Orica Limited
ABN 24 004 145 868

ASX Announcement

Incitec Pivot investigates Brunei fertiliser project

Orica Limited advised today that Incitec Pivot Ltd, in which it has 70% ownership interest, has been selected to participate in a detailed feasibility study into the construction of an ammonia/urea manufacturing complex in Brunei.

A copy of the Incitec Pivot release is attached for information.

20 September 2004

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ASX Announcement – Monday, 20 September 2004

Incitec Pivot investigates Brunei fertiliser project

Australian fertiliser company Incitec Pivot Limited announced today that it is part of an international consortium selected to complete a detailed feasibility study into the construction of an ammonia/urea manufacturing complex in Brunei.

The feasibility study, to be undertaken by Incitec Pivot together with its equal partners, Mitsubishi Corporation and WestSide Ltd, will cover such key issues such as gas supply, the cost of utilities and infrastructure and environmental assessment.

The Brunei Economic Development Board (BEDB) selected the consortium from a global field of proponents.

If the project proceeds, the consortium partners will form a joint venture to construct the plant and manage the ongoing business. The proposed manufacturing complex would be mainly funded through project financing.

The proposed plant would be the largest urea manufacturing operation in Asia and equal to the largest operating in the world today. It would have a capacity to manufacture 1.2 million tonnes of urea a year and would take three years to build.

Incitec Pivot would have majority offtake rights for the plant's output and would operate and maintain the manufacturing complex for the joint venture.

Speaking after the BEDB's announcement in the Brunei capital of Bandar Seri Begawan today, Incitec Pivot's Managing Director and CEO, Mr Greg Witcombe, said: "If the project proves viable it will fit comfortably with our strategy of being a world-competitive fertiliser supplier into the Australian market.

"The Brunei project would complement ammonia and urea production at our Brisbane plant, for which we have recently secured long-term gas supply agreements until 2017."

Mr Witcombe said that the project would need to meet Incitec Pivot's rigorous investment criteria before the company would make a decision to proceed. The project is expected to cost in the region of US$600 million.

Incitec Pivot is Australia's only producer of urea fertiliser, producing approximately 250,000 tonnes of Australia's annual demand of around 1.5 million tonnes. Currently the balance is imported, mainly from the Middle East.

An Australian Stock Exchange-listed company, Incitec Pivot is 70 per cent owned by Orica Limited, with the balance being held by smaller shareholders, many of them Australian farmers.

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