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# NEWS

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**FOR IMMEDIATE RELEASE**

**8 May 2008**

## **PENRICE SALT SUPPLIES GUARANTEED UNDER LONG-TERM RIDLEY CONTRACTS**

Penrice Soda Holdings Limited – the largest buyer of salt from Ridley Corporation’s vast salt pan and production facilities north of Adelaide – is guaranteed of future supplies under long-term contracts.

Penrice’s Managing Director and CEO, Mr Guy Roberts, said there would be no interruption to the Company’s salt supplies following yesterday’s announcement of Ridley’s plan to eventually re-locate its Dry Creek salt production to another area.

“In fact, we are already in discussions with Ridley for an increase in our salt supply contracts to cater for the ongoing expansion of Penrice’s soda ash and sodium bicarbonate production at Osborne in SA,” Mr Roberts said.

“We have excellent long-term contracts with Ridley which secure supplies and prices for salt required for our extensive industrial and chemicals production at Osborne,” he said.

Mr John Murray, Ridley’s Managing Director and Chief Executive Officer, said the Company’s major supply contracts with Penrice provided a valuable and stable long term income stream to Ridley’s earnings.

“Penrice is our major salt customer in South Australia so it is in the best interests of Ridley and its shareholders that we ensure there is no disruption to supplies to the Osborne soda ash and soda bicarbonate production,” Mr Murray said.

“To that end, Ridley’s proposed land sales and relocation of salt production in Adelaide will be undertaken over a period and in a manner that does not jeopardise our commitment to providing Penrice’s total salt requirements,” he said.

Mr Murray said Ridley was currently working with Penrice on evaluating an expansion in salt supplies to feed Penrice’s production growth.

Penrice – which sold the Dry Creek salt operations to Ridley in 2005 for \$54.5 million – is the only manufacturer of soda ash and sodium bicarbonate in Australia, exporting to more than 15 countries.

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In conjunction with that sale, Ridley entered into a long term 'take or pay' contract to supply Penrice with approximately 600,000 tonnes of sale per year via a dedicated brine pipeline.

The duration of the Penrice salt purchase contract is for an initial term of 14 years, with Penrice having the option to renew the contract under the same terms at the end of the initial term for further periods of up to another 14 years.

Penrice's 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.

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