



Orica Limited  
ABN 24 004 145 868

## **ASX Announcement**

### **Increased Commitment to Botany Groundwater Cleanup**

Orica Limited today announced an increased financial commitment to the Botany Groundwater Project, involving the remediation of groundwater at Botany contaminated by pollutants from historical operations discontinued several years ago.

Orica is required to implement full-scale hydraulic containment by intercepting contaminated groundwater and pumping it through underground pipes to a processing plant on the Botany Industrial Park.

The Company has raised an additional environmental provision of \$46 million (after tax). This provision will be treated as a significant item in the financial statements for the year ended 30 September 2004.

Orica has previously advised of the submission of a Clean Up Plan to the NSW Department of Environment and Conservation (formerly the EPA) regarding the Botany Groundwater Project and of provisions amounting to \$35 million (after tax).

The additional provision is required because of the extra costs of hydraulic containment and ex-situ treatment compared with the Company's original proposal to treat the groundwater with passive bio-remediation. Bio-remediation trials will continue.

Orica Managing Director and CEO, Malcolm Broomhead, noted that the Company has recently sold property at Deer Park in Melbourne and at Waitawa in New Zealand realising approximately \$38 million profit after tax. These property sales will also be treated as a significant item in the financial statements. There are further surplus asset divestment opportunities.

The implementation of the Botany Groundwater Project will be the first stage in making land in the Botany area available for disposal in accordance with appropriate planning requirements. Orica has 20 hectares of vacant buffer land known as Southlands in an area in which recent sales have exceeded \$700 per square metre.

To complement Orica's primary objective of remediation, the Company aims to enhance the treatment of the contaminated groundwater from the Botany site, such that the water will be equal to or better than drinking water quality and be available for sale to industrial or commercial customers. Orica will commit \$38 million in capital to this water recycling project.

By November 2005, the Botany Groundwater Treatment Plant (GTP) will be processing some 15 megalitres a day of contaminated groundwater – the equivalent of 1 percent of Sydney's total daily water usage. Most of this will be available for recycling.

Mr Broomhead said this substantial commitment demonstrated Orica's responsible approach to ensuring an acceptable environmental outcome.

"Additionally, we believe our water recycling project is an exciting initiative that will produce a positive water supply benefit to Sydney out of an environmental clean-up," he said.

Mr Broomhead advised that there was no change to Orica's previous guidance regarding net profit after tax (post significant items) for 2004.

October 13, 2004

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