

## **PENRICE SODA HOLDINGS LIMITED**

### ***Media Release***

**11 February 2008**

## **NEW GLASS INDUSTRY CONTRACT PROVIDES FURTHER EARNINGS UPLIFT FOR PENRICE**

Penrice Soda Holdings Limited (ASX: "PSH") – already the major soda ash supplier to Australia's glass manufacturing industry – has increased its market dominance by clinching a new contract with Victorian-based PQ Australia.

The new contract is for Penrice's Adelaide plant to supply PQ Australia its soda ash requirements for all silica glass and chemical production at the company's Dandenong plant.

PQ Australia is a subsidiary of the global USA-based group PQ Corporation which in turn is part of the giant Carlyle Group.

The new contract makes PQ Australia one of Penrice's largest customers behind likes of international glass major, O-I of the USA and Australia's Amcor and CSR Pilkington.

It is the second large Australian contract success in as many months for Penrice which last week announced it had beaten international competition to a soda ash supply contract for the new US\$2 billion Goro nickel mining project on the South Pacific island of New Caledonia.

"These new contracts have provided Penrice with a great start to 2008 and I am pleased to report that we have several other significant contract negotiations currently under way," Penrice's Managing Director & Chief Executive Officer, Mr Guy Roberts, said today.

"Significantly, it reflects the positive results flowing from the improved and more reliable performance of our Osborne plant which has increased soda ash production since the implementation of our Way Forward Plan," he said.

"We are already examining options to further expand soda ash output at our Adelaide plant to ensure the Company maintains its standing in local supply markets."

### **"Earnings positive"**

Mr Roberts said that like the recently announced Goro Nickel soda ash contract breakthrough, the PQ Australia contract would be earnings positive for Penrice.

"We expect a similar earnings boost from the PQ Australia contract as from our Goro deal, which means that our future profit growth has received a significant boost from just two new contracts in the last month," he said.

"Penrice is determined to build on these achievements in coming months, including participating further in the soda ash demand being generated by the buoyant resources industry conditions in Australia, he said."

## **PQ Australia Contract**

Penrice's South Australian plant has already commenced supply in a multi-year deal which will see Penrice supply all of PQ Australia's soda ash requirements.

"This win is another good example of our customers' preference for the responsiveness, quality and competitiveness of Penrice," said Mr Andrew Kuhndt, Penrice's General Manager Chemical Sales. "Our track record of reliable, local supply is second to none and our customers appreciate our service and our commitment to their business," he said.

PQ Australia is part of PQ Corporation – a global enterprise operating in 19 countries on five continents. The group is a leading producer of silicate, zeolite and other performance materials serving the detergent, pulp and paper, chemical and water treatment markets.

PQ also owns Potters Industries, which is a leading producer of engineered glass materials serving the highway safety (beads to reflect lights off white lines), polymer additive and metal finishing markets.

The process of producing silica glass from the Dandenong factory is based on one of the earth's most common constituents, sand. Silicates are made by fusing sand and soda ash in an open furnace (similar to bottle glass production) and are used as adhesives, detergent enhancers and chemical intermediates.

## **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.

## **Media contacts:**

**Guy Roberts**  
**Managing Director &**  
**Chief Executive Officer**  
**Penrice Soda Holdings**  
**0412 958 040, 08-8402 7000**

**John Field**  
**Field Public Relations**  
**0418 819 527**  
**08-8234 9555**