



24 May 2011

CURRAGH PRODUCTION UPDATE

Production at the Curragh mine continues to be adversely affected by significant groundwater inflow into mining areas and further unseasonal rainfall. In addition, a belt failure on the Curragh North Conveyor, identified on 22 May 2011, has further affected production estimates. As a result, Curragh metallurgical coal sales volume is now forecast to be in the range of 5.1 to 5.4 million tonnes for the 2011 financial year, subject to no further significant events.

Previous guidance for Curragh metallurgical coal sales volume for the 2011 financial year, provided on 4 April 2011, was at the lower end of the range of 5.8 to 6.2 million tonnes, subject to no further significant impact of wet weather. On 8 April 2011, force majeure was lifted for all export contracts based on the expectation of no further effects of wet weather, and a prompt recovery of operations on-site to full production rates.

Since this time, heavy rainfall during April and May, as well as groundwater inflow into mining areas, has resulted in overburden spoil becoming super-saturated, causing a number of significant low wall failures in recent weeks. Mining areas affected by these low wall failures have seen access to exposed coal restricted, resulting in reduced coal mining rates and slower recovery of operations on-site. A belt failure on the overland conveyor connecting Curragh and Curragh North will also adversely affect production, with the conveyor expected to be out of operation for approximately one week.

Managing Director Wesfarmers Resources, Stewart Butel said that the significant ongoing impacts of the wet weather on recovery efforts has resulted in the reduction to previous guidance provided for Curragh metallurgical coal sales.

"We are continuing to dewater the affected areas and now expect operations to return to full production from July 2011," Mr Butel said.

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