



MEDIA RELEASE: 13 October 2010

Perdaman signs offtake agreement with Incitec Pivot Limited

Perdaman Chemicals and Fertilisers (Perdaman) has signed an offtake agreement with Incitec Pivot Limited (IPL) for the entire output of granular urea fertilizer from its proposed Collie Urea Plant.

The agreement covers the purchase of two million tonnes per annum for a period of 20 years.

The \$3.5 billion Collie Urea Plant in Western Australia is scheduled to start production in 2014. It will be Australia's first coal gasification plant, turning Collie coal into urea.

Chairman and Managing Director of Perdaman Chemicals and Fertilisers, Mr Vikas Rambal, said the signing of the offtake agreement represented a major step forward in the development of the plant.

"The Collie Urea Plant has the potential to make Australia a major player in the global urea market. The agreement means that the nation can become a major exporter of urea. This will benefit Australia's balance of trade figures. There will also be opportunities for sales of urea within Western Australia."

In a release today to the Australian Securities Exchange, IPL's General Manager Supply Chain and Trading, James Whiteside, said the company would sell the urea in several markets including Oceania, India, Pakistan, Asia and the Americas.

These target markets represent 16 million tonnes out of a total global urea trade of 35 million tonnes

Perdaman has now achieved a number of major milestones and is on track to commence construction of the Collie Urea Plant during the first half of 2011.

The Collie Urea Plant will deliver considerable benefits to the West Australian economy, with planned capital expenditure of approximately \$3.5 billion.

The project will generate between 1200 – 1500 construction jobs and 200 operational jobs once the Collie Urea Plant begins production.

Mr Rambal said the offtake agreement would bring the project even closer to reality and would help focus the attention of Governments, community and other sectors of the business community on the benefits it would deliver to the State and Australia.

For further information:

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Background – Perdaman Industries

Perdaman Industries is a Western Australian based multi-national group with a current focus on urea production for local and international use. Perdaman industries and its subsidiary Perdaman Chemicals and Fertilisers was formed in 2006. Founding Chairman Vikas Rambal and his fellow Directors all have extensive major project experience, most recently having played central roles in the development and construction of the A\$700 million Liquid Ammonia Fertiliser plant located on the Burrup Peninsula in the North West of Western Australia.