

Perdaman's Incitec deal to ensure funds

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Vikas Rambal's Perdaman Chemicals and Fertilisers hopes to lock in debt funding for its \$US3 billion Collie urea project over the next six months, after signing a 20-year offtake deal with listed fertiliser giant Incitec Pivot to underpin production.

Under the deal with the country's biggest supplier of fertilisers, Incitec will take the entire two million tonnes of granular urea fertiliser produced at the plant each year. Terms of the contract are confidential.

Incitec Pivot's manager of supply

chain and trading James Whiteside said the company would sell the product into Oceania, India, Pakistan, Asia and the Americas, which collectively accounted for almost half of the 35mt global market for urea in 2009.

Perdaman has yet to bed down project finance but the offtake deal is the next step in funding negotiations.

Mr Rambal said yesterday Perdaman hoped to raise \$US2 billion to \$US2.3 billion in debt and negotiations with lenders were advanced.

South Korean conglomerate Samsung Group has already committed

\$40 million for the plant for a 2 per cent stake.

The project hit a speed bump in January after Ric Stowe's Griffin Coal, with which Perdaman had signed a supply deal, collapsed into administration. However, Mr Rambal said Griffin administrator Brian McMaster, of KordaMentha, was supportive of the project and Perdaman hoped to sign off on a new deal on similar terms over the coming weeks.

Incitec shares rose 7¢ to \$3.73.



Talks advanced: Vikas Rambal