



Penrice Soda Holdings Limited

30 April 2010

Mr Justin Nelson
ASX Markets Supervision Pty Ltd
91 King William Street
ADELAIDE SA 5000

By email: Justin.Nelson@asx.com.au

Dear Justin,

Please find below, answers to each of your questions from your letter dated 29 April 2010.

- 1) Please advise when the Company first became aware that the Company's underlying NPAT for the year ended 30 June 2010 would be in the region of \$3 - \$4 million lower than the previous guidance provided in the Open Briefing ("Profit Decrease").*

Wednesday morning, 28 April 2010.

- 2) At the time that the Company became aware of the Profit Decrease, did the Company consider that the Profit Decrease was material to the Company?*

Yes.

- 3) If, at the time the Company became aware of the Profit Decrease the Company did not consider that it was material, please advise the basis on which the Company did not consider the Profit Decrease to be material to the Company.*

Not applicable

- 4) If the answer to question 2 is "yes" please identify an announcement from the Company earlier than the time of release of the Announcement which disclosed the Profit Decrease.*

There was no earlier announcement. The announcement made by the Company on the 28 April was at the earliest time possible and satisfies ASX requirements.

- 5) *If there was no earlier announcement, and the Company became aware of the Profit Decrease prior to the release of the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.*

As per response to question 4, the announcement made by the Company on the 28 April was at the earliest time possible.

- 6) *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

The Company confirms it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Frank Lupoi', written in a cursive style.

Frank Lupoi
CFO & Company Secretary



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29 April 2010

Mr Frank Lupoi
Company Secretary/CFO
Penrice Soda Holdings Limited
Solvay Road
Osborne SA 5017

By email: frank.lupoi@penrice.com.au

Dear Mr Lupoi,

Penrice Soda Holdings Limited (the "Company") announcement dated 28 April 2010

ASX Limited ("ASX") refers to the following:

1. The announcement ("Announcement") lodged at 10:53 a.m. EST on 28 April 2010 entitled "GFC Slowdown Impacts Penrice Chemicals Sales In Q3". The Announcement advised that FY2010 underlying NPAT is no longer expected to exceed FY2009 and is now expected to be \$5 - \$6 million.
2. The open briefing announcement dated 3 March 2010 ("Open Briefing") in which it was stated that while specific guidance would not be given the Company expected to do better than last year, subject to no further deterioration in global economic conditions. (Underlying NPAT for the year ended 30 June 2009 was \$9.0 million).
3. The decrease in the Company's share price from a close of \$0.755 on 23 April 2010 to a low of \$0.56 on 29 April 2010.

As you are aware, listing rule 3.1 requires an entity, once it becomes *aware* of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information. The exceptions to this requirement are set out in listing rule 3.1A.

I would also like to draw your attention to the definition of "aware" in Chapter 19 of the listing rules. This definition states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

Furthermore, paragraph 18 of Guidance Note 8 states:

“Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example.”

Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.

- 3.1A.1 *A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 *One or more of the following applies.*
- *It would be a breach of a law to disclose the information.*
 - *The information concerns an incomplete proposal or negotiation.*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - *The information is generated for the internal management purposes of the entity.*
 - *The information is a trade secret.”*

Paragraph 93 of ASX's Guidance Note 8 “Continuous Disclosure: Listing Rule 3.1” states the following:

“Listing rule 3.1 provides examples of information that, if material, would require disclosure. One of those examples is a change in the entity's previously released financial forecast or expectation. As a general policy, a variation in excess of 10% to 15% may be considered material, and should be announced by the entity as soon as the entity becomes aware of the variation. If the entity has not made a forecast, a similar variation from the previous corresponding period will need to be disclosed. In certain circumstances a smaller variation will be disclosable.”

Having regard to the above definitions, listing rule 3.1 and Paragraph 3 of ASX's Guidance Note 8 – “Continuous Disclosure: Listing Rule 3.1” (“Guidance Note 8”), we ask that you answer the following questions.

1. Please advise when the Company first became aware that the Company's underlying NPAT for the year ended 30 June 2010 would be in the region of \$3 - \$4 million lower than the previous guidance provided in the Open Briefing (“Profit Decrease”).
2. At the time that the Company became aware of the Profit Decrease, did the Company consider that the Profit Decrease was material to the Company?
3. If, at the time the Company became aware of the Profit Decrease the Company did not consider that it was material, please advise the basis on which the Company did not consider the Profit Decrease to be material to the Company.
4. If the answer to question 2 is “yes” please identify an announcement from the Company earlier than the time of release of the Announcement which disclosed the Profit Decrease.

5. If there was no earlier announcement, and the Company became aware of the Profit Decrease prior to the release of the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.


Your response should be sent to me by e-mail. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible, and in any event, not later than 9.30 a.m. AEST on Monday, 3 May 2010.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market. Accordingly, it would be appreciated if you would prepare your response in a format suitable for release to the market and separately address each of the questions asked.

If you have any queries in relation to the above please let me know.

Yours sincerely,


Justin Nelson
Manager, Issuers (Adelaide)