



All Registry communication to:
C/- Link Market Services Limited
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21 November 2005

Securityholder Reference Number/
Holder Identification Number

Dear Shareholder,

Pro-rata Renounceable Rights Issue

Orica Limited (**Orica**) is undertaking a 1 for 8 pro-rata renounceable rights issue of approximately 34.2 million fully paid ordinary shares to raise approximately A\$512 million (the **Rights Issue**).

Shares issued under the Rights Issue (**New Shares**) will be offered at \$15.00 per New Share (**Issue Price**). The proceeds of the Rights Issue will be used to partially fund the Acquisition of the European, Middle Eastern, African, Asian and Latin American business of Dyno Nobel for approximately US\$685 million (A\$902 million), which was first announced on 19 September 2005 and other growth opportunities.

The Rights Issue is being made to all Orica ordinary Shareholders as at 7.00pm on 29 November 2005 whose registered address is in Australia or New Zealand. Shareholders whose registered address is outside Australia or New Zealand (**Ineligible Shareholders**) will not be eligible to participate in the offer. The decision has been made taking into consideration the costs of complying with legal and regulatory requirements in other jurisdictions, compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled. Accordingly we regret that you will not be eligible to participate in the Rights Issue.

Arrangements have been made for the New Shares that would have represented the rights of Ineligible Shareholders to be sold by a Bookbuild, which is to be undertaken by the underwriters to the Rights Issue, Macquarie Equity Capital Markets Limited and UBS, on Monday 19 December 2005. You will receive any premium paid over the Issue Price. However there is no guarantee that you will receive any value as a result of the Bookbuild.

You may obtain a copy of the prospectus from Orica's website at www.orica.com. It does not include an Entitlement and Acceptance Form.

If you have any questions in relation to any of the above matters, please contact the Orica Rights Issue Infoline on 1300 733 154 (from within Australia) or +61 3 9615 9711 (from outside Australia).

Yours sincerely

Don Mercer
Chairman