

ASX Announcement

PRODUCTION EXPANSION AT KOORAGANG ISLAND

Orica Limited today advised that it is progressing an expansion of production capacity at its Ammonium Nitrate (AN) plant at Kooragang Island in Newcastle (New South Wales).

The expansion, which is subject to final Board approval, is estimated to cost around \$16M (+/-10%), involving a debottlenecking of the existing Nitric Acid plants and increasing AN capacity by 100,000 tonnes per annum, of which 30,000 tonnes per annum will be realised in around June 2006. To fully utilize the remaining nitric acid capacity an increment in AN solution or prill production will be required in the future. Options for that increase will be examined in line with market growth in both domestic and export markets.

Orica is also spending \$50M (+/-10%) on a scheduled turnaround of the Kooragang Island Ammonia plant in February 2006. This expenditure will improve the efficiency of the plant and increase ammonia capacity by 25,000 tonnes per annum, effective March 2006.

These expansions are in addition to the 300,000 tonne per annum AN uprate of Orica's Yarwun facility in Queensland, which is scheduled to be completed in August 2006.

Orica Managing Director, Graeme Liebelt, said that the upgrades build on the growth strategy for Orica's Mining Services Australia/Asia business, satisfy Orica's investment hurdles and demonstrate the ongoing strength of coal and metals markets in Eastern Australia and Indonesia.

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