
NEWS

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PENRICE AND AMCOR IN NEW MULTI MILLION DOLLAR SODA ASH SALES CONTRACT

A multi million dollar supply contract announced today with Amcor Glass, a division of Amcor Limited (ASX: "AMC"), has continued a succession of new soda ash contracts announced early in 2008 by Penrice Soda Holdings Limited (ASX: "PSH").

The long term contract is for Penrice to supply soda ash to the Amcor Glass state-of-the-art Barossa Valley manufacturing plant, which is a major Australian producer of bottles for the wine industry.

The contract – which also includes for the first time the supply of soda ash blends for colouring bottles produced at the Amcor plant – is an extension of an existing successful supply partnership between the two companies.

Amcor Glass is Penrice's second largest customer and is a major consumer of soda ash from Penrice's Osborne facility in South Australia.

It also follows new Penrice supply contracts announced in recent weeks with the Windimurra nickel mine in Western Australia, the giant Goro nickel mine in New Caledonia and PQ Australia's Dandenong glass and chemicals plant in Victoria.

Penrice is Australia's sole producer of soda ash which, along with sand and limestone, is a key ingredient in glass production. The Adelaide-based Company is also the key soda ash supplier to all other major glass manufacturers in Australia.

"We are delighted that Penrice's long association with Amcor Glass has been extended with this long term contract," Penrice's Managing Director & Chief Executive Officer, Mr Guy Roberts, said today.

"It is a partnership that has seen the volume of our soda ash supplies to Amcor grow in tandem with the exceptional success and expansion at Amcor's Gawler plant since it opened six years ago," Mr Roberts said.

"Penrice looks forward to working in partnership with Amcor into the future."

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“This win is another good example of our customers’ preference for Penrice’s responsiveness and quality products,” Mr Andrew Kuhndt, Penrice’s General Manager Chemical Sales, said today.

“Our track record of reliable, local Australian supply is second to none and our customers appreciate our service and commitment to their business,” Mr Kuhndt said.

Earnings boost for Penrice

Mr Roberts said the Amcor contract represents a large proportion of Penrice’s soda ash business and would generate significant increased earnings for Penrice. The contract has assisted in recovering cost increases and reinvestment in the business.

“The outlook for soda ash locally and internationally is characterised by strong demand, limited supply capability and price firmness through the medium to long term,” he said.

“Further price rises are expected to flow through as both soda ash markets and global bulk shipping markets tighten.”

Mr Roberts said the Amcor, Windimurra, Goro and PQ Australia soda ash contracts announced this year had combined to produce pleasing earnings improvement prospects for Penrice in the current financial year and beyond.

“Significantly for Penrice, we continue to aggressively pursue new contracts and are currently involved in additional soda ash supply negotiations,” he said.

“These negotiations are enhanced by the improved and more reliable performance of our Osborne plant in SA which has increased soda ash production since the implementation of Penrice’s “Way Forward Plan” introduced at Osborne last year.

“We are already examining options to further expand soda ash output at our Adelaide plant to ensure the Company maintains its market leadership in the Australian market.”

About Penrice

Penrice is the only manufacturer of soda ash and sodium bicarbonate in Australia. It exports to more than 15 countries and employs about 300 people.

Its chemicals business, based at Osborne, supplies two key industrial chemicals. Soda ash is a vital ingredient in products ranging from glass containers (especially wine and beer bottles), and flat glass for building and construction, to washing powder and the mining industry.

Sodium bicarbonate is used in applications as diverse as food and pharmaceuticals, medical and personal care products and stock feed.

The Company also owns and operates the largest marble and limestone mine in Australia, situated at Angaston, in the Barossa Valley, South Australia. The Mine provides a critical, economical supply of limestone to the Company's production of soda ash and sodium bicarbonate at its plant at Osborne.

The quarry and mineral business sells products from the mine for a variety of applications including cement and lime, civil construction, roads, landfill, glass, mineral processing, agriculture, stockfeed and landscaping.

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