgical coal sales volumes in the second quarter of the 2017 financial year are expected to represent carryover tonnage.

At Curragh, the relatively high levels of carryover tonnage expected to be delivered in the second quarter will partially offset recent increases in metallurgical coal prices. As a result, the Resources business is expected to report a broadly breakeven earnings before interest and tax result for the first half of the 2017 financial year, subject to production, weather events, shipping and currency in the second quarter of the 2017 financial year.

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ATTRIBUTABLE PRODUCTION

Quarterly Production

				Quarter ended ('000 tonnes)			Change	
Mine	**Ownership**	**Equity Interest**	**Coal Type**	**Sep 15**	**Jun 16**	**Sep 16**	**1Q17 v 1Q16**	**1Q17 v 4Q16**
Curragh	Wesfarmers Curragh Pty Ltd	100%	Metallurgical	2,369	2,139	1,647	(30.5)%	(23.0)%
			Steaming	941	826	968	2.9%	17.2%
Bengalla	Wesfarmers Bengalla Limited	40%	Steaming	814	786	812	(0.2)%	3.3%

Rolling-Twelve Month Production

				Year ended ('000 tonnes)			Change
Mine	**Ownership**	**Equity Interest**	**Coal Type**	**Sep 14**	**Sep 15**	**Sep 16**	**Yr to Sep 16 v Yr to Sep 15**
Curragh	Wesfarmers Curragh Pty Ltd	100%	Metallurgical	9,099	9,145	6,594	(27.9)%
			Steaming	3,512	3,286	3,290	0.1%
Bengalla	Wesfarmers Bengalla Limited	40%	Steaming	3,396	3,285	3,382	3.0%

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